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CONSUMERS' COOPERATION

OFFICIAL ORGAN
Of the Consumers’ Cooperative Movement in the U. S. A.

VOLUME XXVI
January—December 1940

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January
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COMING EVENTS

Co-op Recreation Conference sponsored by the Eastern Cooperative League, Saddle River, New Jersey, January 13 and 14.


Midland Cooperative Wholesale, Employee Training School, Camp Idahop, Minnesota, January 29 to February 4.

Farmers Union Cooperative Education Service Institute, Jamestown, North Dakota, 4 weeks beginning January 29.

Management Training Institute sponsored by Rochdale Institute, Consumer Distribution Corp., Eastern Co-op Wholesale, New York City, February 5 to March 27.

Rochdale Institute, New York City, Spring Term, February 5 to March 27.

Ohio Farm Bureau Cooperative Association, Annual Membership Meeting, Columbus, Ohio, February 13.

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The Producer-Consumer
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The American Cooperative Movement

Certainly it would be no reflection upon the great leaders of the Cooperative Movement in other countries to say that, because of the background of the United States and other circumstances, America needs even stronger leaders than anywhere else. The primary reason is that they have the greatest opportunity of all. The background of America is more strongly democratic from its beginnings in the political, religious and educational phases of its organization than any other country. This means that the challenge to cooperative leaders is also greater to develop democratic economy in this country. The resources of America are the greatest of any country in the world. This means that we have the most natural wealth to distribute. The size of America makes it necessary that local cooperatives must join regionals and regionals must join the national, rather than locals joining the national direct without intermediate regionals. The problems of adjusting relationships between regional leaders seem to be greater than between local leaders. Regionals can more easily conclude that they are sufficient unto themselves, than can locals.

We repeat, as we have done before, the challenge which Albin Johansson, the great Swedish leader, threw out to American cooperative leaders when he left our soil, "WHAT AN OPPORTUNITY!" Will American cooperative leaders be able and humble enough to rise to their great opportunity? They can only do so if cooperators everywhere in America likewise become great. As Dr. Tompkins of Nova Scotia rightly declared, "It takes a great people to throw up great leaders. The primary problem is how the people can themselves become great."

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.

Volume XXVI. No. 1 JANUARY, 1940 Ten Cents

The Bridge
How Should Cooperators Describe Capitalism?

We have been inclined to follow the rule "speak gently about the dying" in discussing the present capitalist economic system. Yet we sometimes wonder if we should not express our true feelings and use harsher words in indicting a system that has produced so much poverty, unemployment, tenancy, crime and war.

Should we use such expressions as one writer did in the Nation, "Capitalism is no longer able to make the rich rich enough so that the poor can get fat from the garbage." Should we follow the example of William Allen White and describe those who are the flower of capitalism in language like this, "If you ask us, we know a better word than 'titans' for old Charley Schwab. It is a three letter word beginning with H and ending with G and meaning something that afterward develops into sausage and bacon and football covers."

It's all a question of what is the language which will move people to cooperate rapidly in an evolutionary way, and not react violently and throw us into Fascism or Communism. We still believe, in spite of such illustrations, which we are all occasionally inclined to use, that violent language only produces violent action, and that the language of peace is the most powerful method of persuasion.

WHAT COOPERATION MEANS

Cooperation is both an economic system and a way of life. The two are closely intertwined. In fact, it is reasonably accurate to say that the commercial system and the cultural methods which prevail must correspond, for they are both the outcome of the thinking of the same people at any one stage in their development. Hence it follows that Cooperation should be considered and presented both as to its commercial and cultural meanings. Here are what we consider the major meanings of Cooperation:

   Commercially

1. Cooperation means honest quality products. Consumers have no reason to adulterate the products they process and distribute to themselves. It would be the utmost of folly for them to fool themselves by misrepresenting the quality of such products to themselves.

2. Cooperation means economy of distribution and production. The waste in duplication of production and distribution facilities would be eliminated under Cooperation. Wastes of time would also be eliminated with the result of shortening working hours.

3. Cooperation means economic security for all. Competition results in a few becoming owners. Cooperation eliminates poverty, unemployment and tenancy by equitably distributing purchasing power.

   Culturally

1. Cooperation means economic as well as religious, educational and political democracy. Everyone becomes an active participant in the economic processes of control with consequent personal development of confidence, initiative and group-individuality.

2. Cooperation means educational opportunities for all. Participation in democratic processes requires as a fundamental the constant education of adults as well as youth. Cooperation demands education for life.

3. Cooperation means recreational release. No longer will opportunities for development in music, art, etc be confined to the few. No longer will recreation be destructive, but building in every way.

Cooperation is a new order of society. Our present competitive order is bankrupt both commercially and culturally. We are in the midst of a dying competitive order and a dawning cooperative order which will give birth to a new commerce and a new culture.

CONSUMERS—The Common Denominator of Farmers and Workers

There is a widespread mistaken theory in America among both farmers and workers that they can "go it alone." And just so long as this theory is maintained, just so long will farmers and workers be divided and conquered. It would not seem so strange if this theory were held only by finance and industry, but for farmers and workers themselves to hold to this false theory is a tragedy.

In Europe, farmers and workers have long ago gotten beyond this stage in their development of purchasing cooperatives. There they accept that they are all consumers and join together in the Cooperative Movement which is the true foundation of cooperative purchasing—open membership to all users of the product handled irrespective of occupation or residence.

To present this fact accurately we have written to the various European countries to get statistics relative to their division of membership and have the following replies:

<table>
<thead>
<tr>
<th>Division of Membership</th>
<th>Farm</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland (SOK)</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>Sweden (KF)</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>Norway (NKL)</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>France (Nancy)</td>
<td>45%</td>
<td>57%</td>
</tr>
</tbody>
</table>

What difference does it make that farmers are the largest percentage of the membership of SOK in Finland, and that workers are the largest percentage of the membership of KF in Sweden? No difference whatever—for they are all consumers, whether farmers or workers. How can farmers and workers interests clash by being members of the same purchasing cooperative which deals in products they both use as consumers? It's high time that all the leaders and members of cooperative purchasing associations in America took a leaf out of the lesson from European cooperative purchasing development and accepted and practiced the first basic cooperative principle of "Open Membership."

This is far more than a simple matter of theoretical philosophizing. It is not a matter of cooperative orthodoxy. It is not a matter of "take it or leave it." It is fundamentally a matter of economic law. In time it will be accepted generally that cooperatives cannot successfully compete with private dealers unless they follow the basic economic law of serving all potential purchasers of the commodities they handle and handling all the commodities which their members desire in economic quantities.

Fortunately for the future of the cooperative purchasing movement in America, two-thirds of the large purchasing wholesales have already accepted the fact that they are Consumers' Cooperatives and have joined together in the Cooperative League and National Cooperatives, which are the national educational and economic organizations of the Consumers' Cooperative Movement. All restrictions on membership are bound to be broken down in time both as a matter of cooperative principle and a matter of economic efficiency. Our Movement will grow in strength as farmers and workers learn that they are both consumers and that they cannot go it alone.

January, 1940
Pioneers in the Struggle Against Poverty

The centennial of the birth of Henry George, who wrote the famous book "Progress and Poverty" which was the first introduction to real economic thinking for many—even though they may not have been able to agree with his conclusions—has resulted in many articles about his life and writings.

Henry George taught the simple truth that "POVERTY IS SLAVERY." Once men were slaves to Masters, which was called "Slavery." Then they became slaves to Land, which was called "Feudalism." Now they are slaves to Machines, which is called "Capitalism." But whether called Slavery, Feudalism or Capitalism, it is still SLAVERY, and some day will be admitted by all to be. It is just as necessary for Cooperation to succeed Capitalism, in order for men to be FREE, as it was for Capitalism to succeed Feudalism and for Feudalism to succeed Slavery, as steps along the road towards freedom.

The world is indebted to Henry George for helping humanity to open its eyes a little wider to the truth and to react against the anomaly of Poverty in the midst of Plenty. In Henry George's day also lived William Morris, who wrote what George Bernard Shaw calls the "greatest of the Utopias" under the name, "News From Nowhere." He also called his and future generations to action with stirring appeals. He declared that when humanity threw off its former yokes it thought it would be free, only to find itself in a new and wider prison house. But now, he said, when we throw off our present yoke of private-profits, "We shall be FREE INDEED." Such men were true servants of humanity. We need to develop more of them today.

The Cooperative Movement's Greatest Commercial Asset—"CO-OP"

The old Persian saying is true that the most precious thing a maker or distributor has is his reputation. The trademark "CO-OP" is the most valuable commercial possession of the National Cooperative Movement in the United States. On it the reputation of the movement depends. On it the future success or failure will be built. It should be treated as an inviolate evidence of quality. It should be an unquestionable guarantee of the truthfulness of the description of the contents of any package or product on which it is placed. It should be enough for any purchaser to say, "Give me the CO-OP brand," without any necessary comparison with others. Not only should this quality distributed under the "CO-OP" trademark be the highest in its grade, but this trademark, owned by National Cooperatives, Inc., should be handled in such a way as to build up the resources of the national movement so that an increasing number of products can be produced cooperatively as well as distributed cooperatively. While regional cooperatives can do some manufacturing and inter-regional cooperatives still more, yet there can be comparatively little produced today except on a national scale. This means that the Cooperative Movement should take a leaf out of the book of private business and license the use of this trademark only on condition that a percentage be paid to National Cooperatives covering the quantity of every product distributed under the "CO-OP" label. Right now we are almost starving the national movement. Very little more is being saved by the national movement than barely enough to cover the operating expenses of purchasing. We do not even permit the national movement to save enough now on its joint purchases to finance a minimum national publicity, educational and legislative program. The "CO-OP" trademark should represent unquestionable quality to purchasers and be used as the means of accumulating the funds necessary for the building of national production facilities to guarantee the quality as well as to finance education and legislation.

Consumers' Cooperation

January, 1940

SELF-HELP vs. STATE HELP

(Footnote: Few men have foreseen coming events as clearly as George W. Russell, the great Irish poet-cooperator. In an out-of-print book, "Cooperation and Nationality" written in 1912, he wrote his fellow Irishmen to develop voluntary organizations for "self-help" rather than to depend upon "state-help". We have assembled and are quoting below some of his outstanding statements which are even more timely today for Americans than when he wrote them over a quarter century ago.)

WHEN a man becomes imbecile his friends place him in an asylum. When a people grow decadent and imbecile they place themselves in the hands of the State. It is the tragedy of the decline and fall of the human will in the people we are witnessing, a far more tragic than the degradation which is being inflicted. The will is growing powerless to act without partnership with its idol the State. Every eye was fixed on Westminster, with the natural consequence that the powers and possibilities of the State assumed monstrous and unnatural proportions, in men's minds, and what a man or country could do for itself without State aid dwindled to insignificance.

All these appeals to the State would not have done so much harm if the mouth-pieces of popular sentiment had not felt it incumbent on them to discourage any non-political efforts to promote prosperity. These were described as "drawing a red herring across the track." If self-help had been fostered as industriously as State-aid we might have arrived at something. But no one has foreseen come events as clearly as George W. Russell, the great Irish poet-cooperator. In an out-of-print book, "Cooperation and Nationality," written in 1912, he wrote his fellow Irishmen to develop voluntary organizations for "self-help" rather than to depend upon "state-help." We have assembled and are quoting below some of his outstanding statements which are even more timely today for Americans than when he wrote them over a quarter century ago.)

George W. Russell (AE)

It is not what the State has done or can do which inspires, but the infinitely nobler possibilities which arise through the voluntary cooperation of men to wring from nature and life the utmost they can give.

The Servile State, whose swift coming Mr. Hilaire Belloc deprecates, seems to be the objective of the ruling and official classes.

I hold that the whole salvation of Ireland depends on what Irish people can do for themselves. I think the worst enemies Ireland has today are those who are forever supplicating State aid on her behalf.

I would a thousand times rather dwell on what men and women working together can do than on what may result from majorities at Westminster. The will of the people has never been nearer to complete dependence on it than at the present moment.

It is indeed to Hilaire Belloc, Irish poet-cooperator, that we turn for guidance in our efforts to win freedom for Ireland. His message today to the Irish people is just as pertinent as when he wrote them over a quarter century ago.

Irishmen to develop voluntary organizations for "self-help" rather than to depend upon "state-help."
self can make it into an Earthly Paradise, and it is a dull business, unworthy of being made in the image of God, to grind away at work without some noble end to be served, some glowing ideal to be attained.

* * *

Every person gets the kind of government they deserve. A nation can exhibit no greater political wisdom in the mass than it generates in its units. It is the pregnant idealism of the multitude which gives power to the makers of great nations, otherwise the prophets of civilization are helpless as preachers in the desert and solitary places. So I have always preached Self-help above all other kinds of help, knowing that if we strove passionately after this righteousness all other kinds of help would be at our service. So, too, I would brush aside the officious interferer in our cooperative affairs, who would offer on behalf of the State to do for us what we should, and could, do far better ourselves. We can build up a rural civilization in Ireland, shaping it to our hearts' desires, warming it with life, but our rulers and officials can never be warmer than a stepfather, and have no "large, divine, and comfortable words" for us, they tinker at the body when it is the soul which requires to be healed and made whole.

THE MARCH OF MONOPOLY

E. R. Bowen

The present economic system was morally indicted in the Catholic Encyclical "Reconstructing the Social Order" in 1931 in these simple words, "Free competition is dead—economic dictatorship has taken its place."

We have had many statistical studies confirming such moral condemnations since monopoly began its great march, which have shown the results in terms of individuals in increasing unemployment, poverty and tenancy. But it has been left to E. D. Kennedy in "Dividends to Pay" (Reynal and Hitchcock, New York, $2.50) to show the results statistically in terms of corporations. Just as rich individuals are getting richer and poor individuals are getting poorer, he also shows that large corporations are getting richer and small corporations are getting poorer.

Profits and Losses

<table>
<thead>
<tr>
<th>Years</th>
<th>960 Corps.</th>
<th>450,000 Corps.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1926</td>
<td>$3,665,000,000 Profit</td>
<td>$3,853,000,000 Profit</td>
</tr>
<tr>
<td>1927</td>
<td>3,290,000,000</td>
<td></td>
</tr>
<tr>
<td>1928</td>
<td>4,100,000,000</td>
<td></td>
</tr>
<tr>
<td>1929</td>
<td>4,740,000,000</td>
<td></td>
</tr>
<tr>
<td>1926-29</td>
<td>$15,795,000,000</td>
<td></td>
</tr>
<tr>
<td>1930</td>
<td>$2,920,000,000 Loss</td>
<td></td>
</tr>
<tr>
<td>1931</td>
<td>1,370,000,000</td>
<td></td>
</tr>
<tr>
<td>1932</td>
<td>365,000,000</td>
<td></td>
</tr>
<tr>
<td>1933</td>
<td>1,000,000,000</td>
<td></td>
</tr>
<tr>
<td>1934</td>
<td>1,410,000,000</td>
<td></td>
</tr>
<tr>
<td>1935</td>
<td>1,970,000,000</td>
<td></td>
</tr>
<tr>
<td>1930-35</td>
<td>$9,033,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$17,160,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Consumers' Cooperation

His conclusions are summarized thus, "a handful of tremendously profitable corporations are getting a strangle-hold on the profits of industry as a whole . . . the rich companies are making money at the expense of the other companies."

The statistics he presents, which are taken from the U.S. Treasury Department's Statistics of Income and from a compilation by the Standard Statistics Co., strongly support his conclusions.

Pyramiding Wealth

From 1926 to 1929, or the four years before the collapse, 960 corporations (2 out of every 1,000) made $15,795,000,000 which was about the same as the other 450,000 corporations (998 out of every 1,000) made of $13,185,000,000. But from 1930 to 1935, or the six years after the collapse, the 960 corporations continued to make profits of $9,033,000,000, while the 450,000 corporations lost $17,160,000,000. "The earning power of American industry has become concentrated in the hands of less than 1,000 of our corporations."

His conclusions are summarized thus, "a handful of tremendously profitable corporations are getting a strangle-hold on the profits of industry as a whole . . . the rich companies are making money at the expense of the other companies."

"All of which," says Kennedy, "brings us back to our major proposition that a few companies make most of the money, and still fewer companies make most of the money that the few companies make."

And how has monopoly gotten this strangle-hold on us? By adopting the "principle of dividends before wages . . . by liquidating labor instead of liquidating capital." The monopoly method is to gain control and then hold prices up and payrolls down and thus squeeze dividends out of consumers and workers.

"What's ahead of us? Well, the author offers little early hope. "I see no reason why the 1940's should be any better than the 1930's. There is, indeed, every reason to believe that they may be considerably worse."

What is the Answer?

Unfortunately, as so many such statistical studies fail to do, the author himself suggests no way out. He only declares definitely that the answer is not to go back from monopoly-capitalism to competitive-capitalism. In one sentence he does offer a clue to the solution, "The industrialist (along with most orthodox economists) thinks in terms of production only. He must learn to think in terms of consumption as well."

But it is only wishful thinking to even suggest that the owners and managers of our monopoly corporations might lead the way out to abundance for all. That is where cooperators come into the picture. It's our job to graphically present such statistical studies to others and convince them of the fact that monopoly is making the rich richer and the poor poorer—both as individuals and as corporations—and that the only way out is for the people as a whole to take over industry through organizing cooperatives which will raise pay and lower prices and thus eliminate poverty, unemployment and tenancy.

(Those who like statistics will find that this book reads like a novel. It can be ordered through the Cooperative League.)
Ohio Cooperatives Try
Cooperative Program Planning
Members of Farm Bureau cooperative
groups in Ohio have held a lot of conferences the last few years in which they have studied the meaning of cooperative principles and methods, and they have come to the conclusion that there is still more to be gotten out of cooperation than they have so far achieved.

Sometime, somewhere, in the discussions last summer, the suggestion came that the membership develop its own program for the coming year. The organization department of the Ohio Farm Bureau welcomed the idea and tossed it right back to the members. "How," they were asked, "should membership be developed in 1940?" How should a County Farm Bureau be worked out and executed? In what of the recommended program, which is too extensive to include here in full. Some of its "planks", for example, are:

Employ full-time county organization manager. Each county conduct its own membership plan under organization manager. Divide county into small units. Have program-planning meeting. Invite all members. Publish county program. Contact legislators aggressively. Expand Advisory Council; programs; include non-Farm Bureau members. Work on financial needs; reduce accounts receivable. Increase efforts for legislation to include urban membership in farm co-ops. Manufacture more commodities. Add groceries, clothing. Start medical projects. Undertake cooperative banking. Develop credit unions. Set up more service points. State organization set up training system for coop employees.

Where will Ohio go in 1940? They don't expect to make a perfect record on this program in one year. But there is a keen consciousness among the members that the program is one of their own making. There is a lot of new interest in reaching the goals. And the odds are higher than ever for anyone who wants to bet they won't succeed!

1939 Index
An index of Consumers' Cooperation for 1939 will be sent to subscribers free on request.

January, 1940
COOPERATIVE HIGHLIGHTS OF 1939

Wallace J. Campbell

The American consumer cooperative movement can list 1939 as its greatest year of progress. By the end of the year more than 2,000,000 consumers were members of cooperatives doing a total annual business estimated at $600,000,000.

Among the accomplishments of the year are several important steps into production; the expansion of cooperative activities from farm to general household supplies; an increased support from labor and farm organizations; and a vicious nation-wide attack on the cooperative movement, giving evidence of the fact that private profit business is now taking the cooperative movement seriously.

Among the new factories and other production units now in operation or planned for the next few months are:

1. A $750,000 petroleum refinery at Phillipsburg, Kansas.
2. A $250,000 refinery at Regina, Sask.
3. Flour mills at Aubur, Ind., and Outlook, Sask.
4. A $750,000 petroleum refinery at Phillipsburg, Kansas.
5. Feed mills at Manheim, Pa., and Superior, Wis.
6. Commercial fertilizer factories and mixing plants at Baltimore; Indianapolis; Alliance, Ohio; and Mau- nnee, Ohio.

Cooperative distribution of groceries found its greatest growth in eastern cities when the Eastern Cooperative Wholesale, serving 200 cooperatives from Maine to Maryland became the first urban cooperative wholesale to surpass the $1,000,000 mark. An unusual development in this field was the creation of a co-op chain of grocery stores in southern Minnesota and Wisconsin sponsored by Midland Cooperative Wholesale and its affiliated retail cooperatives which combine the efficiency of chain store operation with local ownership, democratic control, and distribution of savings to members. American grocery co-ops adopted a uniform CO-OP label and pioneered in government ABC grade labeling of commodities.

Distribution of farm supplies, a field in which co-ops are strongest, continued to grow. The Farm Credit Administration estimates co-op purchases at $4,000,000,000, one-eighth of all U.S. farm supply purchases.

The Farm Bureau Mutual Cooperative insurance companies handling fire, automobile and life insurance showed increases of from 18 to 27% for the year. Cooperative credit unions continued to grow throughout the year, reporting 2,250,000 members and assets well over $100,000,000.

Continuing its series of farm, labor and cooperative conferences, the Cooperative League arranged institutes at Racine and Akron during the year and planned similar institutes in Kansas City and California early in 1940. The AFL and CIO, at their annual conventions, renewed their endorsement of the cooperative movement as an effective means of meeting the increasing costs of living. And the National Farmers Union, American Farm Bureau Cooperative Association in Chicago centering executive activities in the heart of America.

Closer coordination of educational and business activities through concurrent quarterly meetings of the board of directors of The Cooperative League and National Cooperatives. Many of the directors serve on both boards, bringing to both a breadth of cooperative experience.

National Cooperatives demonstrated its effectiveness as coordinating agency for national co-op buying by acting as the agency through which the grocery co-op wholesalers worked out a program of uniform national CO-OP labeling, use of Government ABC grade labeling, and a national purchasing program. National Cooperatives also continued its program of joint buying of tires, bender twine and electrical appliances, closing the year operating the black on the savings made through large-scale purchasing.

The Bureau of Cooperative Medicine sponsored a national conference of group health associations in New York City in July. The Group Health Federation of America which grew out of the July conference will hold its first annual meeting in Chicago, February 1, 2, and 3.

Other Cooperative Services

Cooperative burial associations, already strong in Iowa, Minnesota and Wisconsin began to develop in other sections of the country as an answer to the problem of the high cost of dying. E. R. Bowen, general secretary of The Cooperative League, was invited to address the National Association of Selected Morticians at their annual convention on the growth of cooperative burial associations.
Housing Council in New York City where
affiliations.
projects with a total assessed value of ten
million dollars are in operation in New
York. Just outside of Madison, Wisconsin,
the Wisconsin Cooperative Housing
Association has completed 22 houses (av-
eraging in value from $3000 to $5000) in
its first co-op housing project.
Pioneering in low-cost cooperative
housing, Mary Arnold, formerly a director
of The Cooperative League, supervised
the construction of the Tompkinsville
cooperative housing project, just outside
of the city. In November, they broke
ground on 160 campus, according to the Na-
tional Committee on Student Cooperatives.

Cooperative Rural Electrification

One-quarter of the country’s farms were
enjoying high line electric service as the
New Year opened. This is more than
double the 743,000 farms (10.9% of the
total) which were electrified when the
Rural Electrification Administration pro-
gram began in 1935.
The great part cooperatives played in
this program was revealed in the fact that
88.4% of the projects sponsored by the
REA are run by cooperatives. Twenty-one
REA cooperatives have grown to million
dollar size. The largest has an investment
of more than two million dollars; another
has 3,600 consumer-owners; and a third
has 1,700 miles of line in operation. The
average size co-op has an investment of
$400,000 and serves 1,200 members from
400 miles of line.
During the year 225,000 rural consum-
ers were brought central-system power for
the first time.

College Cooperatives

Students at American universities took
things into their own hands during the
year and organized federations of campus
co-ops covering the Pacific Coast and the
Midwestern states. The Pacific Coast
Student Cooperative League was formed in
the fall, and 13 by representatives from
campus co-ops on ten campuses. The Mid-
west Student Cooperative Federation grew
out of a meeting in Chicago in May, which
drew together student co-op leaders from
Wisconsin, Illinois, Michigan and Ohio.
These federations will strengthen existing
co-ops, spread the co-op idea to other
universities and keep real cooperation
in action on campuses where new generation
of students can use the cooperative
idea. More than 200 co-ops are in opera-
tion on 160 campuses according to the Na-
tional Committee on Student Cooperatives.

Cooperative Education

Education-by-participation through study
circles had its greatest growth during the
year. The Maritime provinces, from
whence the present drive came, continued
to expand their education in spite of the
war. Ohio Farm Bureau Cooperatives had
800 study clubs going at year’s end and
planned for the organization of 500 more
in 1940. Eastern Cooperative League
launching its study club advisory council
program in September had 156 units in
action at the close of the fall ABC
Campaign.
Central Cooperative Wholesale includ-
ed study clubs in its four-fold educational
program this fall and plans to have 250
go in by April. Consumers Cooperative
Association and Midland are continuing
Neighbor Night and Advisory Council
programs which began last year. The
Farmers Union Cooperative Education
Service also pushed study clubs as a basic
part of its education program. In Califor-
nia, co-op study clubs blossomed forth at
Fireside Forums.
The Cooperative League conducted its
Third Annual Conference Tour of Nova Scotia in August. More than one hundred
cooperative, church and educational leaders
took part in the tour which began with the
Rural and Industrial Conference in Antigonish.
Employee education gained momentum
as the year dawned with management
training schools planned by CCA, Mid-
land, Farmers Union, Ohio Farm Bureau
Cooperative Association and by the Coun-
del for Cooperative Business Training
assumed by Rochdale Institute, Consum-
er Distribution Corporation and Eastern
Cooperative Wholesale. Central Coopera-
tive Wholesale held its managers training
course in the fall and Rochdale Institute
trained two groups of prospective co-op
employees during the year.
The National Cooperative Publicity and
Education Conference at Milltown, Wis-
consin, in June, drew together the co-op
educational directors and editors from all
of the regional cooperative associations
and a number of local cooperatives and
district federations. This was followed im-
ediately by the Fourth Annual National
Cooperative Recreation School. Much of
the credit for the rapidly growing interest
in cooperative recreation can be traced to
the success of the recreation school.

Motion Pictures

Motion pictures played a larger role
than ever in cooperative education in
1939. "The Lord Helps Those Who Help
Each Other," a 16 mm, three-reel, silent
motion picture on cooperatives and adult
education in Nova Scotia, produced by the
Harmon Foundation in cooperation with
the Cooperative League was shown to
more than a quarter of a million people
during the year and is in constant demand.

"The House Without a Landlord," a
21/2-reel picture of the Amalgamated
Cooperative Houses and the many co-op ser-
vice in America’s largest housing coop-
erative has been very popular. Three
other pictures "Clasping Hands," "When
Mind and Heart Are Working," and "A Day
with Kagawa," were also used for co-op edu-
cation during the year.

A new three-reel movie of the Swedish
Cooperatives photographed in color just
before the war began is being edited and
will be available soon. The picture is be-
ing produced by the Harmon Foundation
and The Cooperative League.

New Cooperative Literature

Among the new books on the coopera-
tive movement published during the year
were:
"Masters of Their Own Destiny," the story
of adult education and cooperation in
Nova Scotia, by Dr. M. M. Coe.
"The Consumer Cooperative Distribut-
ive Agency," the first college text book
on the consumers cooperative movement,
by Orrin Bourley.
"Cooperation: A Way of Peace," by Dr.
James P. Warbasse.
"A Doctor For the People," an autobia-
ography and the story of the first cooperative
hospital in the U.S.A., by Dr. Michael
Shadid.
"Careers in Consumers Cooperation," a
study of cooperative employment in the
Central Cooperative Wholesale territory,
by Clarence Faurier.
"Speaking of Change," a collection of
addresses and papers, by Edward A. Filenc.
"The Consumer Awakens: the Challenge of
Cooperation," a popular description of
the need for and accomplishments of the
cooperative movement, by Harold V.
Knight.
"Operating Results of Consumers’ Cooper-
aives, 1937," a detailed study of operating
efficiency of cooperatives made by Dr. Al-
bert N. Schmid of the Harvard Graduate
School of Business Administration.
"The New History of the C.W.S.," a sev-
enty-five year history of the great British
Cooperative Wholesale Society, by Percy
Redfern.
"The Cooperative League Year Book,
1939," edited by Cecil Crews.

Government Publications on coopera-
tives included:

"Statistical Handbook of Farmers Cooperatives," based on the first official detailed census of the farmer cooperative movement, by the Farm Credit Administration, edited by R. H. Elsworth.

New Pamphlets include:
- "Cooperation and Religion," by Dr. M. M. Coudy.
- "Father Tompkins, Teacher of Fishermen by the Sea," by Benson Y. Landsis.
- "Cog or Collaborator," by Herman Stolpe.
- "Discrimination Guide on Consumers Cooperation," by Harry Frank.
- "What Every Cooperator Ought to Know," by Anthony Lehner.
- "In Business For Service," by James Myers.
- "Cooperative Housing in Sweden," by Ulla Alm.
- "How to Organize a Cooperative Club," Eastern Co-op Wholesale.
- "Organized Labor—Organize as Consumers!"

Progress in the Far West

Grange Cooperative Wholesale and Pacific Supply Cooperative in the Northwest reported considerable progress and Pacific Supply launched an auditing service for its member co-ops.

In California the Cooperative Education Association and Associated Cooperatives amalgamated to form the Associated Cooperatives of Southern California, and the Northern California Cooperative Council and the Northern California Cooperative Wholesale joined forces as Associated Cooperatives of Northern California. With education and business functions unified, the California co-ops staged their first state-wide cooperative institute.

Consumers Cooperatives Associated, with headquarters in Amarilla, Texas, under the guidance of its new manager, F. E. Holgood, reported constantly rising business volume and a rapid growth in the use of CO-OP label goods.

Co-ops on the March

The Cooperative Book Club, youngest member of The Cooperative League, changed its charter and became the Consumers Book Cooperative, a membership rather than a stock cooperative, as the new year began. During the year it inaugurated a wholesale department to serve libraries, cooperatives and other non-profit organizations.

The Cooperative Wholesale, Chicago, reported its most successful year and steps were taken toward the amalgamation of the wholesale and the Central States Cooperative League. The Northern States Cooperative League, after 18 years of pioneer work in cooperative education, voted to suspend activities in October since coop-wholesales in its area had built up effective education departments.

Cooperative Distributors, national mail order cooperative, added a wholesale department to supply drugs and cosmetics to retail cooperatives—a move which proved highly successful. The Ohio Farm Bureau Cooperatives created a mail order department to serve their members.

Borrowing a leaf from the book of Swedish cooperatives the Central Cooperative Wholesale set up an architectural service for its member cooperatives to increase the beauty and efficiency of coop-stores, an important step in the direction of cooperative leadership. Farmers Union Central Exchange closed its first ten months of 1939 with a volume of $4,433,000 becoming a leading factor in Farmers Union activities.

Still leading the movement in women's and youth action, the Northern States Women's Cooperative Guild completed its 10th year of educational work and published a "Tenth Anniversary Album" describing its activities. The Northern States Cooperative Youth League passed its goal of 1,000 members well before the close of the year.

Although 1939 ushered in three new wars and completed a decade of unemployment, tenancy and poverty, for the consumers cooperative movement in the United States it was a year which may be marked as the most significant in its history.

COOPERATIVE PLAY

The Southern Wisconsin Co-op Youth League was organized last summer at the close of a week of cooperative camping at Lake Ripley, Wisconsin. The seventy-four boys and girls who had enjoyed a week of play and study went home and talked with their friends and local co-op managers about organizing a local Co-op Youth Club. By the first of December, three months after organizing, there were eight local co-op youth clubs with a membership of over two hundred.

Each local club plans its own activities but the general program for the clubs is very similar. They discuss current problems, plan debates, have dramatic activities, play games, dance, both folk and modern, and a great many other things. The executive board edits a monthly newspaper, The Co-op Crier. The news is sent in by the Co-op Clubs or by their reporters and it also includes feature articles, ideas, suggestions, and other helpful articles.

A mid-winter conference of all the clubs is being planned at which everyone will have an opportunity for a full-day of cooperative study, play and dancing.

Bob Tomlinson

An evening of games and dancing under the direction of the Play Co-op wound up a special three-evening program sponsored by the Educational Center of the Morningside Consumers Cooperative in New York City late in December. In addition to singing games and square dances, the group presented a number of charades. It is planned to have a group meeting regularly for recreational activities starting the first of the year.

BOOK REVIEWS

The Little Red Hen and Her Cooperative, Antioch Bookplate Company, Yellow Springs, Ohio, 1939, 10 cents. Available through The Cooperative League.

Once Upon a Time there was a little hen, And a very wheaty kind of a day.

And thence follows in verse, a tale of the barnyard cooperator who believed and practiced a philosophy of cooperation, and who also patiently but hopefully, finally converted her less cooperative and aloof barnyard companions to ways of working together for the common good.

Her name was Henny-Penny, and she was the mother of three little chicks. One day as she was searching for food she came across a little pile of wheat. Henny-Penny had vision.

She knew that if she planted the wheat there would be a sufficient quantity for a lot of tasty, wholesome bread. Henny-Penny was also wise-minded and lost no time in seeking the cooperation of her neighbors the Rat and the Cat, the Pig and the Dog, in a bread-making venture. Even the Rat, herefore a none too useful member of society was welcomed into membership in the little red hen's cooperative.

"If all will work together, it won't be hard for any And we each can have a share of wheat, Said little Henny-Penny." But when Mistress Henny proposed a cooperative to her friends she met with the common resistances of the less visionary and unbelieving animals. So she planned her coop alone, tended it, and then baked tasty, brown loaves of bread. All this time she attempted to enlist her companions aid in a cooperative enterprise but she met only with rebuffs. When she and her brood were finally feasting on the fruits of her labor, the four non-believers stood by,
weeping, and most regretful of the indifferent attitude they had taken. Unselfish Henny-penny shared her bread with them, happy at last that they saw the evils of their old way of doing things, and in this spirit they formed a bread-making cooperative in which each was to share in the work, giving his most natural contribution. The following year found them with the fruits of their cooperative efforts. So great was their satisfaction that they gleefully burst into a song and dance. In this keynote of joy, the poem is brought to a close.

The LITTLE RED HEN and Her Cooperative was written by Kate Bradford Stockton, a farmer's wife and active cooperator. She originally wrote the parable for her own grandchildren. It is ably illustrated by Anne Parker, and the music, included also, was composed by Elizabeth Morgan.

Here is a bit of rhyme which should pervade every nursery and grace the bookshelf of every cooperator or believer in the cooperative spirit as a fundamental part of character. True, it is the story of cooperatives, the obstacles which beset them, and the vision and fire of determination which finally finds the rainbow flag waving victoriously—but it is mirrored in the poetry of the nursery and its characters are the lovable animals familiar to every child. It is a poem with a message well told and can be classified as a real educational value. Simple and refreshing in its presentation, pertinent in its lesson, grown-ups and children alike will find it pleasurable reading. A first venture into the realm of cooperative literature for children, the story should inspire further attempts into the field for the thousands upon thousands of juveniles who cannot learn too early to practice the cooperative way of doing things.

BELLE HALPERN


Designed primarily for use in secondary schools this Workbook answers a real need for good material to be used in consumer education courses. It is divided into three units—Consumer Marketing, Consumer Cooperatives, and Consumer Education. Each unit has a bibliography, specific topics for discussion, questionnaires, research projects, etc. The material has been collected during the past three years and has gone through the test of practical application in a number of schools.

The author, Mr. Siegler, is a teacher in Newtown High School, Elmhurst, New York; Executive Secretary of the Consumer Education Association and author of several books and articles in the field of consumer education.

Teachers, pupils, and study group leaders will find this Workbook a thorough and stimulating study guide.
HAVE YOU SUBSCRIBED?

Last year Consumers' Cooperation gave its readers two score original feature articles about American and European cooperatives, about national cooperative organization, cooperative finance, operating methods, new educational techniques, cooperative education, legislation, medicine and peace. Each an article especially prepared for Consumers' Cooperation by an authority in the field.

What led to the drives for cash policy, uniform accounting methods, larger reserves and smaller inventories to meet economic crises, the study club as an educational method, recreation as an essential feature in the life and growth of a cooperative? These and many other programs got their first stimulus in Consumers' Cooperation.

$1 per year; 27 months for $2.

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

COMING EVENTS

Wisconsin Cooperative Week, proclaimed by Governor Heil, to be observed February 26 to March 2.

Dedication, First Co-op Refinery in the United States; Phillipsburg, Kansas, May 4.

Board of Directors, The Cooperative League, Quarterly Meeting, Hotel Morrison, Chicago, March 18 to 19.

Board of Directors, National Cooperatives, Quarterly Meeting, Hotel Morrison, Chicago, March 20.

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

AFFILIATED REGIONAL COOPERATIVES

Name Address Publication
Central Cooperative Wholesale Superior, Wisconsin Cooperative Builder
Consumers' Cooperatives Associated Amariillo, Texas The Producer-Consumer
Consumers Cooperative Association
Consumers Book Cooperative
Consumers Cooperative Association
Cooperative Recreation Service
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.
Workers' Mutual Fire Ins. Society

DISTRIBUTED:

Central States Cooperative League
Eastern Cooperative League
Associated Cooperatives, So. Cal.
Associated Cooperatives, N. Cal.
National Cooperative Women's Guild

DISTRICT LEAGUES:

Central States Cooperative League

Eastern Cooperative League

Associated Cooperatives, So. Cal.

Associated Cooperatives, N. Cal.

National Cooperative Women's Guild

FRATERNAL MEMBERS

Credit Union National Association

3017 W. 60 Street, Los Angeles, Cal.

ACKNOWLEDGED NATIONAL JOURNALS AND EDUCATIONAL DIRECTORS:

Grange Cooperative News
Consumers Defender
Farmers' Union Herald
Penn. Co-op Review
Midland Cooperative Wholesale

Want to solve the gold problem?

Go form a youth group and start singing and folk dancing.

Or go directly to your membership and put your co-op on a sound financial basis.

The logic of these answers may be obscure but without organization effective enough to change the current of today's flow of gold our most immediate step toward a solution lies in building and strengthening our cooperatives. Jack McLanahan, Darwin Bryan, Ellen Edwards, Harry Frank and Mary Jo Uphoff, writing in this issue, tell of effective methods of accomplishing that result.

To make our cooperative answer completely effective we must build international cooperative trade based on use not profit. We must build an economy which will not tremble and shake when one nation, playing the rest, corners the world's gold supply. And it will not happen by magic. It will only come when we understand and use the laws of economics, and act accordingly.

GOLD, RECREATION, WAR AND RED HERRINGS

"I wanted the gold and I got it" is as dangerous for Uncle Sam as it was for Dangerous Dan McGrew.

With seventy per cent of the world's gold supply lying in American vaults, we are embarrassed with too much "wealth." True, to most of us the only gold problem is to get our hands on the yellow stuff—only to get arrested for having it.

But for every consumer the gold problem is vitally important because it may break the back of our economic system and throw us into another crisis which would make 1929 pale by comparison. Whether you realize you have a gold problem or not, read E. R. Bowen's article, "The Gold Nightmare" in this issue.

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Before the opening of the world-wide economic siege we called a war, steps were being made through the International Cooperative Wholesale Society and the newly formed International Co-operative Agency to build more rapidly the cooperative trade of the world. With the war in progress, many of those activities have been destroyed. Today we need more than ever to build our own democratic institutions at home, so that when and if the great siege is over democracy can be put to work again. If we are to preserve our own beginnings in democracy we must keep America Out of War. For the blue prints are drawn for the elimination of democracy here on the day the war is declared.

If we need more encouragement we can find it in the first nation-wide attack on the co-ops, launched for profit, by the executives and agents of the stock insurance companies who are resorting to what one of their own number calls “dragging international red herrings” into the picture as selling points for private profit insurance. Those who want to make a profit on insurance are trying to keep people from insuring themselves.

The attack, stupid in its resort to name-calling and red-baiting, has brought the cooperatives more publicity than they have had in a long time.

Guest Editorial

“The More We Get Together”

Jack McLanahan
Education Department
Midland Cooperative Wholesale

“The more we get together, together, together . . . the more we get . . .” was running through my mind as I turned the old Plymouth out of the yard and headed for Minneapolis. One of two club members had already gone, others were still in the house saying goodbye, and two were still picking out tunes on the piano.

It had been a great evening together and with a good lunch to finish it off everyone was in high spirits. For a new club the discussion went nicely, projects were planned and the recreation period was real fun. At the end of the evening we turned up for a number of games and then sang—everyone of the 20 odd there. The secretary knew most of the tunes and did a bang-up job at the piano. Almost all in the little red book—even a couple in German—were gone over before our voices were worn thin—and, by George, I believe that’s all that ever did bring the meeting to a close.

“The Happier We’ll Be”

As I settled down for the hour’s run in, my mind kept turning to the words of that song—“the more we get together”—yes, more, we haven’t been getting together much, have we? Maybe that’s the cause of a lot of our troubles—‘the happier we’ll be’”—well, that sure was a happy group tonight; a demonstration of the truth of the idea. I couldn’t stop the tune, it just seemed to sum up the meaning of the whole co-op plan.

“The more we work together”—discuss, plan, stand shoulder to shoulder, organize—“the more power have we”—yes, that’s the secret . . . power when we stand together. The secret of our future. Simple, isn’t it? I suppose that’s why we’ve been so long in finding it. Get together—work together—nothing else is needed.

With the experience of that evening and others in the last weeks I am convinced that every club ought to open and end with group singing. Once you try it you won’t have to “ought to,” but you’ll “want to.” More and more of the clubs are—lota of fun. Reprinted from “Together,” Midland Neighborhood Cooperative Clubs

The Gold Nightmare

E. R. Bowen

ANSWER for yourself this question. The world has 25 billions in gold. The United States has 18 billion out of the 25. The government bought last year 3½ billion. At this rate we will have all the gold in the world in two years more. What then are we going to take from other countries to balance our exports against our imports?

This is the nightmare that is troubling the business and banking world. It is not often mentioned in print. It is too awful to talk about even in whispers.

E. A. Goldenweiser, Federal Reserve Board research chief, finally spoke out in the January Reserve Bulletin and warned that the United States cannot halt gold buying or we will have chaos in international finances and serious dislocation of domestic business. Then Winthrop W. Aldrich, chairman of the Chase National Bank, followed by devoting a large part of his annual message to stockholders to the gold problem, indicating our dangerous position. We were personally participants in a nationwide discussion group of prominent bankers and business men with farmers and workers recently when the United States was repeatedly described as a “gold sucker.”

What are the dangers? Well, the first is the danger of inflation with such huge gold reserves. The second is the danger of our shortly being unable to continue even our present low amount of export shipments because of our unwillingness to again be fooled by accepting I.O.U.’s, because of the fact that other countries are running out of gold to balance our exports with our imports, and finally because of our inability to import goods and services in equal amounts to offset our exports of goods and services. The third danger is that gold is likely to become valueless as money.

The crux of the whole gold matter is that the United States is unable to distribute at home to our own people the goods we can ourselves produce. Since we cannot distribute our own domestically produced products, we also cannot distribute foreign goods for which we exchange a part of our domestic production.

The present economic system is fast winding up to a high tension and the gold mainspring is likely to break. After the crash of 1930 we started the wheels of industry going again by loans to foreign countries and by installment selling. The crash of 1929 inevitably followed when we became scared over the possibility of collecting these foreign and installment debts. After the 1929 crash we again started the wheels of industry rolling by debt. This time by domestic government loans instead of foreign loans, by another orgy of installment selling, and by gold purchasing. Gold purchasing was only an alternative to foreign loans. In the end the gold may be worth no more than the I.O.U.’s were.

What are we going to do when the gold gives out? This is not a scarehead but a real question which every cooperator should be thinking about and discussing. The solution will have an effect upon all business, cooperative as well as private.

Consumers’ Cooperation

February, 1940
Through Patron-Ownership

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ary circumstances which may arise. Here is the

the need of cooperatives to be debt-free to meet

story of one local cooperative which built up its
capital stock to over $33,000 in only three and

half years by not paying patronage returns in

(EDITOR’S NOTE: Strengthening the capital

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discussed today because of world conditions and

the need of cooperatives to be debt-free to meet

any circumstances which may arise. Here is the

story of one local cooperative which built up its

capital stock to over $33,000 in only three and

half years by not paying patronage returns in

stock.)

Financing A Cooperative

Through Patron-Ownership

Harry Frank, Manager,
Consumers Cooperative of
Walworth County, Elkhorn, Wis.

pursued. In every instance the answer

seemed to be Ownership by the Patron.

Those are some of the thoughts that were

brought out:

"As a rule the tenant farmer will take

everything anything back to restore soil

fertility. Tenant farmers usually do not

keep the fences, the buildings or the

equipment in good repair. Why should

they? Next year they might be gone.

They usually try to get all they can

today in cash that they might spend it

and enjoy themselves. Let the owner

worry."

"One cannot control what he does

on his own, unless he has control by proxy.

Their usual attitude is to get all they can

today in cash that they might spend it

and enjoy themselves. Let the owner

worry."

Most local cooperatives face the
difficulty of insufficient working
capital furnished by the member patrons.

Too much money is borrowed from banks

on notes, from individuals and firms on

mortgage notes and from commodity

acceptances.

Realizing this difficulty our organiza-
tion committee (part of which later be-
came the board of directors) spent much
time in analyzing how to get the mem-
bers to furnish the capital.

The Philosophy of Patron-Ownership

Arguments on how to make the co-

operative valuable to the patron were

Results of Policies

The organization committee held its
first meeting in April, 1936. By June of
that year approximately 400 shares of
stock were subscribed and the organiza-
tion meeting held. By August first the
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With the fiscal year ending October 31,
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association is made. Below is listed the
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growth in capital stock paid in and the
growth in member owners in only a little
more than three years.

<table>
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<th>Member Owners</th>
<th>Capital Stock</th>
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Cooperative Youth Councils of Ohio

Realizing these facts, the Ohio Farm Bureau has for several years endeavored to stimulate individual and collective initiative on the part of rural youth. It believes that the Cooperative Movement, for which we stand, provides the means by which a society for the good of all can be fashioned. It endeavors to maintain itself as a democratic organization, to be receptive to new ideas, to be progressive and actively to seek opportunities for extending its influence. Why not then, prepare young people to take their place in carrying on its work? A beginning toward this end was made in 1936 by establishing Cooperative Youth Camps.

How the Youth Councils Grew

Convinced that merely joining an organization does little good unless it leads to action, the Farm Bureau has for the past five years set about inviting young people to attend these Cooperative Youth Camps for the purpose of putting before them the principle of cooperation as a way of living and of acquainting them with the means of equitable economic sharing.

The duration of the sessions is five days, and the courses of instruction include group recreation, consumer cooperative economics, methods of discussion, and the techniques of maintaining democratic principles in youth organizations. Foremost among the courses of instruction is the comparison of the prevailing economic and the cooperative theories and methods of carrying on business.

Thirteen of such camps have been held in different parts of Ohio, and some thousands of young people have attended them. As a direct result of a few youths going back to their local communities and urging others of their own age to get together to share in righting the wrongs of the present day, Youth Councils have developed.

With the financial assistance and guidance of adults of the local Farm Bureaus and Cooperative Associations, thirty-seven county-wide Councils, with an average attendance of two thousand young people a month, have been organized within the last two and one-half years.

The philosophy underlying these organizations is that youth can best work in community groups that function as organized units for the common good.

A Typical Youth Council Meeting

The following is a first-hand report of a council meeting:

"I write this report of the happenings of a County Cooperative Youth Council directly following the meeting. (Thursday evening, October 5, 1939, in the Farm Bureau Hall.) One can't help but do this. To you who read this, I'm not trying to be impressive, because such real things took place in the meeting that every word must be sincere.

'By real things, I mean simply this: Here were 65 young folks—boys and girls gathered together for three and one-half hours, and actually there was not one dull moment. They went from play parties, to the business meeting, to the discussion circles, to the co-op refreshments, to the folk dances, and to the finish without one stop. The secret was not a cut-and-dried program all worked out beforehand by an appointed committee, nor a standardized bundle of rules and regulations, nor a one-way show, not a clique telling the others what to do, but a leader out in front beckoning the rest to follow, but a group of young people working together as one unit. Here was what one could call a working democracy.'

"Permit me to itemize their sessions. (1) Play party games were participated in by all. Everyone had the privilege of playing. No shining stars! In fact, everybody had a chance to shine. (2) The business session was absolutely out in the open. The chairman didn't have to keep the job seeing to it that the questions were properly discussed by those who desired to express themselves. And, mind you, nobody railroaded ideas! They discussed their problems pro and con and voted until they arrived at a mutual agreement. Their main job now is to help raise funds to put a new floor in the Farm Bureau Hall. They are on their way by deciding to charge themselves an admission fee at their recreation parties. They all worked out the first party for the evening of October 25 as a group idea. I must mention the fact again that such talking pro and con you can't imagine; no sooner was one person through than up would pop another. Plenty of time was always allowed by the chairman for discussion before voting. (3) Discussion circles were tops! They called on me to give a brief explanation of Thrift Clubs. I tried to put a little "sizzle" behind my information. But say, you should have heard their summarizations! There were ten circles, and ten secretaries gave reports. Their conclusions might be given briefly as follows:

a. Let's know more about Thrift Clubs, so that ours will work toward a Credit Union.

b. We are highly in favor of controlling more of our own finances.

c. As youth, we see the necessity of thrift."

(4) Refreshments in the form of ice cream bars were bought at wholesale and sold at retail. Incidentally, they sold seventy bars to themselves. All savings accruing go into their general Council fund. Their treasurer reported some $55.00 on hand. Each meeting they have a volunteer refreshment committee. (5) Folk dances were of the advanced type, so that those who knew more complex dances than just play parties and quadrilles were kept from feeling left out.

Consumers' Cooperation

February, 1940
rifles could enjoy themselves. (6) The whole was just a happy experience of having been in a going concern where everybody helped the going.

"Again, to you who read this report, I saw things, evidences of mutuality within this group such as I've never had the privilege of seeing before. Much credit is due to the future Farm Bureau people of this Ohio county."

Applying Democratic Principles to Youth Organization

Throughout the Cooperative Youth Camps and the Cooperative Youth Councils the Ohio Farm Bureau has insisted that youth must take the responsibility for developing their own ideas and running their own affairs, and that this can be successfully done only by consistently adhering to democratic principles and techniques. The Farm Bureau interprets democratic principles somewhat as follows:

1. Youth Councils accept organization as a means of facilitating action and not as an end in itself. They have proved that doing things together, such as carrying on group recreation, thrift clubs, co-op buying clubs, and by the entire group planning their own programs, brings about a spirit of unity and of democracy. The Farm Bureau advises Youth Councils to postpone formal organization, including the election of officers, until such unity has been experienced. Officers are then to be both nominated and elected by means of the secret ballot, the balloting being repeated as often as necessary to get a satisfactory majority.

2. Committees are self-selected, never appointed. The whole group decides what committees are needed and the members volunteer for those on which they wish to work.

3. Matters which concern the whole group are first presented to them and discussed in a general way. They then break up into groups of five or six for a more thorough discussion. When all are ready all groups come into general session, and each unit reports the result of its discussion. After discussion in the general group, there may be further small group discussions or the matter may be disposed of by a vote or by other action.

4. All policies are determined by the whole Council and never by an executive or appointed committee.

5. Group recreation, in the form of ball games, quadrilles, folk dances, sing-songs, and charades, based on common interest, offers rich experience in wholesome association.

Paramount to the success of cooperative youth work is the leadership of those who know how to help young people to work on the basis of cooperative and democratic principles.

Building a New Generation of Leaders

Every year young men and women go on their own initiative or are sent by the Youth Councils to the National Cooperative Recreation School, sponsored by The Cooperative League of the U.S.A. and by a number of Regional Cooperatives to acquire a fund of recreational material in the form of activities and skills and to learn how to put into practice principles of cooperation.

In Cooperative Youth Councils, then, young people get the kind of experience by playing together, by discussing Council problems and by saving together that prepares them for further efforts in Cooperative action. By working cooperatively on everything that takes place in their Councils, they acquire the techniques of cooperation and develop the conviction that the cooperative way is the only way of working out not only their own community life but even the most difficult and far-reaching economic problems. Without such experience we lose the house that is supposed to be built on a foundation of learning to live with others for the common good."

Consumers' Cooperation

Youth Anti-War Congress

More than 400 delegates from student, labor, farm, cooperative, church, and peace organizations and societies attended the Third Annual Youth Anti-War Congress in Chicago University's International House the last week in December. This was a substantial increase over the representation last year when the Youth Section of theKeep America Out of War Committee, whose membership is comprised of individuals and organizations agreed on a minimum peace program, met in Cleveland, Ohio.

The Congress, organized in plenary and commission sessions, permitted an extraordinary amount of democratic discussion. The program of the Youth Committee was discussed the first day in sessions on civil rights, industrial mobilization, the war referendum, alternatives to armament economics, opposition to military expenditure and internationalism. The second day the delegates met in special interest commissions for cooperative and farm organizations, labor unions, student organizations, church groups and others, to find fields of peace action suitable to the needs of the varying types of organizations.

Farm and Cooperative Organizations

The commission on Farm and Cooperative Organizations was composed of representatives from student housing and eating cooperatives, regional groups, cooperative store associations, Farmers Unions and others. In a statement presented to the Congress, the Commission voiced its disapproval of all Industrial plans as contrary to the cooperative principle of voluntary action and endorsed the war referendum for its democratic principle, as well as its educational value in teaching the individual his moral responsibility for war. The Commission advocated use of government funds to create economic stability and security at home through social investment and spending, to refinance tenant farmers, finance housing projects, expand the work of the Farm Security Administration, for public works and other methods that would increase the purchasing power of the consumer, instead of building more armaments.

"In the long run," the commission agreed, "only a continuous program of education and the education of the economic causes of war will stop war." The Cooperative Movement in America, however, has not grown to be enough of an economic force to alone stop war here. Therefore, the commission urged that members of cooperative and farm organizations also throw their support to peace organizations and affiliate themselves with groups whose program is compatible with their needs, ideals and philosophy. Students interested in cooperatives were advised, in the report, to acquire information about them, and in every case to initiate a continuous program of education in connection with any and all cooperative enterprises.

Mary Jo Uphoff, educational director of the Wisconsin Farmers Union, presided as chairman of the commission. Resource persons assigned to the Commission on Farm and Cooperative Groups who added much to the lively discussion were—E. R. Bowen, executive secretary of the Cooperative League of the U.S.A.; Warren Nelson, secretary of the Wisconsin Farmers Union; Paul Erickson, South Dakota Farmers Union state secretary and Junior leader; and Eamon Parks from the Canadian Cooperative Commonwealth Youth Movement. Rev. Mgr. Luigi Ligutti of Granger, Iowa, and Rev. Father John Rawe of Creighton University, Omaha, Nebraska, who visited the Congress, were invited to participate in the discussion and contributed valuable viewpoints to the commission sessions.

February, 1940
To Keep America Out of War

Few changes were made in the Youth Committee Against War program despite the large increase in membership this year. A ninth point on neutrality was added to the original eight-point program, which urges constructive economic action and spending as opposed to huge armament expenditures and the development of an economy dependent upon them; endorses the war referendum and the student strike against war; advocates

Co-ops at Play

Recreation Leadership Conference

Ellen Edwards

"We believe that cooperatives are important units in building a more just economic system, but we are not forgetting that fundamentally we, as cooperators, are interested in making life fuller and richer and that is why we feel recreation is so important."

This statement, coming at the close of a lively discussion, seemed to sum up the thinking of the forty persons who attended the Recreation Leadership Conference, January 13-14 at Saddle River, New Jersey. The Conference was sponsored by the Eastern Cooperative League and was attended by members of cooperatives from Pennsylvania, New York and Greenbelt, Maryland, and others interested in cooperative recreation. The staff were all members of the Cooperative Society for Recreational Education. The purpose of the conference was three-fold—to stimulate interest in developing recreational activities in local cooperatives; to demonstrate effective forms of cooperative recreation and to give leadership training.

An important part of the conference was a discussion of the relation of recreation to the cooperative movement and specific regional problems in local societies. The group was unanimous in feeling there was a need for creative recreation in every cooperative. They felt

strict neutrality and strengthening of our present neutrality laws; opposes any and all forms of industrial mobilization, militarization of the schools and colleges and any conscription moves; rejects the "police force" concept of American participation in international affairs; opposes any abrogation of civil rights; and definitely supports farm and labor organizations, cooperatives and youth organizations as important and necessary instruments of democracy.

Co-operatives introduce democracy into business by giving each member a vote, distribute profits on the basis of consumer participation in the business enterprise, and have open membership. Showing that these principles with fundamental American principles of democracy, the Farm Bureau News again asks "Is Democracy un-American?"

The same Mr. Murphy, who is credited by many sources as being the chief instigator in the drive against cooperatives and author of the vicious anti-cooperative pamphlet "The Road To Ruin" which is being privately circulated among insurance agents, admitted later in an address before the Indiana Association of Insurance Agents that "If properly directed in the right hands, the cooperatives could do a service for the consuming public."

At White Sulphur Springs, West Virginia, T. W. Bethea told the International Association of Insurance and Surety Underwriters and the National Association of Casualty and Surety Agents that he had been retained to seek methods of dramatizing the capital stock insurance system and as a result, urged insurance agents to stress the "security" and "agency service" of the private profit insurance companies and point out the dangers of the cooperative movement. He declared "The biggest and most dramatic point and the one we have most successfully employed (in selling capital stock company insurance) has been the story of the cooperative movement."

Mr. Bethea continued "The consumer cooperative is a store or other business undertaking, owned and managed by and for consumers for the purpose of supplying themselves with commodities or services at cost." Mr. Bethea declared that in order to fight the cooperatives, "agencies hold night meetings—two or three agencies at a time—and even the stenographers..."
and office boys, persons not usually associated with the soliciting of insurance, are present."

In Oakland, California, Raymond L. Ellis, assistant vice president of the Firemen's Fund Insurance Company, made a slashing attack on the consumer cooperative movement before the California Association of Insurance Agents. Immediately following his attack, the Hunters Point Cooperative Society in San Francisco invited him to become a member of their cooperative and participate in the grand opening of their new cooperative store.

Mr. Ellis, in his address to the Insurance Agents, pointed out that "Too frequently we see business men buying from cooperatives for a passing advantage—possibly these business men who have transactions with consumer cooperatives do not realize that in the final analysis all business men are consumers." Following the convention, the Profit Motive Institute of Los Angeles announced a concerted campaign against the consumer cooperative movement.

In Springfield, Mass., Harvey R. Preston, a local insurance executive threatened to resign as a director of the Springfield YMCA because the "Y" had allowed the local consumer cooperative to meet in its auditorium. Mr. Preston denounced the consumer cooperative movement as "a communistic trend" and "a menace to the economic structure of the U.S.," and announced that he would bring Harold P. Janisch, general manager of the Associated Insurance Agents and Brokers to Springfield to "expose" the cooperatives.

Prominent Springfield citizens immediately sprang to the defense of the co-op. Quentin Reynolds, manager of the Eastern States Farmers Exchange declared that "the cooperatives believe in individual initiative and private property," and declared "Consumer cooperation is as antagonistic to Communism as it is to Fascism. It is incompatible with either. It is a bulwark against both." He pointed out that in Finland where cooperatives are doing about 40% of distribution, "Communist Russia is penerating Finland not through these consumer cooperatives but by force. Russia will abolish consumer cooperation there if she conquers Finland as she did in Russia, and for the same reason, Hitler and Mussolini abolished it in their countries." Mr. Preston, in his attack had attempted to prove that the cooperatives were communistic by pointing out that Hitler and Mussolini abolished them when they came to power.

The Springfield Republican in an editorial, declared "To accuse these private voluntary cooperatives of being fellow travelers with 'Communism' and therefore as being dangerous to the American system and way of life is seen to be ludicrous in the light of their long history in Great Britain, Scandinavia, Canada, and this country."

"The Republican congratulates the manager of Eastern States Farmers Exchange, Quentin Reynolds, on his brief, clarifying and convincing defense of the cooperatives against unwarranted attack."

The Springfield Cooperative reported that the resultant publicity brought it the biggest business it had ever had, strengthened the loyalty of its present members, and brought in new members. Cooperatives in other sections of the country welcomed the reams of free publicity growing out of the private profit insurance men's attack.

* * *

New Recreation Material

The following Kits, containing words, music and directions, are now available from The Cooperative League:

- Play Party Games ........................................ 25c
- American Folk Dances .................................. 25c
- Joyous Folk Dances from Other Lands .............. 25c
- Old Fashioned Country Dances ......................... 25c

Consumers' Cooperation

What's News with the Co-ops

THE State of Wisconsin will observe Wisconsin Cooperative Week, February 26 to March 2. Governor Heil, in his proclamation of the third annual co-op week urged the citizens of the state "to learn more of the meaning of cooperation and its expanding possibilities."

The opening of the first cooperative refinery in the United States at Phillipsburg, Kansas was hailed by articles in Business Week, Time, and other national journals in addition to the cooperative press. The three-quarter of a million dollar refinery and 70-mile pipe line, built by cooperatives affiliated with the Consumers Cooperative Association will be formally dedicated May 4.

Eastern Cooperative Wholesale became a million dollar organization when its business for 1939 jumped to $1,071,000, a gain of 49.3 percent over its sales in 1938.

The model town of Greenbelt, Maryland is now duly famous for its completely cooperative business enterprises. Set up by the Consumer Distribution Corporation, established by the late Edward A. Filene, the self-service grocery store, meat market, drug store, soda fountain, variety store, gas and oil station, beauty shop, valet shop, barber shop and theatre in January passed into the hands of the people who will operate them through their own cooperative Greenbelt Consumer Services. Consumer Distribution was requested to set up these business enterprises when the model town was opened in 1937.

The Consumers Book Cooperative, formerly the Cooperative Book Club, reported a business of $61,500 in 1939. Organized two years previously with a volunteer staff and $56 in capital, the book cooperative is now serving 1,440 individual members, co-ops and libraries from New York to India. Consumers Book Cooperative changed from a stock to a membership corporation the first of the year following a membership referendum.

Training schools for cooperative employees are under way in Kansas City, Lake Hilduapi, Minn., Jamestown, N. Dakota and New York City under the direction of Consumers Cooperative Association, Midland Cooperative Wholesale, Farmers Union Cooperative Education Service, and the Council for Cooperative Business Training. The latter organization is made up of representatives of Eastern Cooperative Wholesale, Consumer Distribution Corporation and Rochdale Institute. The Institute opened its sixth term in New York, February 5.

Cooperative life insurance will now be available in New York State following the issuance of a license to the Farm Bureau Life Insurance Company, December 31. The Farm Bureau Auto Insurance Cooperative is already active in the state.

One hundred and forty-two representa-tives of cooperatives in Vermont held their second annual conference at God-dard College with Governor Aiken in the chair. Although no official action was taken, the delegates discussed seriously the possibility of forming a League of Vermont Cooperatives.

Central Cooperative Wholesale which completed the biggest business in its history in 1939 ($5,424,000) opened a model testing kitchen early in February.

A new note in the field of housing was sounded at the Ninth Annual Convention of the National Public Housing Conference when E. R. Bowen, general secretary of the Cooperative League called for the development of a "vast program of public-cooperative self-liquidating housing as a means of achieving the goal of providing every American family with a decent home."
The Press Boosts the Co-ops—
July, 1939 to January, 1940

MAGAZINES

ADVERTISING AGE, October 30, 1939, "Advertising: Go for Complete Picture of Consumer Activity".


AMERICAN FRIEND, January 18, 1940, "The Press Boosts the Co-ops—"

AMERICAN FEDERATIONIST, October, 1939, "Cooperatives in Great Britain," reviewed by Grace S. M. Zorbaugh.

BRANDFORDIAN, October, 1939, "Co-operatives Will Prosper in Great Britain.

BROTHERHOOD OF LOCOMOTIVE, FIREMEN AND BRIDGE, October, 1939, "A Credit Union in a Coalmine."

CENTRAL-BLATT, October, 7, 1939, "The American Federation of Labor and the Press—"

CHRISTIAN CENTURY, September 20, 1939, "Progress and Prosperity Among the Simple." (reviewed by John Carson.)

COMMON SENSE, September, 1939, "Are Cooperatives the Answer?" by John Horton and Ray Scott. Two authors discuss the limitations of cooperatives and their applicability in the parish.


CRAWFORD'S MAGAZINE, October 3, 1939, "Consumers Cooperation and World Peace."

D AND W. JUNE, 1939, "Debunking Three Swedish Co-ops," an anonymous writer gives the "much heralded Swedish Co-operative an airing."

ECONOMIC JUSTICE, December, 1939, "In What Kind of Regime Does the Cooperative Movement Thrive Best?"

ECONOMIC ANTHROPOLOGY, December 1, 1939, "Profit is Not American!"

ECONOMIC REVIEW, November 1, 1939, "Cooperatives or Corporations and Democracy in Nova Scotia."

ENGINEERING JOURNAL, October, 1939, "Co-ops Go On Record as "Big One""

ECONOMIC COMPASS, November, 1939, "Cooperatives Urged to "set Up a Defense Plan."

ECONOMIC DIGEST, October, 1939, "What's Happening in Nova Scotia."

ECONOMIC RESEARCH, November 30, 1939, "Henry J. May Dies; Leader of Cooperatives."

ECONOMIC JOURNAL, November 26, 1939, "Cooperatives Urged to "set Up a Defense Plan."

ECONOMIC JUSTICE, December, 1939, "Cooperatives in Great Britain," reprinted from the "American Federationist."

ECONOMY, October, 1939, "Co-ops in the Maritimes," Wallace J. Campbell.

ECONOMIC VIEW, November, 1939, "Cooperatives and Democracy in Nova Scotia."

ECONOMIC STUDIES, November, 1939, "Cooperatives and Democracy in Nova Scotia."

ECONOMIC TRENDS, November, 1939, "Cooperatives and Democracy in Nova Scotia."

ECONOMIC WORLD, November, 1939, "Cooperatives and Democracy in Nova Scotia."

ECONOMIQUE, October, 1939, "Cooperatives and Democracy in Nova Scotia."

ECONOMICS, October, 1939, "Cooperatives and Democracy in Nova Scotia."

ECONOMY, October, 1939, "Cooperatives and Democracy in Nova Scotia."

Economics, October, 1939, "Cooperatives and Democracy in Nova Scotia."

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ECONOMY, October, 1939, "Coopera

In a rather comprehensive comparative survey of Capitalism, Socialism, Communism, Fascism and Cooperation, the cooperative movement, treated last but not least, is presented in fifteen pages of description and twenty-five of interpretation. The authors, both members of the economic staff of the Wharton School of Business and Finance at the University of Pennsylvania examine cooperation both as a modification of or supplement to capitalism and as an alternative to the capitalist system. With little faith in the "cooperative commonwealth" they believe that the cooperative movement will be "one of the essential ingredients of any major economic modification we may seek."

Don't Kill the Goose, by Ryllis and Omar Goslin, Harper and Brothers, New York, $2.50.

In this book on economics, written and illustrated so that it is a pleasure to read, Ryllis and Omar Goslin examine the sources and distribution of the people's income and conclude that "the prize goose who lays the golden egg of prosperity is the consumer." As one of the Seven Prescriptions for Prosperity the Goslins declare "The consumer cooperative tends to transform the producer system of production and distribution for profit into a system of consumer ownership and production for use." They then tell briefly the dramatic story of the growth of consumer ownership from the old weavers' shop in Toad Lane in 1844 to the gigantic British and Scandinavian co-ops today and the growing movement in America. They conclude, however, that "useful as the idea of consumer cooperation is, a more vigorous attack on our problem is needed before we shall be able to achieve genuine and lasting prosperity."

ECONOMICS FOR THE MILLIONS, by Henry Pratt Fairchild, Modern Age Books, New York, $2.50.

Pointing out that "there has been much talk recently of The American Way as if it were a fixed and rigid system of political and economic administration," Dr. Fairchild declares: "In reality, the American way has always been the way of adventure, innovation and acceptance of change."

In a brief section on Cooperation, the author says that there is a "muddle way" which is "represented most importantly by what is known as the cooperative movement." Characterizing it as a form of "limited socialism," Dr. Fairchild says cooperation "within the last few years has undergone a notable expansion in the United States, where it promises significant results in the immediate future."

CO-OPS IN NEW BOOKS

CO-OP LITERATURE

- Student Cooperatives
  - Co-ops on the Campus, Bertram B. Fowler
  - Campus Co-ops, William Moore
  - Handbook on Student Co-ops, Based on the Findings of the Pacific Coast Conference of Student Cooperatives

- Novels and Biography
  - Fresh Furrow: Burris Jenkins (Special)
  - The Brave Years: Wm. Hoytiger
  - My Story, by Paddy the Cope. Co-op in Ireland

- Textbooks on Cooperation
  - Consumers' Cooperatives, Julia E. Johnson
  - When You Buy, Trilling, Eberhart and Newcastle, High school and college textbooks on consumer cooperatives

- Cooperative Recreation
  - The Consumers Cooperative as a Distributive Agency, G. E. Burley
  - Windows on the World, Kenneth Good, high school text, one chapter on cooperative

- Cooperative Principles
  - Cooperative Principles, 19"x28"
  - Cooperative Ownership, 19"x28"

- Cooperative Education
  - Education Through Recreation, L. F. Jacobs

- Cooperative Posters
  - Cooperative Principles, 10"x28" for $1
  - Cooperative Ownership, 10"x28" for $1
  - Consumer Ownership--Of, By and For the People, 10"x28", Red-White-and-Blue, 5 for $1

March 1940

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS
HAVE YOU SUBSCRIBED?

Last year Consumers' Cooperation gave its readers two score original feature articles about American and European cooperatives, about national cooperative organization, cooperative finance, operating methods, new educational techniques, cooperative education, legislation, medicine and peace. Each an article especially prepared for Consumers' Cooperation by an authority in the field.

What led to the drives for cash policy, uniform accounting methods, larger reserves and smaller inventories to meet economic crises, the study club as an educational method, recreation as an essential feature in the life and growth of a cooperative? These and many other programs got their first stimulus in Consumers' Cooperation.

$1 per year; 27 months for $2.

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

COMING EVENTS
Board of Directors, The Cooperative League, Quarterly Meeting, Hotel Morrison, Chicago, March 18-19.
Board of Directors, National Cooperatives, Quarterly Meeting, Hotel Morrison, Chicago, March 20.

Fourteenth Annual Convention, Farm Bureau Mutual Fire Insurance Company, Farm Bureau Mutual Fire Insurance Company, and Farm Bureau Life Insurance Company, Columbus, Ohio, April 4-5.
Dedication, First Co-op Refinery in the United States, Phillipsburg, Kansas, May 4.
Fifth Annual National Cooperative Recreation School, Heidelberg College, Tiffin, Ohio, June 14-26.

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

DIVISIONS:
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District Service Office, 167 West 12th St., N. Y. C.

AFFILIATED REGIONAL COOPERATIVES

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Central Cooperative Wholesale
Consumers' Cooperatives Associated
Consumers Cooperative Association
Consumers Bank Cooperative
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. Ass'n
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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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
Pacific N.W. Cooperator
Penn. Co-op Review

COOPERATIVE INTERPRETATIONS

Perry L. Green, President of the Ohio Farm Bureau Federation and Director of the Cooperative League, says, "The reason why social idealism has not gone farther is because it has not had a cooperative economic vehicle through which to express itself."

Mr. L. J. Taber, Master of the National Grange, says, "Whenever agriculture, labor and business sit around the council table, remembering always and at all times the consumer . . . then we shall see not only the triumph of democracy but the return of prosperity." Might we suggest that the "remembered consumer" may be like the "forgotten consumer." The consumer must sit in at the council table and hold an equal hand if he is to have any real power. Only when and as organized into Consumers' Cooperatives will the consumer play his rightful role, which is to be the solvent of class consciousness between all the producer groups. Otherwise there might as well be a consumers empty chair at the table, for the remembered or even spoken voice of unorganized consumers would probably have less effect than a tap on the wrist.

Kansas cooperators ought to get William Allen White started on advocating Cooperatives as the solution of the social sins of Monopolism. He "stole the show," so the reports read, at the recent Lincoln birthday celebration at Springfield, Illinois, by saying among other things, "Unemployment is the product of our very enterprise, our business, our economic organization." Anyone who can so dearly indict Monopolism ought also to be ready and able to advocate Cooperatives as the solution.

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.

R. Bowser, 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.
Be Careful Not to Hate

Americans can help other nations most to solve their conflicts by eliminating the spirit of hate from our lives.

There are few if any greater truths expressed in simpler words than these by George W. Russell, the poet-cooperator of Ireland. “Love and hate are alike in this, that they change us into the image we contemplate. We grow nobly like what we adore through love, and ignobly like what we contemplate through hate.”

There are millions of Americans who were themselves born in one or another foreign country. There are millions of others who were born in America who are direct descendants of those who were born in other countries at war. There are few Americans who do not trace their ancestry back to nations on both sides of the conflict. Some of us have relatives of but few generations back in the principal nations at war. Which of these blood relations should we hate and why? But spiritual relationships are even more important than blood relationships. And spiritually Americans are brothers of the people of all the nations.

Be careful that you do not hate or you will grow ignobly like what you hate, says Russell.

Bad News for Mr. Johansson of Sweden

We still have worse news about America for Albin Johansson, President of KF of Sweden. He asked us if it was really true that we Americans had again increased our installment purchases before the 1937 depression to the same figure as we did before the 1929 depression. We could only admit that we had again made the same tragic economic mistake. He got up and paced the floor as he denounced the evils of credit on consumer goods. Now we have also to admit that we have since learned that the American people not only duplicated the amount of installment credit but that it was longer time credit.

Roger Babson says in “The Folly of Installment Selling” that at the end of 1929 only 15% of installment paper on automobiles was more than one year old, but at the close of 1936, the notes were fully retired in 12 months amounted to 50% of the total.

We Americans have become experts in hanging ourselves in the noose of credit, we are sorry to say, Mr. Johansson. But if you will not lose faith and be patient, we will promise to learn from what you have done in Sweden, by putting cooperative purchasing in America on a cash basis, and also influencing other businesses to do so as well.

More Proof that Farm and Urban Residents Can Organize Together Successfully as Consumers

In the January issue of CONSUMERS’ COOPERATION we published an article under the title “CONSUMERS—The Common Denominator of Farmers and Workers;” in which we cited as unchallengeable proof that farm and urban residents were members of the cooperatives in Finland, Sweden, Norway and France.

At that time we had not received a reply to our letter requesting information as to the percentages of farm and urban residents in the membership of the second of the two large wholesale groups in Finland. Now we have the information from the new book by Professor H. H. Bakken, “Cooperation to the Finish.” He lists the division of membership in OVIK as 25% farm and 75% urban. The membership of SOK, as we previously stated, is 62% farm and 38% urban.

Whether farm or urban residents predominate makes no difference in a Consumers’ Cooperative Purchasing Association in other countries. It is high time that it should make no difference in America, and that the laws which hinder this vital development should be changed as well as the prejudicial thinking of both farm and urban residents toward one another which keeps them apart.

Consumers’ Cooperation

Private Profits Do Not Mean Private Enterprise and Private Property

How it does irk one to read or hear some spokesman for the old order call upon Congress to “remove the impediments to sound business recovery.” Who was it who asked for regulation of business by Congress?

Charles Beard, our greatest historian, has thoroughly analyzed the progress of regulatory laws over the past half century and shows conclusively that it was big business itself which asked for such laws in order to try to curb competition and enable it to increase prices and profits still further. Who was behind the NRA, which was not an attempt to foist upon America the German cartel system? Why the industrialists of course; labor and consumers were pawns to be thrown sops while big business reaped more profits.

A recent spokesman for big business was Walter S. Gifford, $200,000 a year president of the American Telephone and Telegraph Company, before the Chicago Association of Commerce. He called, as usual, for the preservation of private initiative and private enterprise. But what he and other similar high-salaried spokesmen really mean is the preservation of private profits. Private profits kill private initiative and private enterprise, as proven by the number of unemployed and nearly every worker and farmer. Private profits kill private ownership, as proven by the number of tenants on farms and in towns.

John Dewey challenges our misuse of words and ideas when he says, “The tragic breakdown of democracy is due to the fact that the identification of liberty with the maximum of unrestrained individualistic action in the economic sphere under the institutions of capitalism is as fatal to the realization of liberty for all as it is fatal to the realization of equality.” Just-so our identification of private profits with private initiative, private enterprise and private property has been fatal to the realization of economic liberty and equality for all.

The real impediment to prosperity which must be removed in America is private-profits. Only by the removal of private-profits will private initiative, private enterprise and private ownership be preserved.

Co-ops Come Back!

The “stick-to-it-ive-ness” of Cooperatives is surely being demonstrated in the United States today. Where private-profit business discontinues at the rate of over 20% per year, cooperatives are hardly washing out at all, comparatively. We expect eventually to have definite statistics to prove this fact from studies being made. The best calculations we now have are that not over 2% of the cooperatives organized in the last two decades have discontinued, which is a stupendous reduction from the private-profit business percentage.

Rochdale Stores in Washington, D.C. is a late illustration of the “come-back-ness” of Co-ops. In 1937 they lost $571 more. Did they quit? Well hardly! The members put in more capital and pushed all the harder. And what happened in 1939? Well, it was quite significant and more than worthy of this all-too-brief story.

In 1939 Rochdale Stores made savings of $2,293, or more than enough to wipe out the losses of the two previous years. Their volume jumped to $252,035 in 1938 to $117,468 in 1939, or a 125% increase. Their gross margin remained about the same in all three years: 16.1% in 1937; 16.03% in 1938, and 16.3% in 1939, which surely indicates that their prices are low. However, their expenses reduced from 19.45% to 17.13% in 1938 and to 14.33% in 1939. Their net savings for 1939 as a whole were practically 2%, and still higher for the last 18 weeks of the year, or 3.5%.

“The best cooperative eloquence is business success” can now be put up as a motto by Rochdale Stores, as they previously demonstrated the motto that “Co-operatives have ‘stick-to-it-ive-ness.’”
Whom Should America Fight?

There are many who think that America has a duty to the world that can only be abided by entering into the wars between nations. Let's assume, for the sake of discussion, that America should go to war. If we should, then whom should we fight?

Of course, it is assumed that if we go to war it will not be primarily to protect ourselves. We are a physically isolated nation with seas on both the East and West and friendly nations to the North and South. We do not have to go to war for our own protection. We are urged only to go to war on the altruistic plea of helping other nations. We are presumed to have a responsibility to protect democracy against dictatorship.

Shall we declare war on Japan for invading democratic China? Shall we declare war on England for withholding democracy from India? Shall we declare war on Italy for its assault on Abyssinia? Shall we declare war on Germany for its rape of democratic Czechoslovakia? Shall we declare war on France to free its colonies in Africa? Shall we declare war on Russia for its violation of the democratic rights of Finland?

If we are to assume the supervision of the world, we might as well face what it means to really do so. Some would differentiate between the imperialistic controls of Japan, England, Italy, Germany, France, and Russia over other nations. But in the last analysis what is the real difference? Are we really to believe that the purposes of England and France in invading Africa and Asia were different from the purposes of Japan, Italy, Germany and Russia in invading other countries?

And it might be questioned whether our own hands are so clean that we can hold them up and declare ourselves guiltless of the same purposes in our invasion of the rights of other small countries.

But assuming that we have a world duty to do battle against imperialism everywhere, is war the way to win the struggle? "Ideas are things which can only be conquered by a greater beauty or intelligent force."

"Ideas" are things which can only be conquered by a greater beauty or intelligent force. When they do not come threatening us in alliance with physical forces," wrote George W. Russell (AE) in 1915 at the beginning of the former world war. Yet today nations hold out the olive branch in a mailed fist. They mount the dove of peace on a cannon. They tie the pipe of peace to a bayonet when they thrust it out. They cry Peace! Peace! and build armaments of force which belie their words. They extend one palm in open handclasp and clench the other into a fist behind their backs in readiness to fight.

Yet a great law of human behaviour is that the means must be the same as the ends. The spirit of fear and the power of force can never produce friendship—only the spirit of love and the power of persuasion can lead to brotherhood.

Our job is not to fight the world. Our job is to clean up our own back yard. John Dewey says in "Freedom and Culture" that we have in America the same attitudes and institutions that produced Fascism. Stephen Russchihtschuk supports this statement by first hand evidence in "The March of Fascism." Not only can democracy not be imposed on other nations by force, but we do not have the true democracy as yet in America. The idea of "greater beauty and intellectual power" which will conquer the ideas of Fascism and Communistic and Capitalistic Imperialisms, is the idea of religious, educational and political democracy plus economic cooperation—this is the greater idea which will conquer all the "isms." Our great contribution to the world would be to be a "light to the nations"—to be an economic as well as a political democracy—a nation where all the people have economic security through incomes, jobs and ownership, as well as personal liberty—to which the people of the world could look for hope and from which they could learn.

Basic Principles of the Cooperative Movement

Out of ninety-five years of concrete and varied experiences, the co-operative movement has evolved principles which command the thoughtful attention of all open-minded people. While the ground-work for these principles was laid in the democratic soil of England and Scotland, the development of the movement in the Scandinavian countries including Finland, in Western Continental Europe, in Canada and the United States, and in the Orient has tested co-operative principles under a variety of severe and far-reaching conditions. These principles have emerged where nations have respected personality, where they have striven to achieve democracy, where they have sincerely sought to put the religious concept of brotherhood of man into real operation, and where peace and good will, not force, violence, or revolution, are honored.

A Bulwark of Reliability

Virtually a century of diversified experiences in many lands gives co-operative principles a bulwark of reliability. Most of the criticisms of these principles underlie the experiences out of which they have naturally grown, and hence they reveal superficial thinking and earlier motivation. They come in large part from directions which seem to ignore Franklin’s emphasis on thrift; our Constitution’s concern for establishing domestic tranquility, insuring justice, promoting the general welfare, securing our country, and Lincoln’s devotion to a government of, by, and for the people. With these expressions of our forefathers, co-operative principles are in harmony, in fact, in closer harmony than the principles and the practices of the movements which have not yet examined co-operatives with open minds.
antidote for many of the racial and religious prejudices that so torment mankind. It enables people of different races and religions to see each other in the best expressions of their common human nature, namely, where they are co-operating, one with another.

Universal participation in the development of consumer welfare, of ownership attitudes, and in the accompanying sense of social responsibility, of working together by members of all classes, races, religious prejudices that so torment man. Democratic schemes. It does not resort to intimidation. It does not frighten people away. It is persona non grata among dictators everywhere. It devises no automatic schemes. It does not resort to intimidation. It does not frighten people into compliance. On the other hand, it invites action, co-operative action, creative action, zestful action.

Industrial Efficiency

3. The principle of industrial efficiency provides a fair wage to both capital and labor alike. While small and young co-operatives may not live up to these standards, yet nowhere is there any deliberate attempt to treat labor as a commodity to be bought and sold or to beat it down to a slave level.

Since every co-operative is owned by its members, including its employees each member as he becomes efficient learns the rudiments of business methods. At least he insists on business-like methods, and in so doing couples the co-operative spirit, which may take an idealistic turn, with business-like procedures.

In insisting on buying and selling for cash and in developing a business on a cash basis, the co-operative avoids the problems of installment buying and the accompanying evils of high pressure salesmanship. Being less wasteful and less riskful, a cash cooperative business is able to weather falling markets and depression storms. It opposes speculation and promotes security and sanity.

A co-operative does not aim to sell to each individual as much quantity goods as possible, but to help each purchaser to buy as much quality goods as his needs and circumstances will justify. It inflicts no high advertising costs. It would save the average American household a large part of its present advertising bill.

The co-operative lays claim to efficiency in the sense that it keeps the money in the community where it is spent. It increases local purchasing power. It pushes up the returns to the producer and lowers the expenses of distribution. It minimizes the "shortest cut between producer and consumer." It restores the producer-consumer relations of the early days of our republic.

Thrift in the original American sense is re-instated. It gives a spending philosophy a natural setting within a savings philosophy. It increases economic security without calling upon government for large annual subsidies. It lowers the proportion of national wealth required for taxes and at the same time raises living standards.

Continuous Education

4. The principle of continuous education energizes the cooperative movement. The more one understands cooperative principles and lives them the more easily do co-operatives thrive. Likewise, the more freely one participates in the discussion of the plans and policies of the co-operative the more his understanding of cooperation develops.

The natural sequence is to play together, cooperatively not competitively, then to think cooperatively together in a study circle and then with members of other study groups to start a buying club and cooperative business. In the study group a dozen members become acquainted with the history and philosophy of cooperation. In it they study carefully what is involved in each proposed co-operative step before they take it. In discussions they evolve new co-operative developments and devise ways and means of procedures before undertaking new co-operative advancement.
Co-operative education is accompanied by and sometimes preceded by recreation as an integral phase of its activities. Learning comes easiest through playing. The co-operative instructs consumers in how to buy efficiently. It sets forth its wares simply, conservatively, and inexpensively. It considers the "co-op label" its best advertisement. It substitutes three grades, A, B, C, for "a hundred brands." Learning comes easiest through playing. It emphasizes terms such as "participation," "co-operation," "savings democracy of personality."

5. The fifth principle is that of peaceful evolution. The co-operative movement logically begins with the retail consumers' co-operative. The credit union co-operative closely follows. The wholesale is next in line of development. Production co-operatives come next. Then the various utility co-operatives are called for, and at the same time a whole series of welfare co-operatives, such as insurance, housing, and health. Although the order may be varied considerably the method is always by peaceful evolution.

The co-operative movement begins with the individual, the consumer. It moves on to the household and through its co-operative spirit restores to the family a nationally valuable unity. It brings communities together, and gives democratic national morale a new birth. It reaches to the farthest parts of the earth with its constructive and dynamic re-organization of society. It promotes calm and collected activities, not hatred, war, and destruction. It builds personalities through peaceful and evolutionary enterprise.

The Importance of Action as Consumers

Without consumer institutions, the real results of activities in the producer field cannot be ultimately attained. The Industrial Revolution destroyed the domestic system. It also swept away community industries and took from the common man any chance he had of control in a large sector of production. It did not take away consumer institutions. In every community we find stores, banks, and various kinds of service agencies. These will always remain. The ownership of such institutions is the natural meaning of eventually bringing back the control of production to the people.

The primary producers of North America have not seen this. They have lost hold of their economic institutions and have been in many cases vainly struggling through group action in the field of marketing to get it back. They will never be able to do so unless they attack the problem from the consumer end. Moreover, what the common man has to sell, his labor or his primary products, is not his with that absolute ownership which he has over the money in his pocket. The wheat in his bin may be worth a dollar a bushel today, but, on account of conditions over which he has no control, it may be worth only ten cents tomorrow.

The wage-earner may be able through group action to sell his commodity at fifty cents an hour today but a depression may lower its value or make it impossible for him to sell at any price. What these groups really own is the remuneration, however small, that they get for their commodity when they do sell it. When the industrial worker really does succeed in getting employment and remuneration for it, he owns his money absolutely and can say where he is going to spend it. The significance of this has not been dear to him in the past. His major efforts have been centered around the fight for higher wages.

Labor unions sit in with corporations and fight over wages and conditions of work. After a long and strenuous battle they may succeed in obtaining higher wages, but this increase in wages may often be nullified by a rise in the cost of living. The laborer is prone to look upon the producer corporation that employs him as his natural enemy. It is true that the corporations have done some strange things. However, they are not the only villains in the piece. The entrepreneur, after all, is quite a decent fellow. At least, he is a producer. He blazes new trails and produces wealth. We can imagine weary representatives of labor unions, on their way back from strenuous meetings with corporation executives, passing through miles of city streets that are lined with consumer institutions, owned and operated solely for profit. The operators of these are glad when the industrial worker succeeds in getting higher wages. It means more business for them. They will get every last cent of the wages in any case. How strange it is that up to our time the workers of North America have never given attention to this phase of our economic system.

Each little worker has an economic hose through which he sprays his earnings. It may be a very small tube, but through it passes his annual wage. In the past, he has been spraying the lawns of those who serve him in the consumer field. Their lawns are green and their flowers are fresh while the worker's own yard is an ash-heap. If he only realized he could spray his own lawn for a while and what is left over he could put into reservoirs for the dry seasons. These reservoirs are consumer institutions, such as cooperative stores and credit unions. If all the people did this, they would in one generation loosen the hold that a great army of people who live off them now have in society.

No one group of the masses of our people is able to tackle successfully the problem of getting control of the economic processes of society. It takes united action of both industrial workers and primary producers. Cooperative activity in the consumer field is the common interest of all classes. According to their vocations, people are vitally interested in a given commodity but in the last analysis they are all consumers. They all need food and clothing, housing, and a multitude of services. If they unite their efforts as consumers they have a powerful instrument for the control of society.
Building an Urban Cooperative

Stanley Erickson, Sales Manager
Cooperative Services, Minneapolis

The contributions of Cooperative Services of Minneapolis to the annals of present cooperative progress are the methods it is utilizing in the development of Consumer Cooperation in a large urban center.

Organized six years ago with only a thousand dollars of capital, this cooperative today has a net worth of more than $60,000, and its original 200 members have grown to more than 3,000. It operates a wide variety of cooperative enterprises: five gasoline service stations, a food store, a fuel oil department, credit union, and acts as the Minneapolis agency for Minnesota’s cooperatively organized life and auto insurance organizations. Its sales in 1939 were $313,000; it’s savings, $12,640.

Factors Which Make or Break an Urban Co-op

Cooperative Services—CS is its abbreviated title—has found that there are several factors favorable to the development of co-ops in a big American city, and several unfavorable factors. It has endeavored to take advantage of the favorable factors and to avoid the unfavorable ones.

Among the former is the large market for a consumer enterprise. Within the large population of Minneapolis and the part of St. Paul in which CS operates are over 600,000 consumers, and it was not difficult to find sufficient consumers with a cooperative philosophy to form the nucleus of a business supplying them with their everyday needs. Another factor which CS has found can contribute to the growth of the co-op movement is the number of union, civic, and church groups whose forums may be used to enlist more members in the cooperative.

Among the unfavorable factors, in contrast to rural co-ops, are the lack of neighborliness among city dwellers, the wide variety of conflicting interests—especially amusements, the high cost of business operation in a city, and the stress of competition that means lower gross margins.

Serving a Large Potential Market

Cooperative Services took advantage of the first favorable factor, a large potential market, by opening as its first activity a gasoline station only four blocks from the center of the Minneapolis loop on a large lot owned by Minneapolis labor unions. There is a motor car for every family in Minneapolis, many of them find it necessary to go through the loop frequently and the station soon found its operations netting earnings for the members.

The second venture of Cooperative Services was a fuel oil department, inaugurated five months later. Fuel oil is used for heating purposes by many Minneapolis consumers, the average oil heated five-room home consuming more than 1,300 gallons yearly. It was not difficult to find the first 100 consumers to lend their buying power to the cooperative pool, nor was it difficult to profitably handle such a staple standardized product as fuel oil, and the co-op has made sizeable earnings and savings for its members in this department.

The Reefs of Non-Participation

Within the next twelve months the cooperative had opened two more service stations in residential districts which the members believed would support the stations. Their optimism was short-lived; lack of patronage and an unforeseen price war forced the closing of one of these stations before the losses dragged the young co-op into the pit of bankruptcy.

From this experience, and from the fact that the directors found it difficult, even though sales and membership were showing a constant growth, to obtain participation by the members in the affairs of the co-op, an appeal of districting and a division of responsibility among the shareholders that today is developing intelligent member participation, fast growth, and sound expansion in Cooperative Services.

The city was divided into five districts, each district surrounding one of the Cooperative’s existing business enterprises or projected activities.

Creating Effective District Organization

Today the members within a district look upon their local activity as their own separate co-op. The members of each district meet at least four times yearly. At the meeting preceding the CS annual meeting each district elects its district committee, seven or more members who might be called a district board of directors. At this same meeting one person is nominated to represent the district on the Board of Directors, nomination being tantamount to election at the annual meeting. The district committee watches the operations of the district’s co-op business activities, examines its financial statements, reports and makes recommendations to the Board of Directors, and carries on the educational work within the district.

Thus the board has at least one representative from each district who keeps the board informed of the sentiments and desires of the members within his district. If the members in one district desire a new activity they petition the board through their district chairman and the board member. The Board lays down the requirements in terms of capital and patronage before the activity will be established and the members go to work to meet the necessary quotas. One district decided it wanted a gasoline station; the board laid down a quota of $3,000 of the co-op’s ten dollar shares and subscriptions for 6,000 gallons of gasoline monthly. Funds were furnished the committee for literature and pledge cards; the committee members went to work, raised the money, and the co-op built the district a gasoline station after the quotas were raised. This same procedure is now being duplicated by another district in another part of the city.

Committees that Really Work

The educational committee of CS coordinates the educational work of the districts and is composed of two delegates from each district, elected by the board. The committee operates on a budget of one-half of one per cent of the sales, last year $1,400, puts out a monthly paper, The Twin City Cooperator, and promotes a variety of educational and social activities among members and non-members, including discussion circles and a speakers bureau.

There are other committees each made up of one delegate from each district and a board member as chairman: An inspection committee makes periodic inspections and checkups of the co-op’s properties, services and personnel, reports its findings and recommendations to the board and to the district committees. A grocery committee advises on the co-op’s food store; a quality and standards committee checks up on quality; a rules committee considers and recommends changes in the articles and by-laws, and keeps the machinery of districting moving smoothly.

The result of all this activity is a co-op in which responsibility is being delegated among a large number of consumers. Members and district committees are coming to fully understand the affairs and problems of the co-op and when a member steps into a board directorship he does so competently and with knowledge of the problems and policies of the cooperative that he might otherwise not have.
Cooperation with Organized Labor

With organized labor, Cooperative Services operates on close and friendly terms. It has found that its policy since its inception, that of operating under union conditions with its employees all unionized, is a sound one. Moreover, with 15 other local cooperative organizations and 50 local unions, it is a part of the Twin City League of Unions and Co-ops. A year old, this organization has for its purpose a better understanding of the principles and possibilities of cooperative enterprise among unionists, and likewise a fuller understanding among co-op operators regarding the necessity of labor organization. During the fall months of 1939 the speakers bureau of the league sent speakers to 35 unions, informing more than 5,000 unionists about cooperation and the extent of local co-operative activity. To say this activity has been building the volume and raising the membership of Co-op Services.

By such methods of education and such planned distribution of participation and responsibility among the members, Minneapolis co-opers are demonstrating the tremendous possibilities of consumer cooperation in an urban center.

The Hiram Co-op Folk School

The letter inviting me to help out with dramatics at the Northeast Ohio Cooperative Folk School the week of December 26-31, said: "Bring a cot and ten blankets. We will eat, sleep, play and have classes in the church." That stopped me. Having heard some of my students talk about the educational possibilities of the school, I decided to go home, though, so the housing committee knuckled down and made the best of it.

More than fifty young folks crowded the church basement that first morning after Christmas. That was fine, except that accommodations fitted thirty-five around a church. And ten blankets! I wondered what one could find to eat the five days the students covered England.

That stopped me. Having heard some of my students talk about the educational possibilities of the school, I decided to go home, though, so the housing committee knuckled down and made the best of it.

Grange executive in Northeast Ohio, help the beginners to grasp the methods and principles of consumer co-operation. In the five days the students covered England, Sweden, Denmark, Nova Scotia, and Kagawa's efforts in Japan. Ambitious? It is meat and drink to these folks. All this is very factual and might be duplicated anywhere. But there is more than this to the school, and the rest isn't so easy to get down on paper.

There are, for instance, the people who first conceived the school, and brought it to life. Seven years ago, before there was any real co-operative education in Ohio, a group of ministers in the north-east counties, headed by James Wyker, decided they needed to pass on their own belief in the co-operative movement. They called in some FERA teachers, got together a little group of students and held the first school. Next, the educational department of the Ohio Farm Bureau took up the idea, and with the aid of these ministers held a school at Camp Manitou, with forty-three students enrolled.

In the Hiram school, co-operation and democracy are not only taught, they are practiced. The group makes its own rules. Discipline is determined by the wishes of the majority, and mostly enforced in the same way. As Jim Wyker said, "This is their school. They know it is going to be whatever they make it."

The school had only one paid employee—the cook. Everybody else contributed his time for the good of something he believed in. The students themselves did the housekeeping.

Officially, big, genial Dan Beardsley was recreation leader. Actually, for a good part of the period each night, he stepped back to let one of the students take the reins. It was mainly good practice for those who would be responsible for recreation in their groups back home.

Parliamentary drill at the school is swift and effective. For each session a new chairman is elected, who presides for that meeting. Sometimes there is little for him to do, except to introduce the speaker for the session. At other times, things come up which call for quick thinking, and a sure knowledge of the rules of order. And with half a dozen alert young parliamentarians in the crowd, woe to the chairman who slips up. The result is that meetings are at all times well handled, and the group prides itself on being able to negotiate the whole maze of procedure without bogging down. Would that more adults could do as well.

Another score on which Hiram is unique in the region is the severe winter weather, at seven o'clock lights were turned down and candles lit. There was group singing, sometimes a special song by a quartet or trio, choronic reading of scriptures. Then Fred Helffer, minister to the church at Hiram, gave short talks which were partly religious, partly a broad interpretation of what we mean when we say "Co-operation, a way of life."

A week at Hiram builds associations too strong to be lightly cast aside. That is why the alumni have formed a fellowship which meets quarterly. It helps bridge the gap between schools.

Since that first small beginning there has been a school every year. Students have come and gone, but a surprisingly large number keep coming back. Some have gone out to work in co-ops. Nearly all find in the co-operative ideal, a new and satisfying way of life.
What's News with the Co-ops

THE Cooperative Publishing Association, publishers of the Cooperative Builder and the Finnish Cooperative Weekly, at Superior, Wisconsin, moved into its own $35,000 printing plant, February 17. This marked the first step into production for the cooperatives in the Lake Superior area which had earlier established a cooperative bakery, cooperative coffee roastery, and two cooperative feed mills.

Midland Cooperative Wholesale, serving 200 member owners of cooperatives in Minnesota and Wisconsin did the record breaking business of $3,762,000 in 1939. This total does not include grocery sales of $239,900, handled by Midland's new grocery department, bringing Midland's total volume to $4,001,000.

The Ohio Farm Bureau cooperatives at their annual meeting, February 13 received reports that the business of their co-op wholesale jumped to $7,657,000 in 1939, an increase of 4.8% over its 1938 business. Earnings for the year totaled $211,000 and assets rose to $1,098,000 at the close of 1939.

Ohio cooperatives took credit for controlling the price of commercial fertilizer, holding the Ohio prices down to three to four dollars less per ton than last fall, in spite of an increase of $1 per ton in cost of materials. These savings were made possible when the cooperatives went directly into the production of commercial fertilizers.

The Associated Cooperatives of Northern California, meeting in Berkeley, February 18 reported that 18 retail co-ops are now purchasing regularly through the recently reorganized cooperative regional association. An unusual feature of the meeting was that it was held in the dining hall of the University of California Student Cooperative Association, one of the largest campus co-ops in the country.

Two weeks earlier, Consumer Cooperative Gas Stations, which are members of Associated Cooperatives reported a fully paid membership of 140 with 1,000 additional partly-paid members. The co-op which operates three service stations did a gross business of $84,000 last year.

The Group Health Federation of America, a national clearing house for cooperative and group health organizations was created in Chicago, February 3 at the close of the Second Annual Convention of Group Health Plans. Represented on the Board of Directors of the new federation are the Milwaukee Medical Center; the Cooperative Hospital Association, Elk City, Oklahoma; Group Health Association of Washington, D.C.; Trinity Hospital, Little Rock, Arkansas; Group Health Association of New York; Wage Earners Health Association of St. Louis; Greenbelt Cooperative Health Association, Greenbelt, Maryland; Civic Medical Center, Chicago; the Ross-Loos Medical Group, Los Angeles; and the Bureau of Cooperative Medicine.

Two hundred churchmen and cooperative leaders met at Drew University, Madison, New Jersey for the second conference on Religion and Consumer Cooperation, February 12. Harold Fey, secretary of the Fellowship of Reconciliation declared in an address at the conference banquet that "the first thing to which cooperatives must turn their attention is to keep America out of war. For if war comes, all of the constructive factors building a new economic democracy are likely to be destroyed." Representatives of all faiths participated in the conference. Among the speakers were Rabbi Jacob Sharon of New Rochelle, Father Henry J. Palmer of Brooklyn, and the Rev. Dr. James Myers of the Federal Council of Churches.

Eighty prospective leaders of cooperatives and credit unions in the Maritimes attended the eighth annual short course for cooperative leaders at Antigonish, Nova Scotia. The school is conducted by the Extension Department of St. Francis Xavier University.

Anders Hedberg, foreign secretary of Kooperativa Forbundet of Sweden, said on his arrival in New York, for a short business trip, that "the cooperatives in Finland are a source of strength to that nation in her battle against Russian aggression." Mr. Hedberg also pointed out that the Swedish cooperatives are growing rapidly and that Sweden has a fifty-fifty chance of staying out of the war. "To enter the war in an attempt to help defend Finland would be futile," he said, "for the nations now involved in the war would turn Sweden into a battlefield almost over night and the Swedish people would not even be able to continue the important economic aid they are giving Finland today."

The Group Health Mutual and Group Health Association, sister cooperatives providing hospital care insurance, and education and promotion for the formation of local health cooperatives celebrated their first birthday with a membership of 2,774 families representing 6,000 individuals.

March, 1940

Fourth Annual Tour of Nova Scotia Cooperatives

The Cooperative League of the U.S.A. will hold its Fourth Annual Tour of the Nova Scotia Cooperatives this year in spite of Canadian participation in the war, and invites churchmen, educators, farm labor, and cooperative leaders to take advantage of this unusual opportunity to make a first-hand study of adult education and cooperatives in the Maritimes.

The conference tour will begin with the Rural and Industrial Conference in Antigonish, August 12-14. This will be followed by three days of cooperative conferences with leaders of the Nova Scotia movement. During the following week, tour members will go into fishing villages, farm areas and industrial sections to visit cooperative stores, credit unions, lobster and fish processing plants, housing projects and other cooperative undertakings.

Complete information about the tour can be secured by writing to Dr. J. Henry Carpenter, chairman, Cooperative League Tour Committee, 167 West 12th Street, New York City.
CO-OP LITERATURE

- **Student Cooperatives**
  - Co-ops on the Campus, Bertman B. Fowler
  - Campus Co-ops, William Moore
  - Handbook on Student Co-ops, Based on the Findings of the Pacific Coast Conference of Student Cooperatives

- **Novels and Biography**
  - Fresh Farrow: Burris Jenkins (Special)
  - The Brave Years: Wm. Heyliger
  - My Story, By Paddy the Cope, Co-ops in Ireland

- **Textbooks on Cooperation**
  - Consumers' Cooperatives, August Johnson, a Puppet Play
  - Debating Handbook

- **Cooperative Recreation**
  - The Consumer Consumed
  - Education Through Recreation

- **Cooperative Education**
  - The Answer
  - The Spider Web

- **Posters**
  - Organize Cooperatives, 10"x20"
  - Cooperative Principles, 10"x20"
  - Cooperative Ownership, 10"x20"
  - Consumer Ownership—Of, By and For the People, 18"x28"
  - Cooperative Education Ticking in the Locality

- **Booklet**
  - The Album, 10th Anniversary Album

- **Other**
  - The People's Yearbook: A Review
  - What to Do With Cooperative Savings
  - Who Does America's Saving?
  - Hedberg Tells Senators About Swedish Co-ops

- **Central Co-op Wholesale's Education Program**
  - George Tichenor

- **Cooperation and Nationality: A Review**
  - E. A. Whitney

- **What to Die For and How**
  - Editorial

- **What to Do With Cooperative Savings**
  - A. J. Smokey

- **Cooperative Business**
  - Consumers' Cooperation

- **Central Co-op Wholesale's Education Program**
  - E. A. Whitney

- **Cooperation and Nationality: A Review**
  - E. A. Whitney

- **What to Do With Cooperative Savings**
  - A. J. Smokey

- **Cooperative Business**
  - Consumers' Cooperation
CALENDAR OF COMING EVENTS
Annual Meeting, Central Cooperative Wholesale, Superior, Wisconsin, April 15-16.
Fourteenth Annual Congress, Central States Cooperative League, and Third Annual Meeting of the Cooperative Wholesale, Inc., Fenway Hall Hotel, Cleveland, Ohio, April 27-29.
Dedication of first co-op oil refinery in the United States, Phillipsburg, Kansas, May 4.
Southeastern Conference on Adult Education and Cooperatives, Piedmont Hotel, Atlanta, Georgia, May 8-11.
Fifth Annual National Cooperative Recreation School, Heidelberg College, Tiffin, Ohio, June 14-26.

Board of Directors of National Cooperatives, Inc., Hotel Morrison, Chicago, June 19.
Annual Conference on Cooperative Education and Publicity, Heidelberg College, Tiffin, Ohio, June 25-28.
Fourth Annual Tour of the Nova Scotia Coopaveratives beginning with the Rural and Industrial Conference, St. Francis Xavier University, Antigonish, Nova Scotia, August 12-14, and continuing with tour of cooperatives through August 24.

THE COOPERATIVE LEAGUE
167 West 12th Street, New York City
608 South Dearborn, Chicago

DIVISIONS:
Auditing Bureau, 167 West 12 St., N. Y. C. Medical Bureau, 5 E. 57 St., N. Y. C.
Design Service, 167 West 12 St., N. Y. C. Rodale Institute, 167 West 12 St., N. Y. C.

AFFILIATED REGIONAL COOPERATIVES

Name
Central Cooperative Wholesale
Consumers' Cooperatives Associated
Consumers Cooperative Association
Consumers Cooperative Wholesale
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 Co-op. Association
Midland Cooperative Wholesale
National Cooperatives, Inc.
Pacific Supply Cooperative
Pennsylvania Farm Bureau Co-op. Ass'n
United Cooperatives, Inc.
Workmen's Mutual Fire Ins. Society

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Indianapolis, Minn.
Chicago, Ill.
Walla Walla, Wash.
Harrisburg, Penn.
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227 E. 84th St., N. Y.

Publication
Cooperative Builder
The Producer-Consumer
Cooperative Consumer
Readers Observer
Consumers Defender
The Recreation Kit
E.C.L. Cooperative
Ohio Farm Bureau News
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Grange Cooperative News
Hoosier Farmer
Midland Cooperative
Pacific N.W. Cooperator
Penn. Co-op Review

WANTED—A Free Price System
We talk about a free enterprise system as the ideal. It would be still better to talk of a free price system. What we have today is a controlled price system—an administered price system, as the economists say—so far as private profit business can make it so—exactly the opposite of what the apologists for profit business orate about.

Willis J. Ballinger, Economic Adviser to the Federal Trade Commission, thus indicts controlled prices before the Temporary National Economic Committee:

"The failure of controlled prices to follow the falling market in 1930 was apparently a factor in prolonging and deepening the collapse of production and employment. Artificially high prices appear to have been a factor in the unwholesome lack of buying power that has so long interfered with recovery.

"The fact appears to be established that price and production controls, set up in the hope of obtaining larger profits at the expense of the business system as a whole, have succeeded in so poisoning the whole system as to defeat even their own purpose. A cancer may live successfully at the expense of the body of its victim until it kills the body and dies with it."

Lower prices are the key to prosperity for ALL. Lower prices distribute purchasing power widely. Lower prices prevent excess savings in the hands of the few. The Federal Trade Commission calls for lower prices. Fortune magazine calls for lower prices. The National Resources Committee shows that high prices cause two thirds of the consumer units to go in the hole and only 7% to do all the net saving.

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.
The moral is—non-profit cooperatives are the only means of bringing about lower prices—profit business will not lower prices voluntarily—a democratic government cannot lower prices. Organize cooperatives, which are the only free price system!

WHAT TO DIE FOR AND HOW

Easter Day brings thoughts to all of the meaning of life and death. These are some thoughts for cooperators written on Easter Day.

The main question for all of us, according to John Ruskin, is “What is a man’s due occasion of death?” For, truly, the man who does not know when to die, does not know how to live.”

Men die blindly. The classic example was celebrated by the poem describing the battlefield, “with cannons to the left, of them, cannons to the right of them, cannons in front of them.” Yet in the face of certain death “theirs not to reason why, theirs but to do and die.” And they died because of the blind orders of a blundering leader.

Men die for mistaken cause. On a simple stone in a wall at the Lexington bridge appears this tragic memorial to the Hessians, “They came 3,000 miles and died to keep the past upon the throne.” Many a man has died for a lost cause.

Men die for truth. Freedom has always been the great battle cry which has lured men on. The French have phrased the world’s greatest battle slogan “Liberty, Equality and Fraternity.”

Others live for truth and die in part daily, as well as risking sudden death. The world is thinking more and more of following the example of the man whose name is remembered with high honor on Easter Day. Some early American immigrants like William Penn proved that they could deal with native American Indians by peaceful methods far better than others could and did by violence. Eamon de Valera, Ireland’s Prime Minister of Freedom, “thinks it wiser when dealing with the English to plant ideas rather than bombs,” so T. E. Lawrence says. Inspired by the great Russian writer Tolstoi, the Indian leader Gandhi has demonstrated that the power of non-violence is greater than that of violence. More and more men are saying today “I may not be able to keep from being killed, but I can and will keep myself from killing another” as the man did whose life is honored on Easter.

War today has even lost its primary bravery as well as its effectiveness in finally settling anything. Men who are grown and are responsible for the wars do not go to war themselves but cowardly send their sons to die for them and then parade with gold star badges and weep maudlin tears over their sacrifices, when it is their sons who have done the sacrificing while their fathers saved their skins. (There are no political implications in the following quotation—it is simply the best recent illustration we have heard: The Country Gentleman included in a story about John N. Garner that, after voting to declare war, he went home and called in his boy and “this was the substance of the conversation that followed:

‘Son, how do you feel about this war we declared today?’

‘I want to go, Dad.’

‘Hell, it isn’t a matter of wanting to go. You’re going.’

We will never forget the reporter’s description of brushing the snow off the agonizing face and twisted body of a Russian lad frozen to death doubled up with his hands clasped around his fractured knee.

“The soldier’s trade, verily and essentially, is not slaying, but being slain,” says Ruskin in “Unto This Last,” which every cooperators should own and read and reread. We honor the soldier because of this ultimate fact that “put him in a fortress breach, with all the pleasures of the world behind him, and only death and duty in front of him, he will keep his face to the front.”

Perhaps it is true that “the dead do not die in vain” under any circumstances. It may be true that they “will not sleep while poppies grow.” It may well be that the dead do stir the consciences of oncoming generations to greater action.

If this be so, then may the dead the world over respond to the Irish poet’s appeal, “Arise ye dead of Ireland and rouse her living men.” For the physically living men of the world are yet largely spiritually and mentally dead to the causes and remedies of the poverty around them and need badly to be aroused to far greater efforts.

Building cooperatives is a matter of life and death today—death to all the precious heritages of liberty and equality, in so far as they have been realized, if we do not build a cooperative economy—life to a far greater degree if we do. Let’s live and die at this job, rather than in some futile fight for world domination.

TO THE MEN WHO BUILT THE FIRST COOPERATIVE REFINERY IN THE U.S.A.

E. R. Bowen

(Inspired by reading the “Special Refinery Issue of Cooperative Consumer” and the folder “Factories Are Free” published by Consumers Cooperative Association, North Kansas City, Mo. Copies of both will be mailed free to anyone who writes for them direct.)

My father was born near the Western terminus of the Erie canal in New York. That was as far West as his father ever lived.

Seeming lack of opportunity from overcrowding and Horace Greeley’s advice “Go West, Young Man, Go West” induced my father and one of his brothers to emigrate Westward. Like Herbert Quick’s story of Vandermark’s Folly, they drove ox and cow teams Westward and “found the trail they wanted or cut it with an axe.” Their Westward trek ended in Iowa, where I was born in a log house on a farm half forest and half prairie. My father traveled farther West only to invest in new land when he sold his Iowa farm. That investment, I might add, while returning interest during the war years, has had to be underwritten in recent years and the constant question is whether or not it would not be better to “let the insurance company take the farm for the mortgage.” It is only a deep hatred of the ultimate results of such an outcome and not practical business sense which has prevented our family answering the question in the affirmative.

I chose as the subject of my graduation oration “Go West, Young Man, Go West,” and still feel that it was surprisingly prophetic that I then declared that there was no longer the need and opportunity of going West in physical development, but that there was need and opportunity of going West in social organization.

Yet while I have not had a home farther West than my father did, I did go farther West in the sense that I spent a quarter century of my life building and selling 40-horse-power steam engines and gas tractors which pulled behind them April, 1940
10 gang plows and broke up the prairies of the Southwest and Northwest by thousands and ten thousands of acres.

Then came the “clown of the cold grey morning after”. Never had I realized except vaguely that I was a party to a great sin, both physical and social. Physically we know now that much Western land never should have felt the sharp edge of the rolling coulter and the cold steel of the share and moldboard that lay the sod over in ribbons a mile long as straight as an arrow. Socially I began to awaken to the fact that the sons and grandsons of the two brothers who had harkened to the siren call of the West were being beaten financially—on the farm, in retail business, in wholesaling and in manufacturing, for we had spread out into every walk of farming and business life.

It has been your fault as well as mine, and the fault of society as a whole, that we have blindly given away our heritage for a mess of pottage in the gamble of private-profits. The financial fellows in the LaSalle streets and the Wall streets, who took Barney Baruch’s advice to “get into the profit side of business”, rather than Horace Greeley’s advice to “Go West”, held all the winning cards and we never even won temporarily.

Cooperators ought to know by heart the poem of Charlotte Perkins Gilman “The Lost Game.” The opening and closing verses read:

“Came the big children to the little ones,
And unto them full pleasantly did say,
‘Lo! we have spread for you a merry game,
And ye shall all be winners at the same.
Come now and play!”

“But those rich players grew so very few,
So many grew the poor ones, that one day
They rose up from that table—they rose and cried
In one great voice that shook the heavens wide,
WE WILL NOT PLAY!”

You who have built the first co-op refinery have served notice on the U.S. and the World that you will not play the losing game of private-profits in petroleum products any longer. For the first time in history the farmers and workers of the Missouri Valley have determined to garner all the oily fruits of their labor for themselves and their families—the retail fruits, the wholesale fruits and the processing and transportation fruits. May you go on in your pioneering to also garner together cooperatively for yourselves and your children, and not for the enrichment and ruination of a few other people and their children to the last generation, the final fruits of petroleum production, as well as of transportation, processing and distribution. The greatest conservation program needed on the prairies of the West is the concentration in your own pockets by cooperative conservation of the golden wealth which grows above the ground and the liquid wealth below the ground which the prairies produce. Thus you will honor yourselves and your generation; you will help to finally absorb the two great social sins of poverty and war for which our generation is so deeply responsible; and when you are gathered to your physically pioneering fathers, your children and grandchildren will forever remember you and declare in story and song that you were equally as great cooperative organization pioneers as your fathers before you were great physical development pioneers.

WHAT TO DO WITH COOPERATIVE SAVINGS

Each year cooperative directors, managers, and members are asked to decide this question: “What shall we do with the savings?” This is probably the most important decision to be made all year as it has a decided effect on the financial soundness and stability of a cooperative. Before an intelligent decision can be made it is necessary that those who are asked to make the decision understand thoroughly the financial needs of a cooperative. What are these financial needs?

The Organization of a Co-op

Let us go back to the organization of a co-op and see what usually happens. We find many people who are willing to patronize a cooperative, but who are not willing, or in a position, to invest money to provide the necessary capital so that the cooperative can operate properly. In organizing a cooperative it is difficult for the average group to sell enough stock, although they have been told how much capital is necessary. They find after considerable effort that it is going to take too long to raise the amount needed to provide them with even the minimum amount of capital to carry on their routine activities over and above their investment in necessary facilities. They are apt to get impatient and want to start their cooperative before they have raised the amount necessary. As a result the cooperative is under-capitalized from the beginning.

How Much Capital Is Necessary?

First consider how much capital is necessary. To make easy figuring let us put the par value of a share of stock at $10. Many people seem to think that if they purchase one share of stock they have done their bit, and have provided their proportionate share of facilities, in

A Condensed Balance Sheet Helpful

Since cooperatives are usually under-financed at the time of organization, it
becomes very important that proper disposition be made of earnings. As already pointed out, it is necessary for those people who decide what disposition is to be made to understand a balance sheet thoroughly, and from that balance sheet to be able to determine the financial needs. It should always be remembered that in building capital there are only two possible sources from which capital can be derived: from savings, and from the sale of shares of stock.

The average member of a cooperative is not well enough versed in accounting to be able to analyze the balance sheet which is presented to him. For this reason it is important that simplified balance sheets be presented to members and that they be thoroughly explained so that the members will understand the condition of their cooperative. The simplified balance sheet shown below is not only easily understood, but it sets up definite requirements and a goal that every cooperative should strive to reach. This condensed balance sheet is the result of the combined efforts of Mr. E. R. Bowen, Secretary of the Cooperative League of the U.S.A., Mr. Hans Lalli, Manager of the Cooperative Auditing Service, Minneapolis, and the writer. If this pattern is followed no cooperative will pay out savings in the form of a cash patronage dividend until it is in a position to do so.

### WHAT WE OWN.

1. CASH ...................................................... $ 300

2. (a) Receivables ... $1,000
   (b) Inventory ...... 3,000
   (c) Investments .... 500

   Equal to 2. Reserves ... $4,500

3. FACILITIES .............. 4,000

   Equal to 3. (a) Capital $2,000
      (b) Mortgages 2,000

   $8,800

You will notice immediately that this simplified balance sheet is unorthodox as compared with the accepted form of balance sheet. It is divided into three parts, each of these parts being numbered, and each having a direct relation to the others. The balance sheet should be read: Cash equal to Payables and Savings; Reserves equal to Receivables, Inventory and Investments; Capital and Mortgages equal to Facilities.

### Presenting the Condensed Balance Sheet

In studying this condensed balance sheet, keep in mind, first, that its main purpose is to show how much capital is needed and to show the folly of attempting to pay cash patronage dividends before an association is in a position to do so. Why do we say that Cash should equal first of all Receivables and secondly Savings before a cooperative is adequately financed? In order to be adequately financed, a cooperative should have sufficient cash on hand to pay off, first, all of its Receivables, and, secondly, its Savings. If a cooperative does not have sufficient cash on hand to pay what it owes it certainly is in no position to pay out a cash patronage dividend.

However, entirely too often we find cooperatives doing this very thing, and as a result the financial condition of the cooperative is not improved as quickly as it should be. If a cooperative intends to pay out its savings in cash before it has the actual cash to do so it is simply borrowing money in order to pay a cash patronage dividend, and that is the most idiotic thing any cooperative can do.

Secondly, we say that the Reserves should equal the Receivables, the Inventories and the Investments. Again you may ask the question, "Why do we set up such a requirement?" First of all, What are Reserves? Reserves are funds taken from the earnings and set aside for possible losses or contingencies which may arise in the future, also for the purchase or replacement of equipment which is worn out or obsolete. However, we want you to keep in mind one other point in regard to Reserves in connection with this simplified balance sheet. Reserves are usually interest-free capital, and that is our main purpose for saying that Reserves should be built up to equal Accounts Receivable, Inventories and Investments. We believe that the asset items mentioned should be covered by interest-free capital as these items certainly on the whole are not interest-paying items, and do not bring a return to the patrons. On the contrary, Receivables and Inventories which are the two big items in this group are expense items. It costs a great deal of money to do a credit business, and we feel that when members desire to do a credit business they should be willing to furnish the cooperative with sufficient interest-free capital to carry their own Receivables. Statistics show that it costs from 12 to 32% a year to carry an inventory, depending on the number of turn-overs during the year. Since this inventory belongs to all the members, we feel that it is only logical to ask the members to furnish interest-free capital to carry their own inventories.

Thirdly, we say that Capital should be equal to Facilities. You may wonder why we have included Mortgages with Capital. Many cooperatives have mortgages, and we feel that they should be shown but should not be shown with current payables. Perhaps it is asking too much for a cooperative to have sufficient cash on hand, always, to pay off all its obligations. We want to show it as a definite obligation that should be met, but first of all the current payables should be paid. As long as we have mortgages, therefore, we could handle this in either of two ways. When a mortgage is given, the cooperative giving the mortgage gives away equity in its facilities equal to the amount of the mortgage. If we show the Facilities at the full amount, and there is a mortgage against those Facilities, we must include Mortgages with Capital. To get rid of all mortgages and have Capital equal to Facilities should be the goal. In other words, we should have enough Capital to pay for what we invest in the Facilities, or Fixed Assets, as they are more commonly called.

### How Would You Vote?

If, as a member of a local cooperative, you were presented with the above analysis of a balance sheet, what would you vote to do with the savings? There is only one logical thing to do, and that is to dispose of the savings by issuing Capital Stock to the members for their particular part of the savings, and putting part of it, at least, into Reserves. As already mentioned, many cooperatives with a balance sheet such as the one shown above are attempting to pay out cash patronage dividends. We believe the main reason they are doing so is because they do not know any better. Another reason, perhaps, is because Cooperation has been sold on the dividend idea, rather than on the ownership and control idea. The savings of a cooperative should be used first to get that cooperative out of debt so that its members will have complete ownership and complete control of their organization.

Should Savings be used for expansion into other commodities? The answer to that is definitely "Yes". In order to grow and prosper, a cooperative should...
continually expand, but it should not expand until it has the money to do so. Many times we find cooperatives starting out handling one or two commodities, with sufficient capital to carry on their business, and pay cash patronage dividends. The members become so dividend-minded that it is almost impossible to get them to leave the Savings from their current purchases to provide themselves with other services. Therefore, if this cooperative program is to grow and prosper, the members must be willing to leave their Savings in the cooperative to provide themselves with additional services. As a cooperative takes on additional commodities and provides additional services, the financial requirements increase.

The history of cooperatives shows that once they begin operation they usually discontinue selling shares of stock. Because of this, only one other possible source of capital remains, and that is Savings. Many times we find a cooperative that wishes to expand, but at the same time the members refuse to furnish additional Capital by purchasing stock, or they refuse to leave their Savings. Expansion on this basis means that the association will find itself underfinanced, for it cannot hope to do a larger business on the same amount of capital.

Let us use this slogan, "Use cooperative Savings for expansion, and do not expand until you have the money with which to do it. Over-expansion is just as bad, and possibly worse than under-expansion." When a cooperative dollar is spread too thin, the movement is jeopardized.

In conclusion, let us summarize: First, cooperative Savings should be used to build the financial structure of the cooperative movement in order to regain ownership and control of business. Secondly, cooperative Savings should be used for expansion in order to provide the additional services which are needed.

-Highlights of Central Cooperative Wholesale's Educational Program-

An educational department has been maintained by the Central Cooperative Wholesale since 1920, three years after its inception. It now consists of a nine man department, five in the home office and four resident educational fieldmen. The latter were hired in 1939.

We have found that our educational program will function only to the extent that there is an active local group in each community, ready to carry out the plans. For this reason we place much importance on our co-operative auxiliary organizations, the educational committees, the women's guilds, co-operative clubs, youth leagues, and last but not least, the junior groups for our little tots. They are the tools that we work with.

The guilds and clubs, consisting of 78 local groups, have a total membership of 2,000. The youth league organization increased its membership over 100 percent during the last year, from 450 to 1,100. Educational committees now function in most of the member and patron societies. Minute books have been furnished them, with instructions to forward carbon copies to our office each month. This improves meeting regularity and keeps us posted on the local projects. Usually composed of delegates from the Consumers' Cooperation Board, membership, employees, guild or club, youth league, etc., they constitute an excellent planning committee for all local educational and publicity work.

Our co-operative press is doing a consistent job of hammering away at cooperative education 52 weeks in the year. All these factors make up the machinery for moving our educational program ahead.

Our School Program

Development of a school program was one of the first functions of the educational department, and today it is our most complete branch of activity. Our biggest school project each year is the Ten-week Management Training School. This was initiated in 1918, with a one-week bookkeeping institute. The following year a four-week management school was held with 40 students in attendance. It is now estimated that in the twenty-one years about 600 students have had this training.

Another annual school event of much importance is the four-week Youth Classes, for young people 18 years of age and up. About 45 students are accommodated each year at the Northern Wisconsin Co-operative Park, located on the famous Brule River about 35 miles from Superior. Intensive training is given in economics and social theory, co-operative history and principles, organization and administration, public speaking, parliamentary practice, organized recreation, sports, and discussion group work. These schools have been invaluable in training our youth for co-op work. Most of our present day functionaries have received their early training at these Youth Courses.

Summer Institutes of one and two-week duration, are arranged by the district federations each year. These are a combination of recreation and study, having sometimes as many as 68 students at one school. Many are adults, usually co-operative employees, but each year these institutes have become more popular with the youth. The Children's Summer Camps, for the Junior groups, often have as many as 125 youngsters at a two-week school. About 500 attended such a camp in 1939.

The latest developments in our school program are the Directors' Classes and Employees' Circuit Schools. Lectures on problems of Board members are arranged for about three evenings in each community to prospective as well as present Board members, with actual test papers passed out after the lectures are completed. These classes have become very popular with the membership.

Special emphasis should be placed on well-planned employee training. Consider the difference in results between an employee who is just another clerk, and one who considers his security and success a result of how well he can do a CO-OPERATIVE JOB in his community. In order to get more of the latter type, the Central Co-operative Wholesale initiated employees' circuit schools in the year of 1938. Department heads qualified to lecture on merchandising, product information, Co-op label program, government grading, meet with the employees from several co-operatives at a central point in each district. About 500 employees have been contacted each year.

Correspondence courses to prepare students for our Management Training Schools are being discussed. As a supplement to the National Recreational School, a short Institute on Recreational Leadership is planned for 1940.

Neighborhood Discussion Groups

The outstanding project during 1939 was initiating "group study for action" through the organization of Neighborhood Discussion Groups. At the quarterly planning meeting with our auxiliary groups, we resolved to organize 250 neighborhood discussion groups by April 1, 1940. We had seen that guilds, clubs, and youth leagues draw the most active co-operative members, but the rest of the membership is often forgotten. Through neighborhood discussion groups, however, the whole membership can be brought into actual participation.
in co-operative education. After a year or two of discussion group practice, it should not be a difficult task to get these people interested in our permanent auxiliary groups. Thus the discussion group program can be used for a two-fold purpose, to get participation of the general membership in educational activity, and to increase the membership of our regular co-operative auxiliary organizations.

In this program we have used our district educational fieldmen, our educational committees, guilds, clubs and youth leagues, with the result that we now have about 308 groups receiving materials monthly and reporting back to our office. The guilds, clubs, and youth leagues have registered under the plan, so actually we are sending out materials to over 400 groups. They use the outlines at their monthly meetings, by breaking up into study groups, and reporting back into general meeting for a review of their findings. Reports from these conversations are an essential part of our educational machinery.

Spring conferences will be held in each district for discussion groups where materials will be reviewed, technique discussed, and plans made for summer activity. Groups will be encouraged to meet through the summer months, either in recreational work, outings, or picnics. Well over the top before April 1st, and more groups being organized each week, the success of the discussion group program has been entirely satisfactory.

**Miscellaneous Projects**

Educational committees will not function unless they learn what their tasks are and how they can carry them out. In order to accomplish this, we initiated Educational Committee Conferences two years ago, with such success that they will be an annual affair.

In an effort to reach the general public through the radio, weekly Radio Programs have been sponsored since 1936, usually a 15-minute broadcast for 26 consecutive weeks. At present, we are discussing a daily five minute broadcast of world news and consumer information, with short commercials. Recordings have been made of model programs, which are being "sampled" at meetings of local societies and district federations. If the reaction is favorable, we may be on the air five days a week next year. In our trading area we have an average radio audience of two million. Surely it is well to approach this army of unorganized consumers through a consistent reminder of the advantages possible through co-operative trading.

Regarding publicity work, we cannot overlook our "Co-op Month" activities. Several years ago the Cooperative League set aside October of each year as Co-operative Month. We have made use of this from the beginning to good advantage through large public meetings and entertainments of an educational nature. During last October, we supplied Co-op Month committees with 14,000 special leaflets which were distributed at conferences, meetings, social affairs in addition to other general literature. It is the highpoint of the year among our member and patron societies in respect to well-planned educational and publicity work.

The use of visual education has increased each year with the growth of a library of Co-operative Films. The film, "The Lord Helps Those" has met with success and created a definite demand in its use.

What is the object? Here is a program that will add lively interest to educational meetings.

Organizational Work

The Organization of New Co-operatives is an essential part of our educational program. We furnish them with the proper forms for share subscriptions, articles and by-laws, etc. However, they must solicit the share capital themselves. Because of this work the CCW family is growing each year. During 1939 there were 10 new member organizations that earned a full share. At present approximately 50 organizations are earning shares through patronage.

In addition to organizational work, advice is given in store arrangement, remodeling, and building, estimates, and architectural plans. A Uniform Store Front Design was approved last year, which appeared in the September 2nd issue of the Cooperative Builder. This has already been used by many co-operatives that remodeled or constructed new buildings in 1939.

**District Educational Fieldmen**

The latest addition to our educational machinery is the Resident Educational Fieldmen. Our trading area is divided into four educational districts, with a full-time man for each. The estimated annual budget for this work is about $12,000, to be paid for by the CCW and the member societies on a 50-50 basis. The men were hired jointly by the CCW and the district federations; their program has been worked out in a like manner. This teamwork between the wholesale and the federations should make the project workable.

Worked out at a recent conference with them, the main functions of the resident fieldmen include circulation of our Co-op Bulletin; correspondence; attendance at membership meetings; success of neighborhood discussion groups; keep educational committees functioning; guilds, clubs, and youth leagues functioning; work with credit unions; stimulation of federation activities; general organizational progress; CCW patronage loyalty from local societies; employees' meetings, managers' meetings, etc.

Some Other General Services

Speaking engagements and officiating at educational functions and meetings of member and patron societies are unusually heavy. A check-up revealed that 487 such affairs had been attended by the CCW educational staff during 1939. This is almost two engagements for each work day, which means that two men from the CCW home office staff (mostly Educational Department) are out in the district every day of the year at some co-operative affair.

**Translation of Materials**

A considerable task with us, as much of our educational work is still in the Finnish lan-
legal and Legislative Work are a part of our duties. We prepare articles and by-laws for newly organized societies, as well as amendments for established organizations. Legislation is watched, and strategy planned together with other co-operatives in the Northwest. Other routine matters and services, not important enough to mention, are numerous, and go a long way in helping to bring about a well-rounded program of co-operative educational service.

And What of the Future?
An educational program that is alive to the needs of its membership will continue to expand. Each year we shall find that some new service is necessary. As a co-operative structure grows, its responsibility towards its membership and the community is increased a hundredfold. It means living a co-operative life not only in buying and selling goods, but in our civic and cultural life as well. This is already evident in many communities where larger co-operatives are located. It is up to us to provide our communities not only with a better method of distribution and production, but with a sanie and sound ideological leadership as well. If cooperative educational work continues to expand, never seeming to be quite as complete as it should, it is only because co-operators are called upon to do that work which will some day unite all men together in common effort for their mutual good.

WHO DOES AMERICA'S SAVING?
E. R. Bowen


A number of years ago Justice Brandeis indicated in one of his famous dissenting opinions, in which he was usually only ahead of the thinking of the times, that the concentration of corporate dividends and individual savings were both going on rapidly together. We have recently reviewed “Dividends to Pay” by E. D. Kennedy, which is based on the U. S. Treasury Statistics of Income, and shows graphically the increasing concentration of corporate dividends. This new statistical study by the industrial committee of the National Resources Committee now shows graphically the concentration of individual savings. They are two companion publications which should be in every cooperative leader’s and every cooperative association’s library.

The statistics cover the year 1935-36. The lower one-third of American consumers had an income of $6,000,000, 000; the middle one-third, $14,000,000, 000; 26% of the upper one-third, $20,000,000,000 and the top 7%, $18,000,000,000.

The lower one-third of American consumers, or those receiving incomes under $780 per year, went in the hole to the tune of $1,207,000,000. The middle third, or those with incomes from $780 to $1,450, went in the hole by $252,000,000. The lower and middle thirds together, or 66.6% of all consumer units, did not break even by $1,459,000,000. 26.4% of the upper third, or those with incomes from $1,450 to $3,000 saved $1,531,000,000, or only a little more than the lower and middle 66.6% lost. These are so nearly the same amounts that we can cross the savings off against the losses and add the total number of consumer units together and say that 93% of all American consumer units, or those with incomes under $3,000, only broke even in 1935-36.

The total amount of savings was $5,978,000,000, of which the upper 7% saved $3,506,000,000, or practically all.

This was also nearly the same amount as the total income which the lower one-third received.

Almost half of the total savings, or $2,833,000,000 were saved by one-half of one per cent of the consumer units, or those receiving incomes of over $15,000.

An American missionary to India, Sam Higginbotham, says that every American should ask himself or herself the question, “What am I doing to help the poor?” Since 93% of the people do not save anything at all as a whole, it would seem even more applicable for the 93% to ask themselves the question, “What am I doing to help myself and others to keep from being poor?”

Since so many of the people are poor, it is high time we should pull ourselves out of poverty by organizing as producers. We are unable to do so as political citizens, even with all our efforts to establish a national minimum. Why then not try organizing as consumers? The degree to which we exert ourselves in consumer cooperative organizations is likewise the degree to which we determine not to be poor any more. The government is doing a good job in furnishing us with the statistics to arouse ourselves, but it is up to us as consumers in a democracy to act in organizing ourselves for self-help, rather than depending upon state-help.

HEDBERG TELLS SENATORS SECRETS OF SUCCESS OF SWEDISH CO-OPS

ANDERS HEDBERG, secretary for International Questions of Co-operation, for his self-styled “International Errand Boy” of cooperatives in Sweden, has earned the title of educator extraordinaire for the American cooperative movement during his brief sojourn here. Mr. Hedberg is in the United States to act as official, representative of the Swedish cooperatives in the event the war in Europe should spread to the Scandinavian Peninsula or cut off the Swedish cooperatives from direct contact with their American sources of supply. As Mr. Hedberg has phrased his mission, “I was sent here with the hope that I should have nothing at all to do.”

While normal contacts with Sweden are being maintained, Mr. Hedberg is studying American methods of distribution and acting as ‘good neighbor of the American cooperatives.”
On March 12, Mr. Hedberg appearing before the Senate sub-committee hearings on the Norris Bill revealed a new aspect of the battle between the Swedish cooperatives and the trusts. He told how Kooperativa Forbundet entered the trust-tied electric light bulb field and lowered prices of 60 watt bulbs from 37 to 22 cents, thereby justifying the market defense as a cooperative undertaking. He credited this success to the marketing cooperatives which now act as a positive barrier against monopolies and their extortionate prices.

Mr. Hedberg told the Congressmen.

Mr. Hedberg was guest at a special luncheon arranged in his honor by the executive committee of the U. S. Chamber of Commerce while he was in Washington. Mr. Hedberg represents the Swedish cooperatives on the Permanent Committee on Distribution of the International Chamber of Commerce.

He also spoke before a special luncheon of the alumni of the Harvard Graduate School of Business Administration in New York City.

When executives of the American cooperative gathered in Chicago for the quarterly meetings of the Board of Directors of the Cooperative League of the U.S.A., and National Cooperatives, Inc., and for the Publicity and Education Committee of the Cooperative League, Mr. Hedberg participated in the meetings, commenting from time to time on the Swedish methods of dealing with the particular problems under discussion.

Mr. Hedberg told the editors and educational directors that the discussion group method of education was the most important of the many educational undertakings now being conducted by the Swedish cooperatives and that he felt that the present growth of discussion groups in the American cooperative movement to be an important guarantor of the success of the movement.

"Traveling the Middle Way in Sweden"
Hamnor Foundation, in cooperation with The Cooperative League, has just completed a 16 mm. color motion picture with the above title. Two of its six reels are devoted to life in Sweden; two to consumer co-ops; and two to marketing cooperatives.

Rental: $1.50 per reel, black and white; $2.50 per reel in color. For information write: The Cooperative League, 167 West 12th St., New York City.

CO-OP DIRECTORS APPROVE WASHINGTON OFFICE—SET DATES FOR BIENNIAL CONGRESS

COOPERATIVE executives, meeting in Chicago for a full week of conferences, March 18-22, made several important decisions affecting the policy of the American cooperative movement.

The Board of Directors of the Cooperative League formally authorized its executive committee to employ the personnel necessary to establish a research and information office in Washington.

A special committee was appointed to survey the possibilities of a program of national cooperative life insurance.

The Board also set the dates for the 12th Biennial Congress of the Cooperative League of the USA which will be held in Chicago, October 16-17-18. The Central States Cooperative League and Wholesale, and the Cooperative Union of Chicago will act as hosts to the Congress. Since Congresses are held only once every two years, the Chicago Congress will also serve as a 25th anniversary celebration commemorating the founding of the Cooperative League in March, 1916.

National Cooperatives, Inc., at its quarterly meeting immediately following the meetings of the Board of the Cooperative League, established itself as an international business federation of cooperatives by ratifying the membership of its second Canadian co-op wholesale, Saskatchewan Cooperative Wholesale of Saskatoon, Canada. The United Farmers Cooperative, Ontario, Canada was admitted to membership a year earlier.

Howard A. Cowden, secretary-treasurer of National Cooperatives reported that the co-op wholesale associations affiliated with National Cooperatives handled $48,708,823 worth of business for member co-ops last year. These regional federations serve 2,050 retail cooperative associations with 744,562 patron members.

The total membership figures are somewhat higher since membership statistics were not then available for Eastern Cooperative Wholesale, Indiana Farm Bureau Cooperative Association or the Saskatchewan Cooperative Wholesale which together serve another 100,000 members.

Officers of National Cooperatives elected for the coming year are: I. H. Hull, of the Indiana Farm Bureau Cooperative Association, president; A. J. Hayes, of Central Cooperatives, chairman of the Board; Joe Nolan, of the Farmers Union Central Exchange, vice president; Howard A. Cowden of Consumers Cooperative Association, secretary-treasurer; and Stanley Colburn, manager of National Cooperatives, assistant secretary-treasurer.

Editors and educational directors of the regional cooperatives affiliated with the Cooperative League held a two-day session March 21 and 22, discussing education and publicity methods. Particular attention was devoted to the growth of discussion groups, motion pictures, syndicated news services, and publicity policy affecting public questions outside of the cooperative movement.

The Publicity and Education Committee also drew up plans for the June conference to be held at Heidelberg College, Tiffin, Ohio, June 25-28. A full-day session of the conference will consider the question "What can we do to bring the farm and city together through economic cooperation?" Other sessions will be devoted to the most effective methods of publicity and adult education for the cooperative movement. The conference will be open to teachers and college professors, religious, farm, labor, and general adult education leaders interested in methods of cooperative education.
BOOK REVIEWS


"The People's Year Book" probably the only authoritative and comprehensive "world almanac" of the cooperative movement, and therefore indispensable for any international picture. Also, are included social statistics with particular reference to trade unionism, employment, and this year, a number of valuable chapters on economics and the war. Particularly interesting is a succinct chronological outline of events of the year leading up to the struggle.

Wallace J. Campbell, assistant secretary of the Cooperative League of the U.S.A., heads the section on "Cooperation Overseas" with a report of outstanding progress in the United States. Among the gains described are the tremendous increases in cooperative grocery trade, particularly by Central Cooperative Wholesale of Superior, Wisconsin, and the Eastern Cooperative Wholesale in New York. Midland Cooperative Wholesale's grocery chain is described, and the uniform cooperative label; Consumers Cooperative Association's first oil refinery erected at a cost of $700,000; the farm supply increases; membership growth to a conservative estimate of 2 million members; opening of joint executive offices of the National Cooperatives and the Cooperative League of the U.S.A.; development of advisory councils, meetings of small groups of cooperators within societies—the Ohio Farm Bureau Cooperative Association having about 5,000 such families engaged, Midland about 2,000, and a start made by the Eastern Cooperative League. The grocery train of the Rochdale Institute, Consumer Distribution Corporation and the Eastern Cooperative Wholesale, is explained and its method of providing both academic and field training for needed cooperative personnel.

The chapter on the social consequences of war encourages democrats by this outspoken statement: The Cooperative Movement maintains "at all times need for watchfulness in safeguarding essential rights and privileges. Times of crisis, such as these through which we are now passing, accentuate that need. In the fight for people to live their own lives, for freedom and for democracy, with minds on the struggle of armed forces and the necessity for military success, there is a danger that while victory may be won abroad freedom may be lost at home. Vigilance is necessary if the control of public affairs is to remain in the hands of the people during and after the war. It is easy to acquiesce in short cuts to an end, but it is often dangerous to do so."

—George Tichenor, Editor The Cooperator


Recently we had occasion to ask a man about another and were answered, "Well, you must remember he is our friend and we are probably prejudiced in his favor." It is somewhat the same in writing a review of George Russell's book. We cannot, unfortunately, say that he was our friend when he was living as we would have wished. For we only spent a couple of hours, memorable as they are, with him. But his writings, thoughtfully read and practiced, will make all the peoples of the world friends of his and of one another.

George Russell was a cooperative individual in fine deed as well as fine word. Karl Walter, of the Horace Plunkett Foundation, says that no one in Great Britain has ever equaled his beauty of cooperative expression—only Charles Gide of France is to be compared with him. Some have read his later book, "The National Being." But it is indeed strange that his earlier and to many, still better, book has been allowed to lie out of print for so long years after it was written in 1912. It is one of the classics of cooperative literature and we hope never will again be allowed to go out of circulation. How many times we have read it we could not count since we first learned of it from quotations by Henry A. Wallace.

"In this book Russell predicted a quarter century ago that Cooperation would be the fourth alternative to Capitalism, Corporatism (Fascism) and Communism. We will only give you a taste of two quotations which are most applicable today:"

"When a man becomes imbecile his friends place him in an asylum; when a people grow decadent and imbecile, they place themselves in the hands of the State."

"I dislike the little groups who meet a couple of times a year and call themselves cooperators because they have got their fertilizers more cheaply and have done nothing else."

Take our word and read it. Then order it by the hundreds and sell or give them away as cooperative seed. We do not know of any literature which will bear more fruit. This book should sell by the tens of thousands at this low price made possible only by consumer cooperative purchasing. It ought to be required reading for every cooperative employee and director and for as many members as possible.

Consumers' Cooperation

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS

EDITORS' SPECIAL

SPRING BOOK NUMBER

May 1940
CALENDAR OF COMING EVENTS

Dedication of first co-op oil refinery in the United States, Phillipsburg, Kansas, May 4.

Southeastern Conference on Adult Education and Cooperatives, Piedmont Hotel, Atlanta, Georgia, May 8-11.


Fifth Annual National Cooperative Recreation School, Heidelberg College, Tiffin, Ohio, June 14-26.

Board of Directors of The Cooperative League, Quarterly Meeting, Hotel Morrison, Chicago, June 17-18.

Board of Directors of National Cooperatives, Inc., Hotel Morrison, Chicago, June 19.

Annual Conference on Cooperative Education and Publicity, Heidelberg College, Tiffin, Ohio, June 25-28.

Co-op Summer Camp and Institute, Camp Sierra, California, July 13-20.


Annual Cooperative Institute, Massachusetts State College, Amherst, Mass., July 29-August 10.

Fourth Annual Tour of the Nova Scotia Cooperatives, beginning with the Rural and Industrial Conference, St. Francis Xavier University, Antigonish, Nova Scotia, August 12-14, and continuing with tour of cooperatives through August 24.

THE COOPERATIVE LEAGUE

167 West 12th Street, New York City

608 South Dearborn, Chicago

DIVISIONS:

Auditing Bureau, 167 West 12 St., N.Y. C.
Design Service, 167 West 12 St., N.Y. C.

Medical Bureau, 5 E. 57 St., N.Y. C.
Rochdale Institute, 167 West 12 St., N.Y. C.

AFFILIATED REGIONAL COOPERATIVES

Name
Central Cooperative Wholesale
Consumers’ Cooperatives Associated
Consumers Cooperative Association
Consumers Book Cooperative
Cooperative Distributors
Cooperative Recreation Service
Cooperative Wholesale, Inc.
Eastern Cooperative Wholesale
Farm Bureau Cooperative Association
Farm Bureau Mutual Auto Insurance Co.
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 Ins. Society

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N. Kansas City, Mo.
118 E. 28 St., N.Y.
116 E. 16 St., N.Y.
Delaware, Ohio
2301 S. Millard, Chicago
115 Kent Ave., Blyth
Columbus, Ohio
Columbus, Ohio
Lansing, Michigan
St. Paul, Minn.
Seattle, Washington
Indianapolis, Ind.
Minneapolis, Minn.
Chicago, Ill.
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Credit Union National Association

Madison, Wisconsin
The Bridge

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Eastern Cooperative League
Associated Cooperatives, So. Cal.
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7218 So. Hoover St., Los Angeles, Cal.
1715 University Ave., Berkeley, Cal.
Box 2000, Superior, Wisconsin

FLORIDA CO-OPERATIVE NEWS

2301 S. Millard Ave., Chicago, Illinois

GREAT LAKES CO-OP JOURNAL

2301 S. Millard Ave., Chicago, Illinois

MINNESOTA CENTRAL COOPERATIVES’ JOURNAL

2301 S. Millard Ave., Chicago, Illinois

MISSOURI CENTRAL CO-OPERATIVE JOURNAL

2301 S. Millard Ave., Chicago, Illinois

OHIO FARM BUREAU NEWS

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MICHIGAN FARM NEWS

2301 S. Millard Ave., Chicago, Illinois

PENNSYLVANIA FARM BUREAU NEWS

2301 S. Millard Ave., Chicago, Illinois

PACIFIC NORTHWEST COOPERATIVE JOURNAL

2301 S. Millard Ave., Chicago, Illinois

since the Cooperative Purchasing Movement in America is in its early stages, we need badly to be open-minded so that we may learn from the experience of other countries. We are extremely fortunate in now having Mr. Anders Hedberg, International Secretary of Kooperativa Forbundet of Sweden, with us for the third time in recent years. Arrangements were made with the Senate Subcommittee, holding hearings on the Norris Bill S2605, to invite Mr. Hedberg to testify as to the development of cooperatives in European countries. The following is quoted from the (as yet) unpublished hearings. The point under discussion was the success of the Luma cooperative lamp factory in lowering the prices of lamp bulbs and its battle with the trust:

SENATOR NORRIS: “I would like to have you explain that point a little, because it is one that at various times has come up before this committee, that where a cooperative starts, some trust will lower the price way below the cost of production and put them out of business and then, of course, the price goes up.”

MR. HEDBERG: “It cannot happen when one organization has such a large number of activities as K. F.; different factories and different departments handling different kinds of commodities.”

K. F.’s 49 diversified departments include so many we can list but a few of the important ones: groceries, meats, building materials, dairy products, grain, feed, fertilizer, fruits, vegetables, dry goods, pottery, household utensils, hardware, implements, tires, radio appliances, electrical supplies.

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.

E. R. Remen, 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.
K.F.’s diversified membership included in 1935 the following percentages of members by occupational groups:

<table>
<thead>
<tr>
<th>Type of Member</th>
<th>Per cent</th>
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</thead>
<tbody>
<tr>
<td>Industrial workers</td>
<td>27.7</td>
</tr>
<tr>
<td>Farmers and farm laborers</td>
<td>18.9</td>
</tr>
<tr>
<td>Other workers</td>
<td>15.0</td>
</tr>
<tr>
<td>Clerical and office workers</td>
<td>11.6</td>
</tr>
<tr>
<td>Master tradesmen and artisans</td>
<td>8.4</td>
</tr>
<tr>
<td>Private traders and manufacturers</td>
<td>4.2</td>
</tr>
<tr>
<td>Professional</td>
<td>2.5</td>
</tr>
<tr>
<td>Others</td>
<td>11.7</td>
</tr>
</tbody>
</table>

There is no argument in Sweden about a cooperative handling both home and farm supplies and serving both rural and urban members, as we are having here in America.

(2) In Education

Asked by Senator Smith the reason for the greater progress of cooperatives in Sweden than the United States, Mr. Hedberg finally answered, after being urged to reply frankly: "One of the main reasons for the success of cooperatives for both farmers and urban people in Scandinavia is the fact that, if you will let me put it that way, the level of ignorance is not so low as it is in some parts of your country."

MR. NOLT’S WINNING “BUYING TALK”

That men engaged in any occupation respect one of their number who wins over them in a contest was abundantly proved again at the annual meeting of the Farm Bureau Cooperative Insurance Services at Columbus on April 4-5. The winner in highest life insurance production was Elmer Nolt of Pennsylvania. He was asked to tell how he did it and simply and modestly outlined his “buying talk” so that others could, if possible, exceed his record another year.

What is normally called a “sales talk” in private business should always be called a “buying talk” in cooperative business. For cooperative representatives are the employees of their prospective patron-members. Their job is not to “sell” them but to help them “buy.” Their job is to help patrons determine why to buy, where to buy, when to buy and what to buy, or even not to buy at all.

Two foundations of a “cooperative buying talk” were laid before his fellow representatives by Mr. Nolt. First, he diagnoses for his patron, from his own and others experience, the present economic maladjustments which produce poverty, unemployment and tenancy. Second, he carries cooperative literature in his pockets from which he reads and discusses with his patron the cooperative solution.

When these foundations are laid for “buying” he outlines the details of cooperative insurance policies to the extent necessary until the patron says “It’s a buy.”

Simple, isn’t it? Yes, so simple many of us do not realize and follow these methods of persuasion in presenting whatever we have to offer to others. A medical doctor always follows this method. He diagnoses the condition first. Then he discusses in general terms what the remedy is. Third, he prescribes specifically for the patient’s particular needs.

It goes without saying that Mr. Nolt must be reading cooperative and other literature, as well as newspapers, to present his “buying talk” so effectively.

Fortune Magazine makes the striking statements that “The future belongs to the consumer” — in the consumer lies the frontier. Long ago John Stuart Mill concluded that “the end and purpose of production is consumption.”

A labor leader of Great Britain saw the consumer clearly when he declared in an address, “Organizing as producers only is like fighting with one hand tied behind your back.”

One of the simplest and clearest declarations is by Dr. LeRoy Bowman, "When the problem was production in an age of scarcity we had to organize as producers to solve it; now the problem is consumption in an age of plenty and we have to organize as consumers to solve it.”

President Franklin D. Roosevelt made a significant suggestion in an address to Congress when he said, “We would save and encourage the slowly growing impulse among consumers to enter the market place equipped with sufficient organization to insist upon fair prices and honest sales.” It should be added that the only consumers’ organizations which can effectively and permanently do this are Consumers’ Cooperatives.

The Consumer Has the Supreme Right of Decision

The most recent declaration that the consumer is the base of economics today is by Anders Oerne of Sweden, former Secretary of Kooperativa Forbundet.

‘Consumers’ Cooperation alone regards the human being and his needs as the basis of the whole economic system, its driving force and goal. It therefore invests the individual, in his capacity as a consumer, with the supreme right of decision.”

The simple fact is that the consumer includes everybody — the youth, the middle-aged and the aged — all are consumers. Con-

Consumers’ Cooperation

May, 1940

OF all cooperative writers, Professor Charles Gide of France was the most emphatic about the consumer being the base of a future economy of plenty when he said, "What is the consumer? Nothing! What must be be? Everything!"

In more academic terms, Beatrice Webb of Great Britain wrote, "The most essential element in the creation of value in the economic sense is neither labor nor capital (production), but the correspondence of the application of labor with some actually felt desire (consumption)."

"I am inclined to predict," she said, "that a century hence school text books and learned treatises will give more place to Consumers’ Cooperation, its constitution and ramifications, than to the rise and fall of political parties or the personalities of successive Prime Ministers."

She summed up her conclusions by saying that "organizing as producers is organizing the servant side of our lives; organizing as consumers is organizing the master side of our lives."

The Irish poet-cooperator, George W. Russell, uses the illustration that "when we organize as producers and not as consumers we are like an army that gives battle to the enemy all it has won at the end of the week."

"We Are Born Consumers"

America’s cooperative interpreter, Dr. Horace M. Kallen, philosophises that "Heaven is a place of sheer consumption" — that "we are born consumers and only become producers."

In the book "Profits or Prosperity," Dr. Henry Pratt Fairchild, who also wrote the famous article "The Fallacy of Profits," says "we have been trained to think of ourselves as producers instead of as consumers — one of the most remarkable instances of inverted logic on a large scale that mankind has ever displayed."

The Consumer is the Base of a Plenteous Economy — the future belongs to the consumer — in the consumer lies the frontier." Long ago John Stuart Mill concluded that "the end and purpose of production is consumption."

The Consumer Has the Supreme Right of Decision — the consumer includes everybody — the youth, the middle-aged and the aged — all are consumers. Con-
THE CONSUMER ERA IS HERE
SAYS "FORTUNE" MAGAZINE

"The real purpose of industrialization," says Fortune Magazine in its Tenth Anniversary issue of February 1940, "may be defined as an increase in the power to consume."

The index of civilization is the individual's power to consume—to make use of—the resources of nature.

"If a decline in the net absorption of matter is accompanied by a rise in the consumption of energy, industrialization is proceeding in a healthy and vigorous manner—that is to say, the system is expanding. Moreover, this latter trend over any considerable period of time would mark a clear transition from a crude producers' economy to an advanced, or highly evolved consumers' economy."

"The important fact is not that an old era has passed, but that a new era has been born. And in the last analysis the central economic problem of the new era is a simple one. The central economic problem is not a revival in the producers' industry, although that would help. Nor can it be a revival in 'investment' in the old sense of the word. The central economic problem is simply the conversion of a high potential power to consume into an actual power to consume; a wider distribution of progress."

"It is manifestly impossible to review here the various stimulants and antidotes that have been administered to revive the supposedly sick industrial system. They have not revived the system chiefly because they have failed to put the emphasis where the emphasis belongs."

"The great differential that links producers' and consumers' Cooperation has become a dynamic factor in social development and, at the same time, an almost faultless, automatic regulator of prices."

"A lower price in one article saves the consumer money that he can then use to buy another article thus increasing the volume of the latter and creating a new demand for labor. Industrial price cutting, in other words, actually increases the purchasing power; and a high purchasing power must result in a high rate of consumption and an improved labor demand. Whether this principle is capable of sustaining an indefinite advance without any assistance from an expansion in the producers' industry is a matter for debate. But it would patently be capable of starting an advance; and if an advance were started the next steps would become far more obvious than they are today."

PRINCIPLES OF A COOPERATIVE ECONOMY

A WRITER says in an article that Consumers' Cooperation has never really been defined. Surely this is also true about Capitalism. And no one quite knows what Corporatism (Fascism) is as an organized movement.

Cooperation cannot suffer under a similar indictment. Every cooperator should be able to speak up immediately and state clearly what Cooperation means and what it does not. To clear up any uncertainty we are here defining the "Principles of A Cooperative Economy" as they are generally accepted.

(1) A Voluntary System
Cooperation is the opposite of dictation. Cooperation grows by education and not by compulsion. No one is required to join a cooperative and no one is prevented from joining. In a genuine Rochdale cooperative there are no restrictions on membership as regards race, sex, religion, education, politics, occupation, residence or anything else. Open membership is a fundamental principle of Cooperation.

(2) A Democratic System
Democracy means that persons vote and not property. Just as persons vote in a political, religious or educational democratic organization, so each person has one vote in a democratic economic cooperative, irrespective of share ownership.

(3) A Private-Property System
Each member supplies a part of the capital in a cooperative, whether share capital or reserve capital. Shares are always worth 100 cents on the dollar in a successful cooperative and no more. Interest is limited and as a result shares are non-speculative. Cooperatives restore widespread ownership of private property.

(4) A Non-Profit System
An article by an officer of the Central Bank for Cooperatives says truly, "If your books show a profit they're wrong."

Any margin of profit over cost in a cooperative is simply an overcharge to the members, and any margin of cost over price is simply an undercharge. John T.W. Mitchell clearly expressed the non-profit principle of cooperatives when he said, "Those who pay the savings in get them back in proportion to their purchases."

(5) A Free Price System
Far too little attention has been paid to this vital principle of cooperatives. We accept theoretically that free competition in the market place should be the automatic regulator of prices, and then set out under the private-profit system to endeavor to control prices by agreement, by government regulation, by monopoly ownership and in every other devious way and thus belie our basic beliefs. True free enterprise is a cooperative system. Only under a non-profit cooperative system are prices really free. The simple reason is that cooperatives are based on doing business at cost. The price in a cooperative is automatically free and follows the cost up or down. Cooperation is the only self-contained and automatically self-controlled economic system. No price agreements are made and no futile government regulation is needed for the lowest price to be automatically established. Anders Orre of Sweden says, "Consumers' Cooperation has become a dynamic factor in social development and, at the same time, an almost faultless, automatically working apparatus whose existence and activity cost the community nothing."

(6) A Cash Trading System
Credit was invented only because of the failure of the private-profit system
to distribute earnings equitably to all in cash. The Rochdale Pioneers rightly called credit "The invention of the Devil." No doubt they meant the devil of man's greed and ignorance. Credit means waste and only maximizes rather than minimizes the spread between consumers' prices and producers' pay, which is the vital economic evil of the private-profit system. If one can finally pay more for an article bought on credit, he can far better save the money in advance and buy for less cash, rather than mortgaging future earnings. Only income-earning articles can be rightly bought on deferred payments, such as a home where the rent pays the cost, or a machine which earns an income to pay for itself, as it is used. Yet even in the case of such articles, a cooperative finance agency should extend the credit at normal interest rates without penalty for deferred payment, rather than a commodity or service cooperative. The only real exception to these statements are cases of emergencies such as sickness or schooling which cannot be postponed. Every family should be on a cash budget system, as well as local and wholesale cooperatives. The Biblical injunction "Owe no man anything" has in it a real germ of truth. As a practical illustration and proof of the possibility of cash trading the cooperatives in Sweden do not owe the banks, the government, or even private manufacturers. The reason is that members pay cash to local cooperatives for what they purchase.

(7) An Individual Liberty System
Cooperation is the economic realization of freedom under social rules. These rules are not compulsory laws but voluntarily accepted agreements among the members. Individual initiative is released from the restraints of private-profit and functions at its highest and best.

(8) An Equality System
Cooperation is the practical realization of the principle of equality to which we have so long given lip service and believed by our institution and continuation of a private-profit system, under which equality is gradually being destroyed and wealth is increasingly concentrated in the hands of a few individuals and a few corporations. When profits or savings are paid back to each purchaser in proportion to their purchases and when salaries are fixed by a democratically elected Board of Directors and are publicly known to all the members, economic equality will be increasingly realized. In turn, this will also contribute to educational equality, racial equality, political equality and even religious equality.

(9) A Public Service System
Cooperation is the exact opposite of private-profit. It is the realization of public service. Employees serve their fellow members—not themselves or a few private owners—members share equitably in every benefit of their cooperative efforts. Cooperatives realize their motto of "Each for all and all for each." They are the practical application of Brotherhood in Business. "They are," as Toyohiko Kagawa says, "the love principle applied to industry"; and as Dr. Horace M. Kallen says, "the realization of the American Dream." Professor Harold M. Groves of the University of Wisconsin says, "The known to movement breathes the very spirit of Thomas Jefferson, the Declaration of Independence and the Constitution of the United States."

(10) A Kingdom-Come-on-Earth System
Cooperatives are the building of a practical Utopia which countless millions have visioned. George W. Russell says, "The present system is anarchic and inhuman and the world is hurrying from it in disgust." Sidney and Beatrice Webb say, "Capitalism is dissolving before our very eyes... There should be a feeling of shame," says Russell, "that anyone should be poor in the national household." Trotsky has accurately said of America "It is not possible to possess with impunity the greatest industry, two-thirds of the gold and 10,000,000 unemployed." The handwriting of the coming of dictatorship and the destruction of democracy is on the pages of every newspaper in America in the stories of poverty, unemployment, tenancy, disease, crime and war. Unless and only if we develop the spirit of cooperation rapidly enough and apply democracy to our economic system will we prevent dictatorship.

These Principles Are Practical
That these principles are prerequisite to and practical in the building of an economic democracy is proven by the results of their application in the Scandinavian countries.

These countries have preserved religious, educational and political democracy. They are a demonstration to the world of the fact that the application of these principles will result in building an economic democracy, as well. These countries are building a consumer, producer and public cooperative economy and have largely eliminated poverty, unemployment and tenancy.

In Scandinavia liberty, equality and fraternity are being realized by the practical application of these principles.

NATIONAL VS. REGIONAL INSURANCE
How the Cooperative Purchasing Movement should be organized for greatest efficiency and economy in the United States is a most vital question.

It requires careful thought and first-hand observations, both at home and abroad to reach sound conclusions, and then courage of conviction in the face of opposite practice and opinion. But only thereby will progress be made. Let no cooperative leader in America ever fail to be recorded for the right, lest successors condemn him, as some European leaders have reason to do. Ineffective forms of organization which were not changed in their earlier stages of development by their predecessors have become fossilized and are preserved by entrenched positions, only to hamper the progress of the Movement.

It has become generally accepted, after lengthy democratic discussion based on experience, that regional and national commodity and educational activities should be organized as departments of unit organizations. While in some cases the process of amalgamation has not been completed it is apparently on the way. There has as yet, however, been no full discussion and no clear conclusion as to the relationship of insurance and finance to commodities and education.

May, 1940
that the early beginnings of cooperative insurance associations which reach beyond State bounds and which have adopted the Rochdale "Open Membership" principle is even more favorable than that of associations which have confined their membership to political State lines and which limit their membership. National advocates argue specifically that there is greater efficiency and economy in operation with a national diversified membership. They say that national size increases pride of ownership. They believe that the membership can be better informed through a uniform national educational program and that democratic control can be achieved equally as well or better by regional agency sponsorship and nomination of directors.

Our own opinion, based on careful reading and first-hand study of European cooperative insurance developments, leads us to favor national as compared with regional insurance organization in America. In Britain, after trying out a separate insurance organization which failed, they allied their insurance associations with their national commodity association under the control of the same Board of Directors through an insurance committee of the Board. In Sweden, while their organizational method differs somewhat, they have adopted national control of insurance through the same Directorate as their national commodity organization.

This subject is a pertinent one today and should be democratically discussed and the best conclusion reached and adopted, before fossilization of less efficient organization takes place.

NEW TRAILS IN COOPERATIVE RECREATION

"Over hill, over dale..."

This year thousands of young people (six to sixty) will be following the "call of the open road"—by bicycle, by foot, by horseback or boat, discovering for themselves new aspects of this country of ours, experiencing the fun of "roughing it" and gaining the pleasure of new companions, new visions, new vision.

This new trend in travel has its stimulus in the American Youth Hostels, now in its fifth year of operation in this country. There are about 210 hostels, supervised overnight shelters, for wanderers to stop for the economical sum of twenty-five cents a night. In addition new shelters are being opened constantly and "rolling hostels," special railroad cars, provide opportunities for summer travel not only in this country, but Canada, Mexico and abroad.

Like hostellers in the twenty other countries of the International Youth Hostel Movement, American youth homes are located at distances of fifteen to twenty miles so that it is possible to travel this way without tiring. Hostels may be remedied farm houses, made-over barns, rural schoolhouses or college dorms. A local sponsoring committee, composed of interested people in the community, and an AYH field worker select the home parents for the hostel. The hostellers themselves often have a hand in fitting up hostels, hauling stones to build an outdoor fireplace, sewing and stuffing ticks with straw for mattresses.

Rules and regulations for hostellers are few and simple—the rewards rich and satisfying. The customs and traditions of hosteling are based on thoughtfulness of others and consideration of the group. Early rising gives the fullest use of daylight hours for the day's trek. Hostellers clean the hostel before receiving their passes from the house parents. There is no drinking and in most countries there is no smoking in the Youth Hostels. Early hours for retiring come naturally after days spent in the open. Heavy cooking utensils and food are found at the hostel (each hosteller carries his own eating utensils). Hostellers get their own meals upon arriving at the hostel. Everyone in, makes the fire, helps in the cooking, (generally out of doors), cleans up afterwards and tries to leave the hostel cleaner than it was, for the next group. In the evenings they sing, folk dance, play games and tell stories until "lights out" at ten o'clock. Of course there's always time for a friendly, healthy discussion of world problems. Mornings they are up and off again bright and early, with new found friends, new trails to explore.

Equipped with a knapsack and an AYH pass, the countryside is yours! An AYH pass (good for one year) is $1 for persons under 21; $2 for those over 21. These can be secured from the AYH headquarters at Northfield, Mass. The very barest of essentials go into the knapsack, for hostellers have found that if you travel under "your own steam" you travel light. Since blankets are furnished at the hostel, the only sleeping equipment needed is a sleeping sack made by sewing sheets half way up the sides. Suggestions on the best type of hiking equipment to get can be secured from the AYH headquarters.

The spirit of hosteling is the spirit of cooperation. Hostellers learn to do things for themselves—making beds, cooking meals, repairing bicycle tires, simple things but they tend to develop responsibility. A youthful hosteller discovers the fun of sharing work and play, of making new friends, of being part of a group which is creating its own recreation.

Cooperative youth groups are finding that hosteling fits into the type of program they want to develop. The co-op young people in the Chicago area have a hostel group. The Co-op Council at the University of Wisconsin has a co-op pass so that members of the co-op houses on the campus can take advantage of hostel week-end trips. In fact, one of the co-op houses is a youth hostel. At the University of Washington, the Student Cooperative Association has turned one of its dorms into a youth hostel for the summer months. In other sections of the country, cooperative youth groups are likewise discovering that healthy weeks hiking or bicycling through the out of doors at little expense, via the hostels, is not only a grand vacation but real training in the development of a cooperative way of living.

RECREATION ACTIVITIES

More than one hundred people attended a week-end recreation conference at Pendle Hill, Pennsylvania, sponsored by the Philadelphia Area Cooperative Federation, April 20-21. The program included crafts, simple puppets, singing games, American and European folk dances, simple dramatic forms such as charades and pantomimes and informal group discussions. The purpose of the conference was to discuss the place of recreation in a cooperative program and to provide leadership training.

Two one-act plays, produced by members of the Play Co-op, were given for members of the Cooperative Ticket Service, in New York, April 6. Following a brief business meeting in which plans for enlarging the ticket service were discussed, there was an informal hour of folk dancing.

May, 1940
WHAT'S NEWS WITH THE CO-OPS

Walla Walla, Wash.—The Pacific Supply Cooperative, at the end of its first 3½ years of operations reported its highest sales volume for the business year 1939. Record sales were $2,500,000. Pacific Supply is now serving 81 member cooperatives and 32 associated cooperatives with a total of 36,000 patron-members in three Northwestern states. During the year, Pacific Supply added new warehouses at Pocatello, Idaho, and Ontario, Oregon.

Amarillo, Texas—Two hundred representatives of 50 local cooperatives affiliated with Consumers Cooperatives Association, met here March 5 for their tenth annual meeting. F. E. Hobgood, manager of the co-op wholesale, reported increased volume and savings and a stronger financial position than ever before. During the year, Consumers Cooperatives Associated made a drive to introduce co-op label goods to its 13,300 patron members.

Cambridge, Mass.—Streamlined and moved to Main Street, the first complete co-op self-service food store in the metropolitan area of Boston increased its sales 554 per cent in three months. Six months ago, when the Board of Central Consumers Cooperative of Cambridge met to plan for a modernized store, the business volume of the co-op was $340 per week. The new store which was opened December 20 has received phenomenal support from enthusiastic members and non-member consumers, and sales, March 23 reached the record total of $2,396.

The modernized store was established with the assistance of Consumer Distribution Corporation when the local co-op completed a drive for 140 new members and raised $2,500 in capital which was matched by a loan from CDC.

Madison, Wisconsin—The Wisconsin Cooperative Housing Association, the first suburban co-op housing project in the state, has completed its first 20 houses and 20 more are being built this year. There are already 89 members in the organization which is developing the Crestwood area, "five miles and ten automobile minutes from the center of Madison." Architectural Forum has praised the co-op project for its sound financing and modern and harmonious architectural pattern.

North Kansas City, Missouri—Lubricating oil, blended in the co-op compounding plant of the Consumers Cooperative Association here is being shipped to co-operatives in Europe in spite of the war. Recent shipments have been made to the Swedish Cooperative Wholesale Society, Kooperativa Forbundet, and to the Netherlands Cooperative Society at Rotterdam.

Chicago, Illinois—The Cooperative Wholesale, Inc., organized three years ago to serve urban co-ops in Illinois, Indiana, Ohio and lower Michigan, showed a 26 per cent increase in business during 1939. The volume for the year was $187,468.00. Officials hope to pass the $25 million mark in 1940. Hugh Bogardus, field man for the wholesale during the past year has been appointed manager to succeed Milan McAllister who accepted a position as manager of the Greenhills Cooperative in the new model federal housing project just outside of Cincinnati.

Halifax, Nova Scotia — Beginning in 1936 with a handful of enthusiastic pioneers, consumers in the Nova Scotia capital began organizing study clubs and credit unions along the pattern suggested by St. Francis Xavier University. These grew rapidly until today there are 24 credit unions, a credit union chapter, a city-wide cooperative council and a full-fledged cooperative store which grew out of the earlier cooperative organizations.

Born after long months of work and study, the Halifax Consumers Society store got off to a good start in November 1939 with a $1,700 a week business and 275 members. The weekly business of the co-op had grown to $2,500 by the first of the year and the membership is now nearing 400.

Superior, Wisconsin—The education department of the Central Cooperative Wholesale set as its goal the organization of 250 study clubs, by April 1. By the beginning of March, the program had met with such an enthusiastic response that 308 discussion clubs with 3,100 individuals were already in operation and plans were made to continue the drive for more study clubs.

Regina, Saskatchewan—The Consumers Cooperative Refineries, Ltd., which began operation of the first consumer-owned oil refinery in the world in May, 1935 has started construction work on the cracking plant of its new refinery. The plant is being built at a cost of a quarter of a million dollars, and will be ready for operation, June 1.

Spokane, Washington—The Grange Cooperative Wholesale, at its 21st annual meeting here reported its biggest gain in earnings for the first time in its history last year voted to pay patronage dividends of 1 1/2 per cent of the year's purchases to its local retail societies. This will add $13,391 to the savings already made by the 200 cooperatives which own and control the wholesale.

Lancaster, Pennsylvania—Without a dissenting vote, the Penna. Farm Bureau Cooperative Association endorsed a resolution declaring, "We believe the foremost imperative of the cooperative movement in America is a broadening of its base so that urban people may share with farmer-folk in its benefits."

Other resolutions included endorsement of Senate Bill No. 2605, sponsored by Senator George W. Norris to broaden the definition of a cooperative in the Farm Credit Act; endorsing back-to-production manufacturing on the part of cooperatives; calling on the Cooperative League of the U.S.A. to provide an agency "to organize, advise, audit, and in emergency, exercise special supervisory powers over all newly formed co-ops until such are formally included in the established and recognized wholesale cooperatives"; and calling upon cooperators to support their co-ops by patronage to the fullest possible extent.

The Pennsylvania Farm Bureau Cooperative Association reported a total sales volume for 1939 of $1,711,780, an increase of 33.7 per cent over 1938.

Chicago, Illinois—More than 40 representatives from the Universities of Michigan, Illinois, Minnesota and Wisconsin; Purdue University, Chicago University and Albion College met on the campus of the University of Chicago here, March 16 and 17 for the second annual convention of the Midwest Federation of Campus Co-ops. Among additional visitors were students from Milwaukee State Teachers College.

Major topics for consideration at the meeting were a inter-campus news service, cooperative wholesale buying, the Federation's relation to other co-op groups, and a strengthening of the organization of the Midwest Federation. Eyr Bruner, of the University of Wisconsin was elected president of the federation for the coming year.
CO-OPERATION TO THE FINNS. By Henry H. the Finns are defeated in their present defensive efforts in Finland since Pellervo, the parent co-operative movement. A fascinating story is told of Elanto, the noteworthy consumer co-operative of Helsinki, and of its leadership by the National Cooperative Alliance, and now for the benefit of regular patrons including an insurance for one another, but through the good auspices of Elanto, the most significant of which is the history of government housing in each country mentioned is covered, especially during the present century, and a criticism offered of programmes conducted by state and city authorities.

Sweden is given high rank because of government action and because of the phenomenal accomplishments of cooperatives in the housing field. The "HSB," (Tenants' Savings and Building Society) the foremost housing cooperative in Sweden, is described briefly, and the mass in which it operates in collaboration with the government, especially in furnishing homes subsidized in proportion to the number of children, so that whatever the time of apartment the cooperatives build, they invariably apply high standards of design and equipment. The result is an organized community social facilities cooperative building supplies. "Rents of cooperative apartment in Sweden are about 30 to 40 per cent of what the same facilities would cost to individuals" they say. This is a large field in building in Sweden. Finally, the cooperative accomplishments, in the housing field, are described in detail in the book, and it is a book that must be read by all concerned with cooperative work.

The book contains many "pointers" for co-operative educators, and is a document of this nature. In order to promote wide distribution, the Committee on the Church and Cooperatives is making quantity copies, a selected reference list of books and pamphlets and a collection of important resolutions of what many church people have been doing in many places, by various methods, to assist cooperatives and credit unions.

The Manual lists "Things an Individual Can Do" and contains a Directory of Agencies, a selected reference list of books and pamphlets and a collection of important resolutions of church people on the subject of cooperatives and credit unions. It is a book that must be read by all concerned with cooperative work.

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consumption movement in his homeland. Those who have wanted a more satisfactory orientation to Swedish efforts and successes in this move- ment will find pleasure in reading this booklet.

With a growing interest and acceptance among a large number of intellectuals and students of adult education and democracy in Sweden, Mr. Lund adds, this pamphlet is timely as it opens the case for the market cooperative and examines the strengths and weaknesses of this idea; why it started, how it has developed, and where it is going.

You will be struck by the Sweden’s comprehensive definition of adult education. “It is more than a program of instruction or study arranged for and carried on by adult persons. . . . It is a program that will be exclusive of an intellectual study, but a program that aims to cultivate, to form the character of those who participate. . . . Adult education is what remains when you have forgotten what you have been taught.”

After this statement of the nature of adult education Mr. Lund describes the means by which this movement is being carried forward. Libraries have been available to the people since 1800. Now supported by state aid, and aided and abetted by the words of the general educational program they are playing a more important part than ever before. Libraries have brought information and knowledge to vast numbers of workers. och under the trade association for the white-collar man. In fact, they are accepted as an indispensable development of our modern complex civilization. As Mr. Lund contends, “producer interests are basically divisive; consumer interests, on the other hand, are all-inclusive. . . . Consumer action ALONE can include all the people.”

Thus they point to the solution—the only way in which the economic and social conditions of the poor can be improved is to mobilize our buying through cooperative channels, and thus remove this tribute and support the political groups. On this premise the student of adult education and democracy concludes that cooperation can truly be effective only as a self-contained economic society of producers and consumers dealing directly with one another as organized groups that will bargain with each other from the consumptive point of view in which “real wages” rather than “absolute price” will be the motivating ideal.

By dissecting the status and problems of the farmer, the working class and the white-collar collar workers, Measures and Lund admit what everyone knows—that their clashing activities and viewpoints as producers make consciousness come to be class rather than a common interest. Neither one negates the necessity of the marketing cooperative for the working class, but they stress that the worker, when he has arranged attractive series programs and under the leadership of the central Board of Education is playing a more important part than ever before. Libraries have brought information and knowledge to vast numbers of workers. Under the trade association for the white-collar man. In fact, they are accepted as an indispensable development of our modern complex civilization. As Mr. Lund contends, “producer interests are basically divisive; consumer interests, on the other hand, are all-inclusive. . . . Consumer action ALONE can include all the people.”

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are: (1) installment selling is inflationary; (2) installment selling raises prices of goods for everybody; (3) installment selling is a chief cause of radicalism; and (4) installment selling undermines the character of the people.

We do not know what more he might have said except to tell this story: "Cheer up! You'll soon forget all about that girl and be happy again. Oh, no, I won't. I've bought too many things for her on the installment plan."

Installment selling, with foreign and domestic borrowing and gold buying are the principal reasons for the peaks and valleys of the business cycle. Help to iron them out. You will read this book.

New Recreation Material


Designed as an aid for recreation leaders or recreation committees in cooperatives, "All Join Hands" meets a real need. Suggestions for planning an evening, hints on teaching singing games and square dances as well as music and words, the importance of good, cooperative leadership, how to do charades, and an excellent bibliography are some of the features which make this little booklet very useful. Every educational committee or co-op member planning a party will want a copy.

LET'S PLAY, a Handbook of Games, by Frank Stilston. The Cooperative League of the U.S.A. Available from The Cooperative League, 20c.

This valuable collection of games was originally compiled for use by neighborhood councils in the Midland territory. The demand for games suitable for use by co-op groups, large and small, has been so great that Mr. Stilston has added to the collection and made it generally available. All types of games are included—get acquainted, manual, mental, relays and rotators. No group will be caught dead on its feet when its members ask "what shall we play?" if it has this valuable handbook in its library.

CO-OP LITERATURE

- Student Cooperatives
  - Co-ops on the Campus, Bertram B. Fowler .03
  - Campus Co-ops, William Moore .05

- Handbook on Student Co-ops, Based on the Findings of the Pacific Coast Conference of Student Cooperatives .10

- Novels and Biography
  - Fresh Furrow: Burris Jenkins (Special) .50
  - The Brave Years: Wm. Heyliger .25
  - My Story, by Paddy the Cope, Co-op in Ireland .25

- Textbooks on Cooperation
  - Consumers' Cooperatives, Julius E. Johnson, Debate Handbook .30
  - When You Buy, Trilling, Eberhart and Nicholas, High school and college, two chapters on consumer cooperatives .15
  - Cooperation, Hall and Watkins, Official British Textbook .30
  - The Consumers Cooperative as a Distributive Agency, Orin E. Barley .30
  - Windows on the World, Kenneth Gould, high school text, one chapter on cooperatives .30

- Cooperative Recreation
  - The Consumer Consumed, Josephine Johnson, a Puppet Play .25
  - Cooperative Recreation, Carl Hutchinson, reprinted from The Annals .25
  - Two One Act Plays, Ellis Cowling .15
  - The Answer, 3-act play, Ellis Cowling .25
  - The Spider Web, 3-act play, Ellis Cowling .25
  - Education Through Recreation, L. P. Jacks .10
  - List of recreational materials, songs, dances, games, available from Cooperative Recreation Service, Delaware, Ohio. .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.

"A Horse Without a Landlord," a new 3 reel, 16 mm. silent film on the Amalgamated Cooperative Houses in New York City. Excellent photography, 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, wholesale and factories in France.

A Day With Kagawa, 3 reel, silent, 16 mm. Kagawa and his co-op in Japan. Rental: Each of three above $3 per day, $1.50 for each additional showing or $10 per week.

POSTERS

- Organize Cooperatives, 13x26" Green, 5 for $1 .25
- Cooperative Principles, 13x26" Blue, 5 for $1 .30
- Cooperative Ownership, 13x26" Mulberry, 5 for $1 .25
- Consumer Ownership—Of, By and For the People, 16x26", Red, White and Blue, 5 for $1 .50

CONSUMERS' COOPERATION

Prepare for Peace E. R. Bowen
Learning Economic Responsibility in Junior High School S. R. Logan
From Gettysburg to Phillipsburg W. J. Campbell
A Decade of Co-op Youth Progress Miriam Sanda
Co-ops at Play Ellen Edwards
The March of Fascism: A Review Roy Hoffman

June 1940

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS
CALENDAR OF COMING EVENTS

Fifth Annual National Cooperative Recreation School, Heidelberg College, Tiffin, Ohio, June 14-26.

Board of Directors of The Cooperative League, Quarterly Meeting, Hotel Morrison, Chicago, June 17-18.

Board of Directors of National Cooperatives, Inc., Hotel Morrison, Chicago, June 19.

Annual Conference on Cooperative Education and Publicity, Heidelberg College, Tiffin, Ohio, June 25-28.

Co-op Summer Camp and Institute, Camp Sierra, California, July 13-20.

CALIFORNIA


Annual Cooperative Institute, Massachusetts State College, Amherst, Mass., July 29-August 10.

Fourth Annual Tour of the Nova Scotia Cooperatives, beginning with the Rural and Industrial Conference, St. Francis Xavier University, Antigonish, Nova Scotia, August 12-14, and continuing with tour of cooperatives through August 24.


THE COOPERATIVE LEAGUE

167 West 12th Street, New York City

DIVISIONS:

Aduiring Bureau, 167 West 12th St., N. Y. C.
Design Service, 167 West 12th St., N. Y. C.
Medical Bureau, 3 E. 57 St., N. Y. C.
Rochdale Institute, 167 West 12th St., N. Y. C.

AFFILIATED REGIONAL COOPERATIVES

Name
Central Cooperative Wholesale
Consumers' Cooperatives Associated
Consumers Cooperative Association
Consumers Book Cooperative
Cooperative Distributors
Cooperative Recreation Service
Cooperative Wholesale, Inc.
Eastern Cooperative Wholesale
Farm Bureau Cooperative Association
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

Address
Superior, Wisconsin
Amarillo, Texas
N. Kansas City, Mo.
Columbus, Ohio
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
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
Pacific N.W. Cooperator

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.


COOPERATIVE PLANKS FOR POLITICAL PLATFORMS

It's one thing for the Consumers' Cooperative Movement to be neutral in politics—it's entirely another thing for individual Cooperators to ignore politics. These are planks which Cooperators would consider as among the most important to be included in political platforms:

On Domestic Affairs

Tax as We Spend. We are only fooling ourselves in trying to achieve temporary prosperity by borrowing from the few rich and dividing among the many poor. What is now borrowed might better be taxed today than to be taxed or repudiated tomorrow.

Organize Cooperatives for Self-Help. Heavy taxation and relief are necessary as emergency public measures, but permanent prosperity is dependent upon the voluntary reorganization of the present monopolistic profit system over into a cooperative non-profit economy. In a democracy, the people must develop self-help cooperatives of producers and consumers, rather than depending upon State-help.

On Foreign Affairs

Trade Goods For Goods. Buying gold to balance excess exports over imports is only another means of deceiving ourselves, as we have previously done by foreign publicity and private loans. Developing a cooperative economy, which will distribute so-called domestic surpluses, will make free international trading of goods for goods possible.

Prepare For Peace. Instead of helping to arm potential opponents and then arming ourselves, and inciting war by antagonistic statements, we should lead the world toward peace by clear thinking, by friendly attitudes and help, by relieving economic strains at home, and by practical peace proposals.
What Is the War For?

There have been wars of races. There have been wars of religions. There have been wars of governances. Racial, religious and political factors enter into the present war to a limited extent. But the primary cause of the present war is economic. Each economic opponent uses the government, the church and the school, in so far as possible, to bolster its cause. This is a war of economic rivalries for profits. Seventy-five years ago Ruskin indicted the prevailing economic systems of the past and present more incisively than any other writer before or since has ever done when he declared that “Profit is legal theft.” Theft of profits is practiced legally both by individuals and by nations. The principal way of national theft for profits has been by war. “In the last analysis, war is stealing and murder on the part of somebody.” National theft by war is still being practiced, as it has been for hundreds of years. It will continue to be practiced until the world is reorganized on an international cooperative economic basis.

World Evolving From Profit Economy to Cooperation

There have been three organized economic systems in the world’s history since barbarism. They are slavery, serfdom and monopolism. All are based on exploitation of the masses by the few. Under slavery and serfdom the few exploited the many by being owners of their physical bodies. Under monopolism the few exploit the many by being owners of the physical resources. All are private-profit systems in different forms.

George W. Russell said a quarter century ago that “Our present system is anarchic and inhuman and the world is hurrying from it with disgust.” He foresaw the world under Communism, under Fascism with dictatorships eliminating democracy in every field of social organization in either case. The Cooperative Commonwealth, he said, was the fourth alternative, which alone allowed individual freedom and developed social solidarity. Henry A. Wallace says that “Capitalism, Communism and Fascism all act as though there were no other end of man than materialistic advancement.”

Russia revolted from the feudalistic system and is experimenting with a non-profit system of communistic ownership. In so doing they also rejected religious, educational and political dictatorship. They likewise have rejected religious, educational and political democracy as all dictatorships must do.

Germany is experimenting with a system whose outlines are still uncertain but which operates under dictatorship. They likewise have rejected religious, educational and political democracy as all dictatorships must do.

The Scandinavian countries are the outstanding examples of the development of a non-profit system of Cooperation. By evolutionary methods Cooperation has been gradually growing in those countries. In Finland, where Cooperation has had its greatest development, 36% of the business is done by cooperatives which are increasing their percentage by 15% per year. This non-profit system of Cooperation achieves ownership and control of physical resources by the many, rather than by the few, and thus eliminates exploitation for profit. Cooperation extends democratic ownership and control into economics, and preserves and strengthens democracy in religion, education and government.

The trend in America is toward a Cooperative non-profit system. Religious, educational and political organizations have been organized in America on a non-profit, democratically controlled basis after great struggle. Our economic system must be reorganized on a corresponding non-profit cooperative basis. Democracy must be extended through cooperatives into the economic organization of America if democratic forms of religious, educational and political organization are to be maintained.

What Should We in America Do?

There are many people in America who yet blindly desire to preserve the present monopolistic profit system. There will be a “Prepare for War” type of propaganda. Democracy will be raised as the battle slogan, when the underlying purpose will be to preserve private-profits, or the power of exploitation of the many by the few.

Cooperators should shout “Prepare for Peace.” They should be specific about advocating steps leading toward peace, rather than toward war. They should advocate “Cooperative Preparedness for Plenty and Peace.”

First, by keeping a clear perspective towards the European war. If it were a war for democracy then the small European democratic nations would have voluntarily entered, for they are more all-around democratic than any of the larger nations. Americans must develop the will to stay out of the economic struggles of other large nations. Only by so doing can we best help to preserve democracy.

Second, by not advocating steps leading toward war. This means not threatening other nations and being truly helpful in word and deed. It means by developing sympathy for other people of every nationality and through neutral agencies helping the victims of both sides crushed by the juggernaut of war.

Third, by working harder to solve the problems of poverty, unemployment and tenancy at home through developing cooperatives faster. This will eliminate economic unrest, as well as help to break down racial, religious, vocational and other barriers which separate people and lead to conflicts. It’s a case of profits or democracy—we cannot have both—either one or the other must go in the end—both cannot be preserved.

Fourth, by helping to make peace. Cooperators should be peace-makers. Just how the cooperators of America can act with the cooperators of other countries today to make peace is most difficult to determine. Political leaders have been unable to organize the world for peace through a World Court or League of Nations. Religious leaders have been unable to organize the world for peace through International Councils. Farm and labor leaders have been unable to organize the world for peace through producer-economic groups. Even the International Cooperative Alliance representing consumers seems largely helpless today. Yet there is a way to make peace if the will is strong enough. The will must be developed and the way must be found, weak as we feel ourselves to be. It may be that as consumer-cooperators we have even more obligation to develop the will and find the way than any other group in which people are organized—political, religious or producer. Should the Consumers’ Cooperative Movement of the U.S.A. call a conference on world peace and help to set up a Permanent Joint Committee to initiate and propose measures leading forward peace?

Fifth, by preparing for action after the war. An article in “La Coopération” published in Switzerland and written by Prof. Georges Lasserre points out that “since capitalism will be unable to satisfy the demands of economic reconstruction after the war” the Cooperative Movement should be prepared to make its contribution. This the Cooperative Movement hopes to be able to do.

June, 1940
LEARNING ECONOMIC RESPONSIBILITY
AT SKOKIE JUNIOR HIGH SCHOOL

S. R. Logan, Associate Supt. of Schools, and Principal, Skokie Junior High School, Winnetka, Illinois

It is the job of the school to give every child the opportunity to understand the institutions of his time, not just by reading and talking about them, but through actual practice in creating and using them, with stress upon democratic spirit and method. In the atmosphere of the school he may acquire a sense of responsibility for the use of social tools which are so powerful in adult hands that their irresponsible use is a constant menace to the general welfare.

Our school considers itself a community in which are found the rudiments of the institutions and problems of the times. In this brief description only the economic phases of the school’s activities will be discussed. However this does not imply that corporations, whether they call themselves public, cooperative, or private, are not to be considered inseparably political and economic.

Store Evolves from Private to Public to Cooperative

One of the first economic needs of children is for school supplies. Some of the children wished to own and operate a store. The group interested in promoting the store obtained a charter from the School Council, collected share capital, purchased a small stock of pencils, paper, erasers and notebooks and opened up shop in a large storage closet located on a main school corridor to the private Owners.

At a later period the store was opened for five months before school, two during fifteen minutes of the first lunch period, and two for an equal time during the second lunch period. This arrangement allows almost every child who wants to have the experience of clerking. Meetings of the staff are held twice weekly, alternating between a group of directors, at the regular period scheduled for school enterprises.

At present the inventory amounts to about $275. It consists of pencils (three grades), a few automatic pencils, pens, penpoints and a few inexpensive fountain pens, erasers, rulers, protractors, notebook covers of one standard size, notebook paper (ruled and unruled), tablets, spiral notebooks, paints, crayons and compasses. The store also sells certain publications of the School Council, such as Rules of Order and the Skokie Law Book. Purchases amount to about $16 a week on the average. A record is made of each purchase, using the buyer’s library number instead of his name to save time and avoid error. Sales tickets are sorted weekly and credited to the buyers in the sales book.

Bookkeeping is simple. Three books are used: a share capital book, a record of inventory purchases and a sales book. With occasional bookkeeping supplies and sales tax the only expenses involved in selling, the entries are simple and usually no difficulty is experienced in balancing the books. Should any arise the sponsor, an arithmetic teacher, could make use of the opportunity provided by the very real need for mastery of subject matter. At present the store is paying 4% interest on share capital, and a purchase return of 10% annually to members. Returns to non-members are credited toward purchase of stock but may not be drawn in cash.

Private Livestock Corporation
Has Chequered Career

In order that the children may become familiar with common forms of ownership, both private and public ownership corporations are encouraged as well as cooperatives. One of the first was the Livestock Corporation. Many children want pets, but not all parents welcome pets or can provide proper facilities for them at home. A few of them early came to the School Council for a private profit corporation and started to raise rabbits. This company has had a chequered career. Rabbits are notably prolific, feed is high, and the market for baby rabbits as pets speedily reaches the saturation point. (Selling them to the butcher was unthinkable). At one time the Livestock Corporation met with them to discuss their problem, but they still have not solved it. The Livestock Company actually went bankrupt, necessitating the writing of bankruptcy laws by the School Council to meet the situation. It has since reorganized and is prospering, having diversified with chickens and white rats. It is now contemplating the addition of lizards or horned toads.

Fish Partnership Liquidated

As the number of business enterprises grew, the need for banking facilities became apparent. A school bank was started as a depository for the funds of the various organizations and advisories. At present it is run entirely by girls, but this has not always been the case. This did not satisfy a small group who wished to have complete banking service, including personal and commercial loans. The father of one of the boys in this group, a vice-president of a large bank in Chicago, invited them to take a field trip to visit the bank. After they had been shown through all of its departments he met with them to discuss their problem and advised a credit union as simpler and more practical from the standpoint of their needs. After considerable study they decided that he was right, though even the simple procedures of a credit union had to be modified. The amounts...
of money children need are small and the period of time before repayment short. Anyone may forget his lunch money and be ready to repay the loan the next day. He should not be penalized by too high a rate of interest. With characteristic directness of approach they wrote their own regulations. A loan repaid the next day carries no interest. After a week the interest mounts steeply. The maximum loan is $1.50. Loans are made on a characteristic directness of approach they wrote their own regulations. The first loan made was for the maximum amount, and it was slow in repayment. This was probably a good thing. It made the credit committee careful. They now inquire fully into the purposes for which loans are required and into the character of the borrower. As a result there have been no losses, though there is sometimes difficulty in making collections. Most of the larger amounts are for purchase of fountain pens and are repaid out of weekly allowances. The average number of loans per week is 24. There are 110 members.

Mutual Insurance Company
A recent addition to the list of school enterprises is an insurance company. Occasional breakage of dishes in the cafeteria is a hazard no one can avoid. After thorough study of the annual breakage it was decided that the risk was an insurable one. A group applied to Council for a charter as a mutual insurance company which is now writing policies for both students and faculty.

Conservation Authority
Latest addition to the list of school enterprises is the Skokie Conservation Authority, but it has been organized for the purpose of establishing a nursery as a source of supply for trees and shrubs for planting school grounds, promoting knowledge of soils and plants and protecting birds and wild life. When there is surplus nursery stock it is to be sold and the proceeds turned over to the School Council for the general welfare. It is an organization of organizations including at present: the School Council, the Nature Study classes, one Social Studies class, the Council’s Building and Grounds Committee. Inclusion of the Winnetka Garden Club, an adult organization, is also authorized if it desires membership.

Fun In Economic Activities
There is a lot of fun in these activities. Games with corporate forms which embody the principles of representative government appeal to children of our day as did the bow and arrow in primitive Indian life. As the bow and arrow games had significance for survival of individual and tribes, these games may be said to relate to the survival of the free citizen in our time. They have the thrill of reality and adventure. Perhaps they promise some advance in self-government in industry. The fun of such toys of democracy in the hands of our children differs dramatically from the fun of guns and tricks of treachery in which multitudes of children are known to be encouraged where dictatorship rules.

Even the routine of record keeping is not altogether humdrum. Take for example the case of the Nine Dead Rabbits. At a membership meeting the Treasurer of the Livestock Company undertook to put on the blackboard a financial statement. Under Assets he listed such items as: 3 hutches, 20 live rabbits. Under Liabilities he wrote at the end of the list 9 dead rabbits.

This produced such a storm of debate that the teacher-sponsor rushed in to learn the cause of disorder. When his eye fell upon the item in the statement he demanded sternly: “Who put those dead rabbits in there? Take them out at once.” The Treasurer conscientiously and sturdily demurred. The rabbits were where they belonged, the live rabbits on the asset side and the dead rabbits on the liability side. The dead rabbits were as much liabilities as the live rabbits were assets. They had to be put somewhere, and there was no other place for them. Finally both sides agreed to call in the school bookkeeper, a graduate accountant, to analyze and arbitrate and direct proper interment. It must be confessed, however, that even he could not find a satisfactory resting place for the 9 dead rabbits. Elegy magic was not sufficient to dispel the faint odor of dead rabbits which persisted for days like a fog of doubt and discouragement wherever members discussed the unpropitious year and the present financial status of their business.

Some Indications of Results
What are the results of this effort to teach representative government in the economic area? It is too soon to give any definite answer, and it will be a difficult question to answer at all in the test and measurement terms on which schoolmen have come to rely. But there are indications:

Raffles have been looked upon askance in the Village since the time of the Livestock Corporation considered the feasibility of raising off a rabbit during its period of financial stress. It was forbidden to do so by the School Council after a week-end of home and school discussions and delving into Illinois statutes, in spite of the examples of previous church raffles cited by the proponents of the idea.

An important matter was up for discussion in an annual meeting of the Tropical Fish Firm: One boy, the son of a family of wealth, had invested $5 in capital stock. Most of the others held one or two shares of a par value of 25c. When it came to a vote the boy who held the controlling majority demanded: "Why should I have more votes than the rest of you?" The rule of one vote per member was thereupon adopted.

One of the charter members of the credit union is now in high school. He is trying to start a credit union there and reports that the Student Council is favorably disposed toward the idea, though he is having some trouble in finding a faculty member to sponsor it.

Perhaps best indication of all—many of the citizens of Skokie (teachers and children alike are citizens), are actively interested in one or another of these economic enterprises. Each is striving to have the venture in which he is engaged a success, but with the help of the School Council he sees it also in relation to its effect upon the general welfare of the school community.

Theoretically and legally business corporations as well as such forms of corporations known as cities and school districts are governed according to the forms and principles of representative government. Sovereignty is in the electorate, and each component should be operated as a harmonious part of our federal democratic system. Let us have more miniature corporations within the school, more children’s games of collective business for the general welfare. They may help business corporations to become in fact as well as theory “of, by and for the people.”

Just Published

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Director, Division of Cooperatives, Commission of Government, Newfoundland

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June, 1940
NINETY-SIX years ago the Rochdale Pioneers established a type of business conceived in liberty and dedicated to the proposition that democracy is as important in business as it is in politics and that the consumers of goods and services have an inalienable right to produce and distribute those goods and services for themselves.

We are now engaged in a world-wide demonstration of the soundness of that concept as one hundred million consumers carry on their day to day business on those principles.

We are met today on a proving ground of economic democracy, at a plant which the people built with their dimes and dollars and which they control democratically as consumers.

This first complete cooperative oil refinery in the United States marks an extension of consumer ownership into the field of production.

Established as the world swung into its greatest depression, the Consumers Cooperative Association has drawn to itself one hundred and twenty thousand consumers who have demonstrated their faith in this principle as patron-members of the central organization serving their 452 cooperative associations.

No platoons or regiments have died in battle to establish this refinery. Nor has any one man laid down his life to establish this principle. But consumers by the thousands, men, women and children, have died as victims of the economic warfare which has been waged to perpetuate a system of profit taking. Countless sacrifices have been made to the greed and ignorance which devastates these western plains. Hundreds of thousands have gone hungry as golden wealth above the ground. The proposition that all consumers are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty and the pursuit of cooperation.

These are the things "that man at Gettysburg" might have said had he spoken at Phillipsburg seventy-seven years later.

Had he been there he would have seen twenty-five thousand cooperators pour into the little town of Phillipsburg from as far as 800 miles away. The largest crowd ever assembled in Northwestern Kansas gathered not for a rodeo, fair or corn husking, but to dedicate their own refinery.

In the annals of American cooperation there has been no larger gathering. More stockholders came together in Phillipsburg than for any other business enterprise at any other time.

When Ralph Snyder, president of the Wichita Bank for Cooperatives, poured a vial of high octane gasoline produced in the co-op refinery into the horse drawn tank wagon used twenty-five years ago by the co-op at Kirwin, Kansas, he dedicated the biggest yardstick in the midwest. This modern 3,000-barrel-a-day refinery and its 70-mile pipe line to nearby oil fields was built at a total cost of $850,000.

Because it serves a known demand with no speculation for a market and with three crews keeping it in operation 24 hours a day, it is a "yardstick of efficiency" in oil refining.

Located in the heart of its market and available to the cooperatives and might eventually force the co-ops to buy from the major oil companies at a price disadvantage.

The Consumers Cooperative Refinery has contracts with 37 wells in Northwestern Kansas, but in order to get an adequate supply of crude oil under the proration law the board has been forced to authorize the construction of an additional 22 miles of pipe line to be built at a cost of $45,000 to tap three more oil pools in Ellis county.

Faced with the necessity of guaranteeing a constant and assured source of supply of crude oil for the refinery, the board of directors of CCA, meeting in Phillipsburg just before the dedication of the refinery May 4, voted to establish a Cooperative Oil Producing Association with authority to take steps if and when necessary to buy or drill oil wells to supply the cooperative refinery.

Of the fields of Phillipsburg 25,000 consumers met to dedicate themselves, as well as their refinery, to the proposition that the business of the people, by the people, for the people shall grow and flourish on this earth.
Youth League was born. Young co-operators of the Central Co-operative Wholesale territory gathered in Superior, Wis., to organize the League. The purpose and program of the League, as adopted at this historical conference, was to concern itself with teaching the aims and principles of the Co-operative Movement to youth and to prepare them for future leadership. In addition to this, they adopted as a part of their program—cultural, recreational, and social activities.

Membership Doubles in Past Year

From the beginning, the League grew very rapidly. Thru the years, its members have grown up and graduated into adult activity, as is the case with the membership of any and every youth organization. New members have to be recruited to take their place. During the past two years especially, the membership of the Co-op Youth League has steadily increased. Youth have kept abreast of the increasingly extensive educational program of the Central Co-operative Wholesale. The League now has 40 local groups with a combined membership of 400—more than double that of a year ago.

Along with its own broad co-op youth program which includes every type of educational, cultural, and recreational activity, and such district-wide projects as Play Festivals, Speakers’ and Co-op Poster Contests, members of the Co-op Youth League participate in the co-operative problems and activities in their respective communities. They assist the educational committees of local co-operative societies in their work; participate in subscription drives for the Co-op Press, and so on. Many of the League’s active leaders and functionaries are graduates of the annual Co-op Youth League Courses. This school, which lasts for four weeks, is held at the Co-op Park, in Brule, Wis. It is sponsored by a joint committee of the Central Co-operative Wholesale, the Women’s Co-op Guilds, and the Co-op Youth League. The school curriculum consists of a study of Co-operative Principles and Aims, Economics, Public Speaking, Folk Recreation, and sports.

Giving Youth Training for Service

The League has, thru its various activities, proven that youth, given an opportunity, can be of much service to the Co-operative Movement. It has inspired confidence in the ability of youth to express itself. Organized by youth, and for youth, it is a valuable training ground for those who aspire to practice democracy in its most effective form—through membership and participation in a Consumer Co-operative. It has succeeded in its task of training leaders for the Co-operative Movement. Hundreds of its former and present members occupy positions of responsibility in the various co-operative enterprises of CCW.

Often referred to as the most active co-op youth organization in this country, the League receives requests for information about its program and methods of organization from co-operative groups and individuals throughout the country. Among its host of friends is included Eleanor Roosevelt, wife of the President, who in a personal message to the League, a year ago, expressed her interest in the work we are doing. Nor has the League confined itself to national boundary lines. It has established contact with co-operative youth groups and movements in other lands. An example of this is the fine friendship which exists between the League and the British Federation of Co-operative Youth—a friendship which the status of a “country at war” has not been able to destroy.

On May 12 of this year, the Northern States Co-op Youth League met in its tenth annual convention, to commemorate a decade of co-operative service to the community. Activities in the past have been numerous and worthwhile, yet they are only a slight indication of what can be accomplished in the years ahead. The youthful enthusiasm of its members, together with the interest and willingness of the adult movement, holds great promise for its future.

Consumers’ Cooperation

CO-OPS AT PLAY

"WHAT PRICE VERONICA," a stirring melodrama, was presented recently by Group A of the Timmins Consumers Cooperative Society, Timmins, Ontario. The play was written by one of the members of the group, Paddy Quinn. Square dances, quadrilles and waltzes followed the play. Recreation plays an important part in all of the activities of the study and educational groups of the Timmins Society. Charades, guessing dancing and singing are reported as part of the evening programs of the study groups. One of the groups is investigating the possibilities of acquiring an attractive vacation site.

A series of Cooperative Youth Conferences designed to help young men and women seek a group solution to their common economic and social problems through experience in good study, discussion and play will be held this summer under the direction of the Ohio Farm Bureau and the County Farm Bureaus. Four conferences will be held for those who have previously attended a Youth Conference and six for those who are interested in cooperation but have never attended a Youth Conference.

The programs for these conferences have been built on the suggestions of the various Youth Councils and include: program planning, lectures and discussions on cooperation and current economic facts, folk dancing, singing, crafts, and dramatics. The conferences are under the direction of Darwin Bryan of the Education Department of the Ohio Farm Bureau Cooperative Association.

The Racine, Wisconsin, Cooperative Dramatics Club presented “Suitable for Charity,” a one-act comedy by Paul McCoy at the Annual One-Act Play Festival in Racine recently. The group, which meets every week, is planning a well-rounded program of productions.

June, 1940

Ellen Edwards

Folk dancing on a large scale made its bow at the Amalgamated Cooperative Apartments, New York City, April 26 and was greeted with a demand for more. About seventy-five persons took part under the competent and friendly leadership of the Play Co-op. The A. H. Consumer lists as high spots of the evening: everyone had a good time; there was a fine group spirit, partly because folk dancing is primarily a group, not a couple activity; members of the older and younger generations having come together, a rare sight at Amalgamated. Another successful dance was held May 31.

An interesting feature of the Midland employees meeting at Princeton, Minnesota, was the presentation of the puppet play, "The Consumer Consumed or Pure Applesauce" by Mrs. Ben Anderson and Mrs. John Bliss of Milaca, Minnesota.

Cooperators on the Pacific Coast will be interested in the special Group Work Session which will be held at Mills College, Oakland, California, July 1 to August 3, under the direction of Miss Neva Boyd and Mrs. Charlotte Chorpenning of Northwestern University. Both Miss Boyd and Mrs. Chorpenning have been on the staff of the National Cooperative Recreational School and Miss Boyd is a member of the Board of Directors of the Cooperative Society for Recreational Education. The theory and practical techniques of recreation which they have developed is particularly applicable in consumers’ cooperatives.

The weekly folk dancing class sponsored by the Co-op Recreational Committee, which was established last September, continues to be a popular institution with cooperators in the Chicago area. It is designed primarily for those who wish to learn to lead folk dances or to establish a recreational program in a
local society, or those who just love to dance. A week-end conference to discuss the philosophy and techniques of cooperative recreation is being planned to wind up the present series of classes.

* * *

A one-week Cooperative Recreation School will be held at the Co-op Park, Brule, Wisconsin, July 14 to 20, under the direction of the Northern States' Co-op Guild, the Co-op Youth Course Committee and the Executive Committee of the Youth League. Chester A. Graham, state supervisor of workers' services in Wisconsin, will be the main instructor of the school, which will specialize in folk dancing and dramatics. The purpose of the school is to stimulate interest in organized cooperative recreation in every local cooperative and to give

**COOPERATION MOVES SOUTH**

The South now has its own regional education association devoted specifically to the organization of cooperatives.

The Southeastern Cooperative Education Association was born on May 11 when representatives from most of the eleven states to be served by the new association adopted by-laws of association and elected officers with instructions to call a Southwide conference on cooperatives this fall. The organization meeting came at a final session of the four-day Southeastern Conference on Adult Education and Cooperation at the Piedmont Hotel in Atlanta, March 8-11.

Growing out of a long unsatisfied need for a southern clearing house on cooperatives, the new Education Association drew its impetus from a southwide conference on "Educating People to Help Themselves," which drew together 400 representatives of cooperatives, educational, labor, and farm groups in the south at Greenville, S. Carolina, last May. Dr. Lee M. Brooks of the University of North Carolina, Chapel Hill, was elected president of the new organization, while Ellsworth Smith, director of the Adult Education Cooperative Project of the Conference of Southern Mountain Workers, Berea, Kentucky, was selected as executive secretary. Other officers of the organization include as Vice Presidents: John Hope H., Atlanta University, Atlanta, Georgia; C. B. Leomis, executive secretary of the Greenville County Council for Community Development; T. M. Campbell of Tuskegee Institute, Tuskegee, Alabama, and Ruth Morton, director of schools for the American Missionary Association. Ed Youmans of the Farm School, Ashville, North Carolina, will serve as treasurer.

The Southeastern Cooperative Education Association will serve the states of North and South Carolina, Virginia, Kentucky, Tennessee, Georgia, Alabama, Mississippi, Arkansas, Louisiana and Florida. Two representatives from each state will serve as members of the executive committee of the Association.

The officers and executive committee were instructed to call a special conference on the organization of cooperatives to be held in the fall of 1940 at a date and place to be selected later. The Atlanta conference was under the sponsorship of the American Association for Adult Education, the Southeastern Conference for Adult Education, The Southeastern Regional Conference on Cooperation and the Committee on the Church and Cooperatives of the Federal Council of Churches.

**PLAN YOUR CO-OP SUMMER**

A FULL summer of cooperative activities is planned by cooperatives in all sections of the country. They started off with a bang when 120 students gathered at Heidelberg College, Tiffin, Ohio, for the Fifth Annual National Cooperative Recreation School, June 14-26. The school, designed to train recreation leaders for the cooperative movement, is open to other interested individuals.

Cooperative editors and educational directors from regional and local cooperatives will meet at Heidelberg College for the National Conference on Cooperative Education and Publicity, June 25-28. While the Cooperative movement now playing a leading role in adult education in the U.S. is sending to prominent people in the fields of education, adult education, labor, farm and credit union organizations who will meet with the cooperative leaders.

Simultaneous summer institutes will be held at Camp Sierra in the heart of the Sierra Mountains of California and at Shawnee Lake near the Delaware Water Gap, New Jersey, July 13-21. The California Conference will be jointly sponsored by the Associated Cooperatives of Northern and Southern California. The Institute at Shawnee Lake will be under the direction of the New Jersey Federation of Consumer Cooperatives. At both institutes, those attending will be given ample time for a well-rounded vacation along with popular lectures on the cooperative movement, round table discussions, study circles and recreation.

The Circle Pines Center, at Hastings, Michigan, in the heart of the lake country, run by cooperatives in the Central States Cooperative League territory, will be in continuous session all summer. A program of eight or ten institutes is being worked out, covering various phases and aspects of the cooperative movement. Special institutes will range from one to two weeks in duration and members of co-ops may use the Circle Pines Center as a vacation spot for their families in addition to participation in the series of institutes. A special feature of the Circle Pines sessions this summer will be the presence in the camp of a Friends Secretariat Committee Work Group which will help build a new camp for the Circle Pines Center a few miles away.

The Eastern Cooperative League will hold its Annual Cooperative Institute at Massachusetts State College, Amherst, Mass., July 28 to August 10. Educational problems of the cooperatives, the testing of co-op commodities, recreation programs and background material on the history and philosophy of the cooperative movement will feature the first week of the institute. The second week will be devoted specifically to technical training of cooperative managers.

The highlight of all summer activities will be the Fourth Annual Conference Tour of Nova Scotia which will begin in Antigonish, August 12 and continue through August 24. The conference tour is under the auspices of The Cooperative League of the U.S.A. in cooperation with the Extension Department of St. Francis Xavier University. American visitors who will take part in the tour will attend sessions of the Rural and Industrial Conference in Antigonish before visiting cooperatives and credit unions established by miners, farmers and fishermen in eastern Nova Scotia and Cape Breton. More detailed information about any of these summer activities may be secured from The Cooperative League.
WHAT'S NEWS WITH THE CO-OPS?

New York—Why do consumers join cooperatives?

The business magazine Sales Management, in a special article in its May 15 issue, reported on a survey for Sales Management by the Ross Federal Research Corporation. Heading the list of fifteen reasons reported by members of co-ops on the Atlantic Seaboard were:

1. Cooperatives can be depended upon to tell the whole truth about merchandise.
2. Even where there is no money saving, the cooperative member may reasonably expect better quality.
3. The fact that more than 600 items are now available under a uniform co-op label contributes to the convenience and ease of purchasing.
4. Brand gradings and labeling are more explicit and understandable than in private stores.

Washington, D. C.—Laying the cornerstone of a modern $45,000 co-op filling station to serve the nation's capital, Donald Montgomery, Consumers Counsel of the Department of Agriculture said: "This cornerstone is only one brick in the cornerstone of the whole cooperative movement."

The land and building of the new Konsum co-op station are owned entirely by the cooperatives, financed through the cooperative movement."

BOOK REVIEWS

The March of Fascism, Stephen Rauschenbush, Yale University Press, New Haven, 1940, $1 available through The Cooperative League.

Mr. Rauschenbush here draws a parallel between social, political, and economic conditions prevailing in America today and conditions prevailing in Germany, Italy, and Austria before the social revolution of totalitarianism took place there.

The parallel he draws is so startling that it is difficult to realize how fertile we may have made American soil for the growth of Fascism here. In this respect it is a book that every cooperator should read. It presents a deep challenge to all of us to take action now—before action is restricted and freedom curtailed. The book should be sent to members and to those specific conditions which prevailed in totalitarian nations before fascism fell. Among these are:

1. A divided labor movement.
2. Low farm prices and income.
3. Ever-increasing unemployment and resulting humiliation.

Recent Articles on Cooperatives

American Federationist, March, 1940, "Executive of Federal Credit Union."
April, 1940, "Cooperative Hospitalization Plans."
May, 1940, "Cooperative Enter the Dual Trade."

California Laborer, March 22, 1940, "Consumer Cooperatives Commanded! A. F. of L."

Call, March 1940, "Greenbelt, D. C."
Kingsley Leeds.
April, 1940, "Business Attacks the Cooperatives."
Kingsley Leeds.

Christian Leader, May 23, 1940, "Christ's Apostle to Japan."
Elise Oakes Barber. Riagawa and his work in cooperatives in Japan.

Corporation, April 19, 1940, "Group Health Association Now."
T. Swann Harding. The legal battle between the A.M.A. and cooperative group practice goes on.

Cowbell, May, 1940, "A Swedish Slant on Co-ops."
Globens, an interview with Einar Larsson, Stockholm University of Commerce.

June, 1940
SALES MANAGEMENT, May 13, 1940, "What Attracts Members to the Cooperative Store Movement," Results of a survey by the Ross Federal Research Corp.

SOCIAL FORUM, April, 1940, "Farm Co-ops Solve Rural Money Problems and Aid Independence," Edgar Schmiedeler, OSB.


April, 1940, "Relationship of Cooperation to Religion and Government," J. Elliott Ross.

May, 1940, "Cooperation and Credit Unions."

WORLD YOUTH, March 2, 1940, "War Profits and Death," I. H. Hull, reprinted from Consumers Cooperation.


"Stretching the Consumers Dollar," by John Carson appeared in the May issues of

BOILERMAKERS JOURNAL

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEERS' MAGAZINE

MACHINISTS MONTHLY JOURNAL

RAILWAY CARMEN'S JOURNAL

Newspapers

THE CALL, May 25, 1940, "Finns in Farm Cooperative Succeeds in Massachusetts," P. Warttainen, Jr.

NEW LEADER, May 3, 1940, "Prices in Sweden Kept at Low Level As Co-ops Crack Whip on Trust Chiefs," Anders Hedberg.

NEW YORK POST, February 14, 1940, W. L. White in his syndicated column, "Take a Look" reports on Finnish cooperatives.

NEW YORK HERALD TRIBUNE, February 9, 1940, "Cooperative Movement Faced by New Policies."

February 27, 1940, "Hedberg Assails Patman's Plan to Raise Taxes on Chain Stores."

April 18, 1940, "Priest Tells How He Took Whole Town Off Relief."

NEW YORK COURIER, March 31, 1940, "Food Co-op Meets Competitive Test."

April 5, 1940, "Eastern Co-op Sales at $1,071,000 in 1939."


SUNDAY NEWS, May 19, 1940, "Collegiate Goes Cooperative," the story of Fahlke House, married students co-op at the University of California at Los Angeles.

CO-OP LITERATURE

- Student Cooperatives
  - Co-ops on the Campus, Bertram H. Fowler
  - Campus Co-ops, William Moore
  - Handbook on Student Co-ops, Based on the Findings of the Pacific Coast Conference of Student Cooperatives

- Novels and Biography
  - Fresh Furrow: Burris Jenkins (Special)
  - The Brave Years: Wm. Heyliger
  - My Story, by Paddy the Cope, Co-ops in Ireland

- Textbooks on Cooperation
  - Consumers' Cooperatives, Julia E. Johnson, Debut Handbook
  - When You Buy, Trilling, Eberhart and Nicholas, High school and college, two chapters on consumer cooperatives
  - Cooperation, Hall and Watkins, Official British Textbook
  - The Consumers Cooperative as a Distributive Agency, Orin E. Burley
  - Windows on the World, Kenneth Gould, high school text, one chapter on cooperatives

- Cooperative Recreation
  - The Consumer Consumed, Josephine Johnson, a Puppet Play
  - Cooperative Recreation, Carl Hutchins, reprinted from The Annals
  - Two One Act Plays, Ellis Cowling
  - The Answer, 3-act play, Ellis Cowling
  - The Spider Web, 2-reel film, Ellis Cowling
  - Education Through Recreation, L. P. Jack

- FILMS
  - "The Lord Helps Those Who Help Each Other," a new 3-reel, 10 mm. film of the New Scottn adult education and cooperative program, produced by the Harvard Foundation for Adult Education.
  - "A House Without a Landlord," a new 2-reel, 16 mm. silent film of the Amalgamated Cooperative Houses in New York City.
  - "Clapping Hands," a 16 mm. silent film, showing how cooperation is taught in the schools of France. Won the Grand Prize at the International Exposition, Paris, 1937.
  - "When Man and Wife is Willing," a 3-reel, 16 mm. film, with English titles, of cooperative stores. Wholesalers and factories in France.
  - A Day With Kagawa, 3 reel, silent, 16 mm. film of Kagawa and his co-ops in Japan.

- REVIEWS:
  - Lower Price Levels
  - Economic Lessons of the War
  - Cooperative Fertilizer Production
  - Training for Cooperative Play
  - Accountants Role in Cooperation

- POSTERS
  - Organize Cooperatives, 10"x28"
  - Cooperative Principles, 10"x28"
  - Cooperative Ownership, 10"x28"
  - Consumer Ownership—Of, By and For the People, 10"x28"
  - Green, 5 for $1
  - Blue, 5 for $1
  - Matheury, 5 for $1
  - Red, White, and Blue, 2 for $1

CONSUMERS' COOPERATION

GARDENER'S COOPERATION

ECONOMIC LESSONS OF THE WAR

July 1940

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS
CALENDAR OF COMING EVENTS

Eastern Cooperative League’s Annual Cooperative Institute, Massachusetts State College, Amherst, Mass., July 29-August 10.

Board of Directors of The Cooperative League, Quarterly Meeting, Hotel Morrison, Chicago, October 14.

Board of Directors of National Cooperatives, Inc., Hotel Morrison, Chicago, October 15.

Interfaith Conference on the Cooperative Movement, sponsored by the Committee on the Church and Cooperatives of the Federal Council of Churches, Chicago, October 15.


National Conference on College Cooperatives, Hotel Morrison, Chicago, October 19.

Regional Conference on Cooperatives and Labor, sponsored by the Committee on Organized Labor and Cooperatives of The Cooperative League, Chicago, October 19-20.

THE COOPERATIVE LEAGUE
167 West 12th Street, New York City
608 South Dearborn, Chicago

DIVISIONS:

Auditing Bureau, 167 West 12 St., N. Y. C. Medical Bureau, 5 E. 57 St., N. Y. C.
Design Service, 167 West 12 St., N. Y. C. Rochdale Institute, 167 West 12 St., N. Y. C.

AFFILIATED REGIONAL COOPERATIVES

Name
Consumers’ Cooperative Wholesale
Consumers’ Cooperative Association
Consumers’ Book Cooperative
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

Address
Superior, Wisconsin
Amarillo, Texas
N. Kansas City, Mo.
116 E. 28 St., N.Y. C.
116 E. 16 St., N. Y.
Delaware, Ohio
2301 S. Millard, Chicago
133 Kent Ave., Bklyn.
Columbus, Ohio
Columbus, Ohio
Lansing, Michigan
St. Paul, Minn.
Seattle, Washington
Indianapolis, Ind.
Minneapolis, Minn.
Chicago, I1.
Walla Walla, Wash.
Harrisburg, Penn.
Indianapolis, Ind.

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

Pacific N. W. Cooperative
Pen. Co-op Review

DISTRIBUTION LEAGUES

Central States Cooperatives
Associated Cooperatives, So. Cal.
Associated Cooperatives, N. Cal.
National Cooperative Women’s Guild

Credit Union National Association

FRATERNAL MEMBERS

Madison, Wisconsin

PLAY COOPERATIVELY TOO!

A Consumers’ Cooperative is a far broader organization to serve the needs of its members than is commonly thought. Generally cooperatives are thought of primarily as a means of buying commodities and services together. But buying together is only one cornerstone of a cooperative. Cooperatives are not only means of buying together but of banking together. They are for finance as well as for business. And still more. A Cooperative should be a means of learning together. And finally it should be a means of playing together.

In other words, as was strongly emphasized at the fifth annual National Cooperative Recreation School recently held at Tiffin, Ohio, “Recreation is the fourth cornerstone of Cooperation,” of which the others are Business, Finance and Education. The cornerstones of Business and Finance might be called the “body,” and the cornerstones of Education and Recreation the “soul” of Cooperation. A Cooperative association should make it possible for its members to buy together, bank together, learn together and play together.

We have begun to realize the great need of buying together cooperatively in America; we are increasingly realizing the need of banking together. “Pool your purchases cooperatively” and “mobilize your money cooperatively” are accepted slogans. But it is only recently that we have also begun to realize generally that we need to learn together cooperatively, and still more recently that we need to play together cooperatively.

Miss Neva Boyd, of Northwestern University, who has been the philosophical interpreter at all of the five annual national recreation schools, rightly says, “Cooperators must realize that they not only have to organize their economic lives on a cooperative basis, but their social lives as well.”
WHY DISCUSSION GROUPS IN A COOPERATIVE

The Fifth Annual Cooperative Publicity and Education Conference recently held at Tiffin, Ohio, spent a half day considering the subject of Discussion Groups. The need of such voluntary groups within a cooperative is now being quite generally recognized. The farthest advance in social organization is brotherhood in religion, freedom in education, democracy in government and cooperation in economics. In America we have in economics more nearly reached these goals in religion, education and government than we have in economics. We are indebted to our forefathers for applying the principles of freedom and equality to the church, school and government—it remains for us to apply these principles to economics.

The need of such voluntary groups within a cooperative is now being quite generally recognized. In fact, no one raised any question as to whether we should develop them—the consideration centered altogether around how to organize them, how to provide better discussion material and what their activities should be.

We call them by various names—study clubs, fireside forums, neighborhood councils, advisory councils, etc. Sweden started with the name study-circles but has now concluded that the name was not broad enough to cover their functions. In that country the name is now abbreviated to “Gruppen,” or Groups.

Our own conclusion, after several years of urging and watching their development, is that they represent a basic need in a cooperative which might be described as that of “double democratic control.” The first means of democratically controlling a cooperative is by the legal requirements of membership, shareholding and one-person-one-vote. Theoretically the legal obligations of being a member in a cooperative are enough. Practically, however, they have not proven to be sufficient to develop intelligent membership participation to the greatest degree. Voluntary discussion groups in a cooperative are needed to overcome this lack and to provide a second form of democratic control. The need of the development of small voluntary discussion groups within the membership of a cooperative is beyond theoretical consideration today—it is a basic requirement for intelligent and full membership participation.

THE ECONOMIC LESSONS OF THE WAR

MANKIND everywhere is more or less blindly struggling toward the ideal of a Free Society. To achieve that goal the people have set up four great social organizations: religious, educational, political and economic. A Free Society is the master—these four social organizations are the servants. Sometimes the church, school, government and business forget they are the servants and think they are the masters. Sometimes one organization thinks it should control another. In the past the church and the state were in conflict for control. Today business and the state are in conflict for control. Just as neither of the four social organizations can usurp the sovereign power of a free society, so can neither control the others. All are independent of one another but interdependent; all are dependent upon the will of a free people.

The revolt from production for profit in all of its forms. Production for profit has proven unable to apply the principle of equality to incomes, employment and ownership for the masses which is their inalienable right. Nor has it enabled them to realize their desires for freedom.

Production for Use is Coming

The revolt from production for profit to production for use is also finding expression in three forms of economic organization—Communism, Corporatism and Cooperation. Communism is being tried in Russia, Corporatism in Germany.
time preserve freedom. While society is rejecting production for profit under Capitalism, it is not necessary to adopt Communism or Corporatism to achieve coordination and security. Nor is it necessary, in adopting a production for use economy to achieve security, to give up the innumerable advantages of freedom.

The Application to America

The traditions of America in its religious, educational and political organizations should cause everyone to reject Communism and Corporatism and to accept production for use in the form of Cooperation. For Cooperation is not only the economic application of the principles of liberty and equality for which America stands, but their incorporation in our economic organization will strengthen our religious, educational and political institutions as well. America is fortunate that we are not only becoming conscious of the shortcomings of Capitalism, but that we can also see in the European countries the results of the experiments which are being made with Communism, Corporatism and Cooperation. Scandinavia has demonstrated that Cooperation can both realize the inalienable rights of everyone to an income, employment and ownership, and also preserve and strengthen free religion, education and government as well.

A summary of the economic lessons of the war, we believe, would be: (1) that production for profit in the form of Capitalism is rapidly passing, (2) that production for use in the form of Communism or Corporatism is proving better able to coordinate an economy and provide a greater degree of security for the people, (3) that production for use in the form of Cooperation is far better than Communism or Corporatism that in it is more efficient economically and in that it also preserves the religious, educational and political organizations of freedom.

COOPERATIVE FERTILIZER PRODUCTION LOWERS PRICE LEVEL

"Price control through cooperative ownership" was the rallying cry of farmers in Ohio recently as they backed their new Farm Bureau fertilizer factories to a man. "We'll manufacture as well as distribute our own Open Formula fertilizers." Thus did they do it. The answer is another dramatic chapter in the history of cooperative purchasing. After advancing their cooperative distribution of fertilizer to approximately 13 per cent of the total in the State, it was with little surprise that the organized farmers in the Ohio Farm Bureau Cooperatives found there were more savings to be garnered by taking hold of production than they had previously realized. They learned it conclusively a year and a half ago when the Farm Bureau Cooperative Association joined with the G-L-F Cooperatives of New York in the purchase of a large fertilizer plant in Baltimore.

A small mixing plant was built at Alliance, Ohio, to supplement the service of the Baltimore factory, and Farm Bureau manufactured fertilizer was supplied at part of the State the last fall. These early operations were not entirely satisfactory, and plans for more plants were soon under way. Early this year a large factory at Maumee, near Toledo, was completed by the Ohio Farm Bureau Cooperative Association, and another one, at Glendale, near Cincinnati, owned jointly by the Ohio and Indiana Farm Bureau Cooperative Associations, was ready to go soon afterward. Problems were anticipated, of course. They came! But the heartening cooperation of nearly everyone has rooted out most of them and promises the early demise of the rest. Many fascinating rumors popped up here and there and bothered a few, but in the main the majority recognized that they had some direct connection with practices known as "free competition." A new and yet inadequate

Price Level Lowered for Every Fertilizer Purchaser

The biggest and most important achievement of this new Farm Bureau fertilizer program, however, is that it has affected every farmer in the State of Ohio—whether he bought Farm Bureau fertilizer or not—the reduced cost of fertilizer per ton experienced throughout the State as the result of the Farm Bureau production program.

Some of the ingredients of fertilizer increased in cost this year, and because of the war, yet, because the Farm Bureau went into manufacturing, competing fertilizer companies waited till the last minute, then reduced their prices an average of $4.00 per ton below those of last fall. The Farm Bureau product was immediately priced at the same reduced figure, of course, and the result is that the farmers of Ohio purchased about 175,-000 tons of fertilizer this spring, saved approximately $700,000—nearly three

Dr. Horace M. Kallen, in his book "A Free Society," indicates that Communism and Corporatism are "psychologically a retrojection to paternalism," brought on by "a sort of failure of nerve, a fatigue of the individual will, and a blinding of the individual intelligence." "The new faith," he says, "relieves the inhabitants of the land of the burden of judgment, choice, and decision. It establishes the State as the captain of their souls, which they commit into its hand." George W. Russell, the poet-cooperator of Ireland, foresaw their coming and warned that "when a man becomes imbecile his friends place him in an asylum. When a people grow decadent and imbecile they place themselves in the hands of the State."

As applied to the situation in Europe, the economic lesson, we believe, is that Capitalism cannot coordinate itself. Its failure to supply economic security to the masses brought on Communism and Corporatism in Germany as a result of the war, we believe, would be: (1) that production for profit in the form of Capitalism is rapidly passing, (2) that production for use in the form of Communism or Corporatism is proving better able to coordinate an economy and provide a greater degree of security for the people, (3) that production for use in the form of Cooperation is far better than Communism or Corporatism in that it is more efficient economically and in that it also preserves the religious, educational and political organizations of freedom.
times the total expenditure to date for Farm Bureau fertilizer factories.

At the same time farmers in neighboring states have been paying much more for their fertilizer—another proof of the pudding resulting from cooperative production. In Indiana, where Farm Bureau members also own one plant and part of one of the Ohio plants, a ton of 2-12-6 fertilizer, for example, sells for $25.65 per ton, while it costs Ohio farmers $29.75. In Pennsylvania, the same product costs $29.05; in West Virginia, $29.61; and in Wisconsin, $29.85. (These prices are average; will vary a few cents with transportation costs.)

Still “Pounding Fertilizer” with a Grin

Little more than a decade and a half ago, a small group of farmers composing the Ohio Farm Bureau, decided to save money by buying supplies as a group. Long before they knew anything about the national or international cooperative movement, they tried to purchase fertilizer together, and were refused by all Ohio manufacturers and jobbers. They finally got some in the South, though, and it hardened on the way so that they had to pound it up to make it go through the drills. But how they pounded it with a grin in their determination to win the fight against niggardly net farm income!

Since then, the number of organized Farm Bureau Cooperators in Ohio has multiplied many times; they have learned a lot about business, and prices, and costs, as they have continued to “pound fertilizer” on one thing after another that they need for their farms and homes. They have learned what it takes to make good quality and how to maintain that quality with growing savings. They have learned about feeds, seeds, paint, petroleum, twine, steel products; they are still learning. They have found some kinks in our distribution system—some of the “tricks of the trade”; they have eliminated many of them, one by one, for their mutual benefit. They have found that their savings continue to increase as they own and control and supervise more of the steps in production and distribution of the commodities they use.

It has been said within Ohio that “we have a million dollars to put the Farm Bureau out of the fertilizer business!” The speaker need not be identified. The farmers of Ohio, with the power of their purchasing dollars, will, no doubt, have the last word in answer.

THE NATIONAL COOPERATIVE RECREATION SCHOOL
Heidelberg College, Tiffin, Ohio, June 14-26

1. FOLK DANCING in the Commons—a “Grand Right and Left.”
2. TIFFIN OR BUST. A group of cooperators from the east drive 600 miles in a 1926 Jalopy. Lionel Perkins, Ethel Beam, Ken Philp, Bert Fraade, and Leslie Hart.
3. PUPPETRY. Here a pair of fist puppets, performed by and for Recreation students.
4. MUSIC. Members of Recreation School participate in program of instrumental music and group singing.
5. THE POLKA-KOKETKA, HERE’S HOW. Jeanette Woods, school teacher at Ravenna, Ohio and Wilbur Leatherman, educational fieldman for Midland.
6. MAKING A BRACELET. Louise Devine industriously at work on a bracelet.
7. STAFF. Back row—Darwin Bryan, Ohio Farm Bureau, Columbus; John McGross, Winnetka, Ill.; Mrs. Bernice Evans, Chicago; James Norris, New York City; Gwendolyn Fife, Toronto;
8. SQUARE DANCE CALLER. “Eli” Whitney calling out “Swing Like Thunder.”
9. Interested spectators, in wrapped attention during rehearsal.
10. STUDENT SEMINAR ON RELATION OF RECREATION TO COOPERATIVES.
11. “SWING LIKE THUNDER.” Square Dance, left to right—Gilbert Edgar, Martha Rozy, Richard Korns, Helen Gilmore.
National Cooperative Recreation School:

TRAINING FOR COOPERATIVE PLAY

Jacqueline Plauche, Eastern Cooperative League and Wholesale

AN impressionistic picture of the National Cooperative Recreation School would somehow bind song and dance, drama and handicraft into one intensive activity. But specialization along a number of lines was offered. A typical day began with an hour's seminar with Miss Neva Boyd, of Northwestern University, on philosophy and techniques of group activity, followed by an hour of group singing. Then a difficult choice among dramas, folk dancing, song leadership, instrumental music, puppetry and crafts, including the making of shoes and fine gloves, pewter, silver and copper ware, felt work and shepherds pipes.

The schedule was arranged according to the expressed wishes of the students, and included each evening an hour's discussion on some phase of the cooperative movement: discussion group techniques and materials, credit unions, cooperative medicine, recreation in the cooperative movement, etc., followed by dancing and presentations of the dramatics classes. Drama as a cooperative activity was particularly well demonstrated in an original play, which was never written down but actually developed by the cast as it was rehearsed.

About 120 students from 13 states and Canada attended the National Cooperative Recreation School which was held on the beautiful campus of Heidelberg College, Tiffin, Ohio, from June 14 to 26. The students were leaders of co-op youth groups, representatives of local and regional cooperatives from all parts of the country, teachers and social workers. Many of them remained for the National Cooperative Publicity and Education Conference which overlapped the school session.

Carl Hutchinson, president of the Cooperative Society for Recreation Education outlined the philosophy of the Recreational Education School when he told the students, "Cooperative education is primarily training and experience in working together, and that kind of education must take place largely in groups and through spontaneous activity rather than coercion. Cooperative recreation is the most natural way to come together in groups, and it orient's people emotionally in group activity."

E. R. Bowen, general secretary of The Cooperative League, said during an informal talk at one of the evening discussion hours that "Recreation is the fourth cornerstone of Cooperation, of which the others are Business, Finance and Education. A cooperative association should make it possible for its members to buy together, bank together, learn together and play together."

This is the fifth year The Cooperative League has sponsored the school. It is held under the direction of the Cooperative Society for Recreation Education which is composed of students attending each year's school. Directors elected at the close of this year's session will plan next year's session. Opportunity is given each year for the students to express their wishes regarding the staff and the courses offered. This makes it possible for the school to be of real value in meeting the needs of the various students who return to their communities to do recreational work. Directors elected for the coming year are: Carl Hutchinson, Ohio, president; Gertrude Emerson, Pennsylvania, secretary; Roy Clifton, Ontario; Neva Boyd, Illinois; Darvin Bryan, Ohio; Frank Shilston, Minnesota and Willbur LeR immense, Wisconsin.

Consumers' Cooperation

Heidelberg Conference Reaffirms:

COOPERATION, THE ANSWER OF FREE MEN

MORE than one hundred delegates reaffirmed their faith in Freedom as an international ideal at the Fifth Annual Cooperative Publicity and Education Conference held June 25 to 28 at Heidelberg College, Tiffin, Ohio. Nine states, two Canadian provinces, the District of Columbia and China sent delegates representing twenty-two retail cooperatives, eight wholesale cooperatives, seven social agencies, six service co-ops, four co-op leagues, two U. S. Government Departments, two universities, and one each of a labor union, credit union, national association and magazine.

"Cooperation, The Answer of Free Men" was the theme of the 1940 conference. To realize a greater degree of freedom in a world rocked by the dying throes of a system shackled, racked and now being destroyed by master imperialists, the delegates were unanimously agreed that economic democracy must be expanded and extended swiftly to larger sections of our daily lives. Consumers Cooperation, synonymous with economic democracy, was re-interpreted by small group discussions which brought the thinking and experience of a wide range of functioning groups. The conference can be described as a clearing house of cooperative experience of organized groups from ocean to ocean and from bay to gulf. Climaxing the conference were discussions on the relation of cooperatives to the great kindred social institutions: churches, schools, farm organizations, labor organizations and credit unions.

An attempt to call the roll of the individuals who presented the problems to the groups for more intensive discussion would not adequately relate the significance of the problems at hand. A restatement of some of the principal questions will indicate the job to be done.

1. How can we crystallize our thinking and mobilize our resources to extend to urban groups our experience in education, organization and operation?

2. Should employee pension plans be extended to urban groups our experience in education, organization and operation?

3. How can we crystallize our thinking and mobilize our resources to extend to urban groups our experience in education, organization and operation?

4. What opportunity does the international war situation offer the cooperative movement to educate its members and the general public in the privileges and responsibilities of economic democracy?

5. What can cooperators do now in preparation for the economic collapse that characterizes the peace after war?

The papers which posed the above questions and the answers or recommendations for the questions as concluded by the many discussion groups will be available from The Cooperative League office. All those who registered at the conference will receive the complete proceedings. Other readers of Consumers' Cooperation can secure the proceedings by writing for them and paying one dollar to cover costs of reproduction.

As this report is written on the night of July 4th, coincidentally, I listen to a radio program originating in the Municipal Stadium of Cleveland, Ohio. It is the annual celebration of Freedom and Democracy. It so happens that the radio program is originating in the Municipal Stadium of Cleveland, Ohio, only one hundred miles from Heidelberg College. The degree of freedom for which cooperators must aspire is that state of society wherein "the rich must be relieved of their privileges and the poor of their irresponsibilities."

Glenn Thompson, Educational Director

Midland Cooperative Wholesale

July, 1940
Consumers' Cooperation

THE ACCOUNTANTS ROLE IN COOPERATION

Laurie Lehtin, Secretary
National Society of Cooperatives

The largest group of cooperative auditors ever gathered in one spot in America was brought together by the fifth annual meeting of the National Society of Cooperative Accountants, in Minneapolis June 21-22. Members and visitors came from all parts of the country and from Canada to discuss the problems of their growing profession. The official delegation alone was close to 50, as against 20 at the previous meeting. Not only was this the biggest meeting of its kind, but it also brought out the most lively discussion. There was a definite feeling that the Society was a "going concern."

The directors report showed that the membership of the society increased by almost one fourth during the last year. Progress has also been made in getting more uniform accounting, particularly for annual meeting of the National Society of Cooperatives. The use of a seal containing the name of the National Society of Cooperative Accountants by each member on audit reports was considered. The secretory was instructed to get specimen seal forms, investigate copyrighting it and to send suggestions through the Bulletin, and the board of directors was authorized to purchase, register and let out the seal.

The educational session of the conference June 21st considered several questions fundamental to the work of cooperative accountants. Among them were:
- How can cooperative accountants improve the operating results of cooperatives?
- How can cooperative accountants improve the financial condition of cooperatives?
- Are the audit reports of cooperative accountants sufficiently clear and explanatory?

The new board of directors consists of:
- E. F. Selvig, Minneapolis, (president);
- F. K. Wadsworth, Indianapolis, (vice-president);
- Laurie L. Lehtin, Superior, (secretary-treasurer);

WHAT'S NEWS WITH THE CO-OPS

As we go to press, the new quarter-million-dollar cracking plant and topping units of the Consumers Cooperative Refineries in Regina, Saskatchewan, are operating at full capacity. But due to the pressure of the war and the fear of sabotage, there were no official opening ceremonies.

So, without fanfare or parades, the third cooperative oil refinery in America started operation as the consumer cooperatives took another step into production and processing of the goods they distribute. The two other refineries are the $800,000 plant and 70-mile pipe line at Phillipsburg, Kansas, owned by the Consumer Cooperative Association, and the Farm Bureau Cooperative Refinery at Mt. Vernon, Indiana, erected at a cost of $300,000.

"The first cooperative oil refinery in the world," which was built in Regina by Consumers Cooperative Refineries five years ago, with an original capital investment of $33,000 will be maintained as an auxiliary and standby plant. The refinery paid back patronage dividends totaling $263,000 in five years besides serving as a price yardstick.

The Phillipsburg Refinery emerged from what Business Week called, "the first crude oil squeeze play ever enacted with a co-op as the 'squeeze.'" Shortly after 25,000 people gathered at Phillipsburg to dedicate the cooperative oil refinery, the plant was shut down for eight days because the co-op was unable to secure adequate source of supply of crude oil.

The "squeeze play" to cut off the co-op source of supply apparently was launched when amendments to the Kansas pro-ration law were forced through the legislature with the backing of certain oil interests last year. The situation became more intense when Stanolind (Standard Oil of Indiana), extended its gathering pipe line into Ellis and Rooks Counties in competition with the cooperatives.

The co-op refinery finally got its oil when independent oil companies serving the co-ops supplied the refinery with oil from adjoining oil wells; the co-op refinery association voted to extend its pipe line 22 miles to serve 69 new wells; and when a large number of the 56,000 members of co-ops in the state of Kansas wrote to Governor Payne Ratner, (who comes up for re-election in November) protesting against the inequalities of the pro-ration law.

There are several dramatic incidents in this battle which only a co-op historian can tell.

New York, N. Y.—War conditions in Canada were responsible for the cancellation of the Fourth Annual Conference Tour of Nova Scotia Cooperatives. This tour was to have been sponsored jointly by St. Francis Xavier University and The Cooperative League.

Chicago, Ill.—The Board of Directors of The Cooperative League, meeting here June 16-17, adopted unanimously a resolution declaring, "More than equal in importance to military defense is the necessity to increase our production in the domestic interests of the people, relieve unemployment, eliminate poverty, and restore and sustain the spiritual forces of democracy."

The Board completed arrangements for the Twelfth Biennial Congress of The Cooperative League which will be held in Chicago, October 16-18.

Washington, D. C.—On June 19, the President of the United States signed Senate Bill 2013, providing for the incorporation and regulation of cooperative associations in the District of Columbia.

The bill was passed by the House, Monday afternoon, June 10, after having passed the Senate, May 29.

The new Act is a revised version of the model provisions drafted in 1937 by a committee of cooperative experts conferring under the auspices of the Consumers' Project of the Department of Labor.
New Kensington, Penna.—About 300 people took part in a two-day conference on Organized Labor and Consumer Co-operation, held under the joint auspices of the New Kensington Consumers Co-operative Association and the Committee on Organized Labor and Cooperatives of the Cooperative League at Aluminum Workers Hall, here May 17 and 18. Among the representatives were delegates from aluminum workers, glass workers, coal miners, utility and radio workers, professional people, ramiers, and white-collar workers. James Myers, chairman of the conference stressed the urgent need to “democratize America,” and declared that “In order to preserve our political democracy and develop economic democracy, we must stay out of war.”

New York—While private profit grocery business showed an increase of less than five per cent in the first quarter of 1940, the Eastern Cooperative Wholesale reported a gain of 63 per cent for the first four months of this year. Delegates from 12 states took part in the annual meeting of the wholesale here Memorial Day, when L. E. Woodcock, manager, reported the possibility that volume may pass the $1,500,000 mark this year.

Werner Regli, head of the Auditing Department of The Cooperative League, stressed the need for increasing invested capital in the wholesale and reminded the members “that we as consumers cannot purchase a new economic society with one five dollar share of stock.” Herbert Evans, vice president of the Consumer Distribution Corporation, told the conference that the cooperatives must build ideal stores to match co-op ideals.

Regina, Sask.—Concrete evidence of the “yardstick” effect of consumer ownership was demonstrated when the prices of petroleum products went down for the third consecutive time since September first of last year. This is in the face of constantly rising prices of petroleum products in other parts of Canada. The reduction in petroleum prices coincides exactly with the territory served by the Consumers Cooperative Refineries and the Saskatchewan Cooperative Wholesale.

New York—Secretary of Labor Frances Perkins and Fiorello H. LaGuardia, Mayor of New York City, praised the pioneering work in housing of the Amalgamated Cooperative Apartments before 1,000 delegates assembled at the twenty-fifth anniversary convention of the Amalgamated Clothing Workers of America, here, May 15. “Today, the Amalgamated houses stand as a monument to what can be done by the intelligent planning in the midst of slum districts,” Secretary Perkins declared.

Tenant owners of the Amalgamated Cooperative Apartments will pay themselves $27,000 in rebates during the next six weeks on the operation of their 655-family apartment houses and their own cooperative grocery store, electric generating plant, milk and laundry distribution, and bus.

Salt Lake City, Utah—“There is no need for regulation of true cooperatives.” This is the heart of the decision handed down by Justice J. Wolfe of the Utah Supreme Court, in the case of Garfield Power Company, Inc. vs. the Public Service Commission of Utah.

“There is no conflict of producer and consumer interests. They are one and the same,” Justice Wolfe found. “If rates are too high, the surplus collected is returned to the consumers pro rata. If the rates are too low, the consumers must accept curtailed service or provide financial contribution to the corporation. If the service is not satisfactory, the consumer members have it in their power to elect other directors and demand certain changes.”

In the section on Consumers Cooperatives and Democracy, the Committee says that:

C. R. Hatten, manager of the Consumers Cooperative Association of Lincoln, characterized the statement as “careless, loose talk,” and declared that “such statements connecting cooperatives with subversive elements are started by selfish business interests and are spread by persons not informed.”

Washington, D. C.—Warning that a well-planned attack is being launched against cooperatives in the United States with a view to destroying them or reducing their constructive services to a minimum, Dr. Edgar Schmiedeler, O.S.B., Director of the Rural Life Bureau, Department of Social Action, National Catholic Welfare Conference, scored this attack as “a campaign of deliberate misrepresentation. All fair and well-meaning persons may well be warned against this campaign.”

Virginia, Minn.—One hundred official delegates and sixty-five fraternal delegates and visitors met in the Co-op Center here last month for the 11th annual convention of the Northern States Women’s Cooperative Guild. Ten new women’s guilds joined the organization since the last convention, bringing the total number of guilds and clubs in the district to 78. For many years the guilds have been strong educational forces in the consumer cooperative movement in this area.

Book Reviews

EDUCATORS ENDORSE COOPERATIVES


Those who believe that, for the preservation and development of agencies which democracy has set up in the form of the church, school and government should help to promote democracy in economics would have been encouraged to hear Dr. Herbert G. Lull, Chairman of the N.E.A. Committee on Cooperatives, present and discuss briefly the report of the Committee at the 1940 N.E.A. Convention in Milwaukee. In his allotted fifteen minutes Dr. Lull discussed the three divisions of the report are: (1) An introductory general statement on Consumer Cooperatives and Democracy, (2) Four illustrative units for teaching and (3) A study guide on Consumer Cooperatives. The report was unanimously adopted by the delegates.

The Committee went on record definitely as favoring two basic things:

1. The first is the institutional economic balance theory as compared with the cooperative commonwealth theory. In advocating the institutional economic balance theory the report says:

“The principle of competition is not only unduly emphasized in industry, but in the schools, in the churches, and in politics. Progress attained by the overemphasis upon competition is achieved at too great a cost, for progress itself is retarded because of the many competing individuals and groups who fail to appreciate the unfair race and become the wards of the winners.”

2. The cooperative organization is capitalism
democratized, for it places ownership in the hands of the consumers. It belongs to the system of free enterprise—the free enterprise of the consumers.

"If permitted to develop, a cooperative economy will save capitalism for society and render both Communism and Fascism innocuous."

The participation of the members in the activities of a cooperative is stressed and described in detail. The cooperative is, of course, fundamentally a practical venture in democratic economics and in hard-headed business. All members who participate as shareholders wholly and in all of the economic disciplines and especially in one. Some should act as directors. Some should participate in leading neighborhood study-groups and others in committee work. Many should be active in securing cooperative literature and socially significant materials in this development and use of a cooperative library. Others may engage in the social organization and entertainment features of the cooperative. All should do some kind of work. They will become 100 per cent buying patrons of their own business, the cooperative. Is there any other form of ownership which offers better opportunities for social education of youth and adults?

The contribution of the Consumer Cooperative movement toward peace is strongly emphasized.

"A society built in large part around consumer cooperatives would automatically dispense with war."

As soon as the consumers' interest is put forth and society is organized for them, it becomes evident that war can no longer function as a cause of interest as a group. It becomes as just as obvious that the interest of the consumer is fundamental to the economic cooperation of groups widely scattered over the world.

"If cooperative groups, working in the interest of consumers in all countries, could be formed in orderly fashion to discover and eliminate the adoption of war as a solution of economic and prestige problems,"

It is unthinkable how two or more nations, each predominantly using the consumer-cooperative economy and organized internally and internationally on this basis, could go to war with one another.

In concluding the introductory section on Consumer Cooperatives and Democracy the Committee says:

"Consumer cooperatives, serving all the people, are made necessary by the exclusive nature of corporations from which the masses are debarred. They represent merely the next logical step in cooperative activity beyond the organization of labor groups, in improving reasonable social control through the monopolistic and exclusive corporations."

Rugged individualism was the boast of business in the modern era. First, there was individually-owned business, then the joint stock companies, and in recent times mammoth national and international monopolistic businesses. The corporate heads may say that the people are participating by stock owning, but it is evident that this is in no sense direct participation in the running of the business. In rugged individualism has arrived at the point where in order to have a few thousand rugged individualists in United States, the study of business, initiative, and ownership of the rest of the people are destroyed.

Cooperation provides the means in our day thru which the people may participate in the economic processes. Through cooperative activity they can again make men of themselves. Modern business destroys their manhood as well as their ownership. The modern industrial worker on a beltline for eight hours a day is a robot, at least less than a man. He has no activity to offset the tendency to destroy him. When he comes out of the plant and can say to himself that he participates in the ownership of the corporation, in a credit union, retail store, wholesale, gas and oil station, or insurance, he is becoming a man again.

"Cooperation is the only true democracy. Until the people have a share in the economic processes, they will not have a share in the educational institutions. They are the ones who must understand cooperation if it is to work, and not alone the intellectuals. Therefore, Mr. Richardson has given his contribution to the growing cooperative literature."

There is nothing essentially new or striking in the material—it is rather, the style and the illustrations taken from the author's wide experience in Nova Scotia, Newfoundland, and his travels through the United States and the cooperative countries of Europe. The study book becomes real; the credit union a possibility within the reach of all; the store a reality and business a study unit. But it does not stop there. Mr. Richardson has said, "The purpose and function of the study club must be expanded other than cooperation and democratic education. Unless the people have a share in the economic processes, they will not have a share in the educational institutions. They are the ones who must understand cooperation if it is to work, and not alone the intellectuals. Therefore, Mr. Richardson has given his contribution to the growing cooperative literature."

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Another feature of the book is that it is so straightforward and unlabored descriptions it is very readable. Mr. Richardson closes with these words:

"The purpose and function of the study club must be expanded other than cooperation and democratic education. Unless the people have a share in the economic processes, they will not have a share in the educational institutions. They are the ones who must understand cooperation if it is to work, and not alone the intellectuals. Therefore, Mr. Richardson has given his contribution to the growing cooperative literature."

As many as thirty-nine photographs, three maps, and six diagrams help to give visual form to the ideas to the student. They might have been more complete and more comparable, one with another. The same criticism applies in small measure to the outlines of the housing developments in the four countries. Under divisions of: 1. Land for Housing; 2. Municipal Housing; 3. Housing Societies; 4. Rural Housing and Colonization, Mr. Graham follows through policies and programs of the four countries in question, following a brief historical introduction and concluding chapter on "Applied Philosophy."

Hitler's barbarous conquests and Stalin's aggression have shown the futility of all such attempts. In August 1939, Mr. Graham wrote this brief summary and key to the book: "In the journey toward a dynamic and mature democracy, Denmark, Sweden, and the United States have already entered the social stage. Here we see vigorous efforts being made to achieve a more mature and stable title, but that of course does not mean that it will only be creating a delusion."

"What lies beyond the next depression? Can you face it? When that time comes you will welcome the cooperative solution. But before that time comes, you should prepare for it by working toward a new and broader form of the social development of the cooperative economy."

Committee report says:

Further study about each chapter. Many questions are included in the chapters.

The book serves as an excellent guide to the social housing of youth and adults. It is most valuable. Many people into thinking that the depression which big business caused, can be ended by the profit motive in varying degrees. In the municipalities we find various types of social housing: municipal apartments for the lowest income group, and purchase cooperatives for the medium income group...
And as a base for this diversified housing is the intelligent conception of social use of land.

Of special interest to cooperators will be chapter three on "Housing Societies." The cooperative is the most prevalent type of housing society. It is of two forms: 1. that in which members become owners of dwelling units and 2. that in which ownership remains in the hands of the organization. The latter form allows for more mobility of the tenants. Another type of public utility housing society is the limited-dividend, joint-stock company organized by persons, institutions, or industrial organizations for the purpose of providing low rent housing accommodations. Between the cooperatives and limited dividend companies there is a wide range of social interest to be observed.

In Denmark the government has made loans up to 90% of the building cost at 4% interest. Subsidies of 10 to 80% bring with them government control over the renting and selling of the buildings. During the last twenty years a third of Copenhagen's housing has been of the cooperative type. Cooperatives obtain credit largely through land credit associations which grant first mortgage loans, and through second mortgage credit associations. Tenant members are usually workers, the average income of whom is $700 a year. The Workmann Cooperative Housing Society in Copenhagen is the largest such society in Denmark with 6,000 members, 8 apartment buildings, and 150 small single houses, all, 4,200 dwelling units. Each apartment house forms a "daughter" of the society, and manages its own enterprise through elected representatives.

In Stockholm no less than twenty thousand members occupy accommodations in cooperative dwellings, either with permanent right of occupancy or with only renter's rights. The famous H.S.B. has built ten thousand dwelling units in Stockholm, 60% of which are occupied by workers. Day nurseries, kindergartens, gymnastic quarters, and playgrounds have helped attract families to the four types of housing it furnishes, meeting four levels of family income. Sweden has over 500 housing societies.

The Scandinavian countries have included the problem of rural housing in a program to improve agricultural living as a whole. Government assistance is given over a long period of time. Cooperatives have not played much part in housing but have been a big factor in cooperative recreation, small holder movement, etc. in Denmark, for example, the three factors that have made the small holder movement a success are: state assistance in acquiring a small holding; the sustaining force of cooperation, and the folk high school.

In the last chapter the author urges the United States to "go and do likewise."---LeRoy E. Bowman, Secretary Cooperative Housing Federation

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**CO-OP LITERATURE**

- **Novels and Biography**
  - "Fresh Furrow: Burris Jenkins (Special)"
  - "The Brave Years: Wm. Hoytiger"
  - My Story, by Paddy the Co-op, Co-ops in Ireland

- **Textbooks on Cooperation**
  - Consumers' Cooperative, Julius E. Johnson, Debate Handbook
  - "When You Buy, Trilling, Eberhart and Nitsan, High school and college, two chapters on consumer cooperatives"
  - Cooperation, Hall and Watkins, Official British Textbook
  - The Consumers Cooperative as a Distributive Agency, Orin E. Burley
  - Windows on the World, Kenneth Gould, high school text, one chapter on cooperatives

- **Cooperative Recreation**
  - The Consumer Consumer, Josephine Johnson, a Puppet Play
  - Cooperative Recreation, Carl Hutchinson, reprinted from The Annals
  - Two One Act Plays, Ellis Cowling
  - The Answer, 3 act play, Ellis Cowling
  - The Spider Web, 5 act play, Ellis Cowling
  - Let's Play, Frank Stubton
  - All Join Hands, Edwards and Platzi
  - Education Through Recreation, L. P. Jacobs


**FILMS**

- Traveling the Middle Way in Sweden, 16 mm, silent. Produced by the Harmony Foundation. Unit 1. Land of the Forest People. Unit 2. Consumer Cooperation, 2 reels. Rental price: color, 85; black and white, 55. Additional showings, $15.00 per week.
- The Lord Helps Those Who Help Each Other, a new 2 reel, 16 mm, silent film, produced by the Harmony Foundation. Excellent photography, $4.50 per day. Rental price: color, 85; black and white, 55. Additional showings, $15.00 per week.
- A House Without a Landlord, a new 28 frame, 16 mm, silent film, produced by the Amalgamated Cooperative Houses in New York City.
- Chasing Hands, a 16 mm, silent film, showing how cooperation is taught in the schools of France.
- When Blankland Is Winning, a 16 mm, silent three-reel film, with English titles, of cooperative stores, wholesales and factories in France.
- A Day With Kagawa, 3 reel, silent, 16 mm, Kagawa and his co-ops in Japan.

Rental: Each of three above $3 per day. $1.50 for each additional showing or $10 per week.

**POSTERS**

- Organize Cooperatives, 19" x 23"
- Cooperative Principles, 19" x 23"
- Opposition, 5 for $1
- Cooperative Ownership, 19" x 23"
- Mulberry, 5 for $1
- Consumer Ownership, By and For the People, 19" x 23"
- "Red-White-and-Blue, 5 for $1

Consumers' Cooperation
COUPON PAGE

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Consumers Cooperative Association
Consumers' Cooperative Book Cooperative
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
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Grange Cooperative Wholesale
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227 E. 84th St., N.Y.

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
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THE PRODUCER-CONSUMER

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LETS QUIT STARVING THE COOPERATIVE MOVEMENT

The savings made by cooperative purchasing are really "velvet." Cooperators
would have to pay at least the same prices for the same quality if they bought
from private business. In fact, considering both price and quality, cooperators
benefit themselves directly in their purchases, without considering the savings
which are made by their cooperative which also indirectly benefit them.

The annual meeting rolls around. Suppose the reports show savings of 5%.
The question before the members is "what shall we do with the savings we have
made by purchasing together cooperatively?" There are several possible answers:

1. Pay all of the savings out in Patronage Dividends for immediate benefits.
2. Transfer all of the savings to Reserves for future expansion.
3. Transfer part to Reserves and pay out the balance in Patronage Dividends.
4. Divide the savings into Education, Reserves and Dividends.

The latter is what ordinarily should be done. The loyalty of old members
and the interest of new members is developed by at least some evidence of im-
mediate benefits in the form of a Patronage Dividend. The future should also
be provided for through Reserves and Education.

"Half for today and half for tomorrow" might well be the slogan. A Cali-
ifornia cooperative has led out in adopting this method. Half of their savings
are allocated to Dividends for today, and the other half of the savings are equally
divided between Reserves and Education—½ for Dividends, ½ for Reserves.
If the savings were 5%, this would mean a Dividend of 2½%, Reserves of 1½%,
and an Education Fund of 1½%.

Yes, we are starving our Movement by lack of Reserves and Education. Let's
provide for as much for tomorrow as for today.

ONLY OWNERS WILL DEFEND DEMOCRACY

The first line of defense is not a nation's possession of munitions, but of men
who possess themselves possession something to defend.

Political, educational and religious freedom, insofar as we have developed
them, are precious possessions to us all. But they are not in themselves enough.
How real, after all, are political, educational and religious freedom to transients
and tenants, which we are increasingly becoming?

The tangible foundation of intangible freedom is economic ownership. The
right to an income, to employment and to ownership is at least as inalienable as
the right to political, educational and religious liberty. Economic ownership is
necessary to develop men who will defend democracy in time of need.

The 1940 Report of the Committee on Cooperatives of the National Educa-
tion Association says that "modern business destroys manhood as well as owner-
ship. The modern industrial worker, on a beltline for eight hours a day is a robot-
something, at least less than a man." This is not less true of agricultural workers.

"The American farmer is, as a rule, ready to defend his home and country
with his life, but the homes and country must be ours to defend and enjoy," says
John Vesecky, president of the National Farmers Union.

"If labor is to be conservative, then labor must be the owners of something
to conserve," says James Myers, of the Federal Council of Churches.

The men who will defend democracy to the death are common men who
love liberty and who own and control their fair share of the nation's wealth.
Liberty and equality must be made real in economic life for men to defend them.

What we need is a nation of owners—individual owners of homes and farms—cooperative owners of businesses and banks. Then the people will have both
the tangible values of property and the intangible values of liberty to defend.

NEXT STEPS IN COOP-LABOR RELATIONS

We have gotten a good start in Coop-Labor relations. The National Con-
gresses of the Cooperative League have passed resolutions supporting Labor
Unions and the national conventions of the Labor Unions have passed resolu-
tions supporting Consumers' Cooperatives. Members of unions are organizing
and joining consumers' cooperatives and employees of cooperatives are joining
unions. Friendly personal relations are developing between cooperative and labor
leaders. We should be ready for the next steps.

Nationally, these steps should be:
1. The Labor Committee of the Cooperative League, which is doing out-
standing work, should be matched by Cooperative Committees of the
A. F. of L., C.I.O., and Railroad Brotherhoods. Joint meetings of Cooper-
ative and Labor Committees might also be found desirable.

Regionally, these steps should be:
1. Regional Cooperatives should appoint Labor Committees and regional
Unions should appoint Cooperative Committees.

Locally, these steps should be:
1. Local Coop-Union Federations should be organized which would bring
the leaders and members of Cooperatives and Unions together. An ex-
ample is the Coop-Union League in Minneapolis and St. Paul.

"The more we get together, the happier we will be," requires practical
committees to organize. Men should get together, as well as sentiments and resolutions.
Workers must learn to stretch their pay checks by lowering prices through Con-
sumers' Coop. Such committees are an effective and necessary part of the
process of education to that end.

FRIENDLY RELATIONS HELP BUILD
A COOPERATIVE ECONOMY

The efforts of every democratic social organization should be enlisted in
building a Cooperative Economy faster. Here are some splendid illustrations:

The Committee on the Church and Cooperatives of the Federal Council of
Churches has issued a valuable "Manual on the Church and Cooperatives," com-
plied by the well-known cooperative writer, Dr. Benson Y. Landis. This manual
is far more than a description of the Consumers' Cooperative Movement. It

The 1940 Report of the Committee on Cooperatives of the National Educa-
tion Association has issued a second report which was presented to and unanimously approved by the
delegates to the 1940 convention held at Milwaukee in June. The first section
discusses Consumer Cooperatives and Democracy and the second section covers
practical study-units. Price 25 cents.

The BRIDGE, national magazine of the Credit Union National Association,
featured an announcement of the Course on Credit Unions which was one of the
eight courses of the 1940 CO-OP INSTITUTE conducted by the Eastern Coop-
erative League, Inc., at Amherst, Massachusetts. CUNA's educational director, J. Orin
Shipe, was the leader in this "pioneer session," as the BRIDGE describes it.

The 1940 Workers Education Conference of the Ohio Industrial Union
Council (C.I.O.) invited Louis Warbington, educational director of the Ohio
Farm Bureau Cooperatives, to teach them how to study and play cooperatively.

The American Institute of Cooperation held at Lansing, Michigan in July
included in its program the subjects of the Cooperative Purchasing of Consumer
Goods, Credit Unions, Cooperative Health Associations and Cooperation Among
College Students.

August, 1940
WORLD CONDITIONS AND AMERICA'S RELATIONSHIP TO THEM

(This outline is based on a letter written by Perry L. Green, President of the Ohio Farm Bureau, to his Directors. Mr. Green is also a Director of The Cooperative League).

(1) THE GOAL—A SOCIETY OF FREE MEN

(a) The basic purpose of all social relationships is the achievement of a Society of Free Men.

(b) Among the inalienable natural rights of all men which a free society must achieve, in addition to individual liberty, is the right of economic security, or a just distribution of income, employment and ownership.

(c) Political and economic organizations are formed by mankind for the purpose of achieving the goals of a free society. A free society is the master and business and government are the servants. They are the means to the goals, but not ends in themselves. They must not usurp the sovereign rights and powers of a free people, nor must business or government usurp the functions of the other.

(d) Since society has not achieved economic security rapidly enough through the economic and political organizations it has previously formed, the natural laws of self-preservation are forcing the issue today in unnatural ways.

(2) THE CONTENDING FORCES IN EUROPE

(a) England and France have failed to reject an uncoordinated, capitalistic, production-for-profit system rapidly enough by voluntary action and

Perry L. Green President, Ohio Farm Bureau
to adopt a coordinated, cooperative production-for-use system which would provide economic security for their own people and also enable other nations to secure equal access to raw materials.

(b) Germany and Russia are proving that nations must adopt a coordinated production-for-use economy and that even a forced, dictatorial method of coordination will provide a better degree of economic security for the people and will overthrow an uncoordinated production-for-profit system. However, such economic security, as is acquired by force, is at the expense of liberty.

(c) Build publicly owned utilities as yardsticks to lower prices to consumers.

(d) Adopt the principles of a commodity dollar as a measure of value and a medium of exchange and reject the idea of a fixed gold standard. Incidental to that, as Dr. Kallen says, "To create and to stabilize a commodity dollar has for its prerequisite a free cooperative banking system."

(d) Adopt the principles of a commodity dollar as a measure of value and a medium of exchange and reject the idea of a fixed gold standard. Incidental to that, as Dr. Kallen says, "To create and to stabilize a commodity dollar has for its prerequisite a free cooperative banking system."

(e) Reject the outrouted policy of high tariffs which prevent the free interchange of goods and gradually but rapidly adopt a sound system of trading food, goods and services for food, goods and services.

(f) The Permanent Solution for America—A COOPERATIVE ECONOMY

The world has tried out over the centuries three forms of production-for-profit economic systems in the form of Slavery, Serfdom and Capitalism. All have proven unable to provide plenty for all and peace between nations. Now the world is experimenting with three forms of production-for-use, namely: Communism, Fascism and Cooperation. Communism and Fascism are temporarily proving that they are able by dictatorial force to provide greater economic security for all the people, as an antidote to the failure of Capitalism. But dictatorial force is unnatural and in the end self-destroying.

Cooperation, which is a natural and permanent process of democratic creative evolution, has proven in the Scandinavian countries that it is even more efficient than Communism or Fascism in providing economic security in the form of incomes, employment and ownership for all the people, in addition to preserving freedom and strengthening the democratic forms of religious, educational and political organization. Cooperation is a democratic, coordinated and self-contained economy, independent of but interdependent with a democratic government.

(6) EVERY DEMOCRATIC AGENCY IN AMERICA SHOULD HELP TO BUILD A COOPERATIVE ECONOMY

A democratic church, school and government cannot permanently exist alongside of a dictatorial economy, as Capitalism is becoming through monopoly, and as Communism and Fascism are. Either the church, school and government will become dictatorial, or the economy must become democratic. Accordingly, the church should preach, the school should teach, the government should promote and the people should organize a democratic cooperative economy in America to provide equality and to preserve liberty.

August, 1940
THE ELECTRIC COOPERATIVE MOVEMENT

FOR the past five years, the Federal government has carried on a nationwide rural electrification program. Some people think of a government program as a bureaucratic affair, conceived in Washington, imposed upon the people, tied up rigidly in red tape and subjected to ever-increasing centralized control, with no chance for the exercise of local initiative and self-government. Any such program could not possibly be termed a "movement." To me, a movement means a dynamic program, rooted in the people themselves, gaining its power and impetus from them, having enough flexibility to adapt itself to varying conditions and relying on the democratic process for its growth toward the attainment of its goal. Because the Federal rural electrification program has or is developing these qualities, I believe it can properly be called a movement.

Cooperatives are in the habit of saying that a cooperative arises out of the common need of a group of people. This is only partially true. As long as the people lack the resources necessary to enable them to satisfy their common need cooperatively, no effective cooperative effort is possible. In the field of rural electrification, the need was great and of long standing. But the cost of electric distribution systems was far beyond the farmers' meager financial resources.

Private Utilities Neglected Rural Areas

Private utilities, organized for profit, naturally concentrated on the heavier population centers and neglected the rural areas where consumption would necessarily be limited to only a few customers per mile of distribution line. Almost the only rural residents to receive electric service were those living along transmission lines between population centers or in sizeable communities. As power was not available or could not be obtained at reasonable rates. In some instances, a generating plant is owned and controlled jointly by a group of electric cooperatives, but several cooperatives operate individual generating plants. By the end of April there were 20 such generating plants in operation, serving 40 electric cooperatives.

Electric Co-ops Blanket the Country

Cooperative rural electrification has spread to 42 states. There are no electric cooperatives in Vermont, Rhode Island, Massachusetts, New York, Nevada and Nebraska. In the last named state, rural electrification is being accomplished by means of public power districts. The largest cooperatively owned line mileages are to be found in Texas, Minnesota, Indiana, Iowa, Georgia, Ohio, Illinois, Wisconsin, Michigan and Mississippi. These same 10 states rate highest in the number of families being served cooperatively, totaling almost 300,000. Regionally, the lightest development so far took place in the New England states and in the far West. This can be explained, at least in part, by the fact that in New England and west-coast states rural electrification by the private power companies had progressed further, prior to 1935, than in the rest of the country. In other western states, the lack of adequate population density often presents a barrier to feasible rural electrification development.

It is estimated that by the beginning of this year about 25% of American farms were electrified. This means an increase of 150% since 1935. REA cooperatives account for nearly half of that increase. But much of the rural electrification carried on by the private utilities during the past five years is directly attributable to the stimulus provided by REA and the REA financed cooperatives.

REA engineers have been instrumental in redesigning rural line construction so that durable lines can now be constructed at less than one-half of the cost per mile which was formerly considered normal by the power companies. This has widened the range of feasibility by reducing the necessary investment per rural consumer.

Utilities Answer With Spite Lines

Partly because of more economical construction and partly because of a desire to keep electric cooperatives from spreading, many private utilities have recently extended their lines into rural areas where their residents had for many years past petitioned them in vain to provide electric service.

This sudden spurt of activity on the part of the power companies does not always bring unmixed blessings to the farmers. Some REA cooperatives have had to contend with spite line construction that endangered the feasibility of the cooperative system by duplicating facilities or depriving the cooperative of important rights-of-way, thus forcing the cooperative to give up part of its proposed lines or to reach them in a roundabout way. Another tendency of some power companies, to extend service only to the most closely populated sections of a rural area, greatly lessens the chances of the other farm families ever getting electric service.

In other areas, the lack of adequate population density often presents a barrier to feasible rural electrification development.

Co-op Yardstick Brings Lower Rates

The benefits of cooperation in the field of rural electrification are not confined to the members of REA cooperatives. Not only are the power companies more active in rural line construction as a result of this cooperative development, but they have also found it expedient to lower their initial requirements and their rates in areas adjacent to cooperative systems.
The cooperative member whose farm is within a thousand feet of the primary line is not required to make any initial payment toward line construction costs. His membership fee, which is usually five dollars, is all he pays for the privilege of having electricity brought to his door. The amortization of construction costs is made over a 25-year period from revenue obtained for services rendered. The service rates are calculated no higher than is necessary to meet operating costs, establish needed reserves and repay the REA loan.

Private power companies were in the habit of requiring a farmer to make a sizeable contribution toward line construction or build his own service line, and on top of that to pay for service at rates which bore no just relation to the actual cost of service. The example set by REA cooperatives all over the country has brought about a change in the practices of private power companies which results in a saving of millions of dollars annually to rural customers.

The Government's Role in the Program

Cooperative rural electrification could not have made the strides it has made without the continued encouragement and assistance of the Federal government. The Rural Electrification Administration, started in 1935 by an executive order of the President, was formally established as an independent agency by Act of Congress in 1936 and, in 1939, became an agency of the Department of Agriculture. Each one of these changes of status meant for REA a widening of opportunities to be of service to farmers. Not only does REA lend 100% of construction costs, but it also gives guidance in organization, assists cooperatives in the selection of competent technical key personnel, in the preparation of plans and specifications for line construction, in the securing of reasonable wholesale power rates and in determining feasible retail rates. In addition, REA provides engineering supervision to assure construction according to specifications, offers short training courses for project superintendents or managers and for bookkeepers, negotiates for quantity prices on certain types of supplies and equipment, such as meters and transformers, arranges utilization demonstrations, issues leaflets and bulletins to acquaint farmers with electrical uses and gives advice on a host of operating problems.

The Co-op Must Start at the Grass Roots

But all of this Federal encouragement and assistance would have led nowhere if the farmers themselves had not shown the initiative and the will necessary to establish the development of their own electric distribution systems. An REA cooperative must literally start at the grass roots. The farmers themselves must get together and demonstrate that there is sufficient demand among them for electric service to make such a cooperative enterprise feasible before REA can even make an allotment. The organization period means days and weeks of volunteer effort on the part of local sponsors—community leaders as well as farmers themselves. The success of the efforts of one rural community to establish a consumer-controlled, non-profit electric distribution enterprise spurs neighboring communities to similar efforts.

It is because of this spontaneous growth of electric cooperatives all over the country that I feel justified in saying that the REA program has become an cooperative movement. But it is a movement which, so far, has gone its way mostly apart from the organized consumer cooperative movement. Except for a few states where consumer-minded farmers' cooperatives are to be found, REA cooperatives have had to pioneer their own cooperative way without the benefit of advice or support from experienced cooperators.

The traditionally sound way of starting a cooperative is to start with education in cooperation. Only when the group desiring to carry on an enterprise cooperatively has studied the history, principles and methods of cooperation can it safely launch on its business enterprise. And even then it usually begins on a modest scale, partly for lack of initial capital and partly because it is wiser to expand gradually, with increased business experience. Unfortunately, REA cooperatives cannot be started in this fashion.

Government Participation

Calls for Speed

The money appropriated annually by the Congress must be used, or at least obligated, during the year for which it is made available. When a group of farmers applies to REA for help in establishing a non-profit electric distribution system, REA cannot wait until all prospective members have embraced the cooperative philosophy before making an allotment. In the meanwhile, some power company might come in and skim off the cream, thereby destroying the feasibility of an area development. Nor can membership properly be restricted only to those farmers who understand cooperation. The use of public funds, the large investment needed to construct the system, and the sizeable revenue needed to operate such a system efficiently and to provide reserves for amortization, make it necessary to take in as a member anyone who lives near the proposed lines and is willing to become a member in order to get electric service.

The initial enthusiasm of the rural community usually reaches its culmination with the energization of the system. Up to that time, many members can generally be counted on to contribute freely of their time and energy. But as soon as they have "the lights," most of them are inclined to sit back and thereafter leave everything to the board.

If the board includes a few experienced and sincere cooperators, they will see to it that continuing efforts are made to keep the membership informed and interested, and to enlist the active participation of the members in educational and other activities of the cooperative.

The Need to Create Cooperators

But it happens often that the board itself knows too little about cooperation and conceives its job to be analogous to that of the board of a private business corporation. Such a board is likely to think of itself as a self-sufficient body with little responsibility to the membership, and to consider it superfluous and inconvenient to draw the membership into its confidence.

Every experienced cooperator knows that efficient business administration alone will not make a successful cooperative. There must also be active participation in its affairs by the members. The more the members learn about cooperation and about the problems of their enterprise, the more they can and will contribute to its continuing success.

In a recent talk over a national radio forum, Harry Slattery, the Administrator of REA, paid tribute to cooperation as the dominant force in the REA program in the following words:

"Cooperation is the idea and the method that has made possible most of the rural electrification stimulated by the REA. And cooperative principles of management—principles designed solely for the purpose of providing service, unhindered by the demand for profits—these principles are the operating device for building and maintaining the new rural electric systems . . . ."

"The farmer-member's responsibility to his cooperative is simple. His sole obligation is to pay his bills for current, to use his electricity wisely and abundantly for the improvement of his home and his work, thus contributing to the financial soundness of his cooperative, and to take an active part in the affairs of his
Another Year of Campus Co-op Progress

NEW MEMBERS, NEW CO-OPS, NEW IDEAS

Belle L. Halpern

THE two regional campus co-op federations, the Midwest Federation of Campus Co-ops and the Pacific Coast Student Cooperative League, which came into being May and June of 1939 respectively, had their first birthday and much to show in Co-op progress for only one year's existence. A year ago they were organized by the students themselves to serve as coordinating agencies to make possible the exchange of ideas, to solve problems of finance, management and education, and to aid in the formation of new co-ops. The Midwest Federation of Campus Co-ops celebrated its second annual convention on the campus of the U. of Chicago, March 16 and 17 with more than 40 representatives from the universities of Michigan, Illinois, Minnesota and Wisconsin, Purdue U., Chicago U. and Albion College. Sessions were devoted to inter-campus action and a program for collecting experiences to serve as guides for existing and future co-ops. Highlight of the convention was the approval of the following motions:

1. to accept The Cooperative League "Campus Co-ops" news letter as the best method of inter-campus news service, to support it with material and to pay the cost of its distribution to the federation's member co-ops.
2. to form a cooperative buying agency centralized in Chicago under the management of the purchaser for the Ellis Co-op.
3. that co-ops subscribe to Consumers' Union of Consumers' Research and that they join the Consumers' Book Cooperative, that they buy from Cooperative Distributors, and that favorable relations be established with other student cooperative leagues, the Central States Cooperative League and The Cooperative League of the U.S.A.
4. that the federation be composed of campuses rather than co-ops and that there be a council on each campus to represent all co-ops.

Ervin M. Bruner of the U. of Wisconsin was elected president of the Federation for the coming year.

The Pacific Coast Student Cooperative League held its second annual conference on the campus of the U. of Oregon at Eugene, June 11-15, with sixty-two delegates representing 4,000 members of student cooperatives in six states. Cooperatives represented were from Washington State College, U. of Washington, Montana State College, U. of Montana, North Dakota State College, U. of Idaho, U. of Oregon, U. of California, U. of California at Los Angeles, and San Diego State Teachers College. Among the topics discussed were the value of education in student cooperatives, the need for improved techniques, and renewed presentation of cooperative principles. Student conferences were proposed as a major step in this direction. There were also panels on the subjects of administration, finance, government and recreation.

Lee C. Poole was elected chairman of the news service, to support it with material and to pay the cost of its distribution to the federation's member co-ops.

Both conferences were topped off with social and recreational activities consisting of group games, stunts, dances and refreshments. A high degree of enthusiasm was evidenced by the delegates who likewise shared the determination to work toward stronger, larger, and more ideal co-ops.

Campus cooperatives in other sections of the country may take steps to set up similar regional federations during the special sectional meeting on Campus
Cooperatives which will be held in connection with the Twelfth Biennial Congress of The Cooperative League of the U.S.A., in Chicago, October 16-18.

The past school year saw the introduction of several new courses on the cooperative movement at collegiate institutions. Some of them are as follows:
- St. John's University—a 3-hr. course on the consumer movement.
- U. of So. Calif.—a course on "Social Principles of the Cooperative Movement."
- U. of Maryland—five courses devoted partially to co-ops.
- De Paul University—a 2-hr. course on "General Survey of the Cooperative Movement."
- George Washington U.—10 students participated in a course which provides practical consumer cooperative work.
- And at Ohio State at Columbus, students in an advanced class in Marketing Research took an active part in the preparation of material for the first college textbook on the cooperative movement. The text, "The Consumers Cooperative As a Distributive Agency," was written by Professor Orin E. Burley and is already being used in a number of colleges and universities.
- Campus Co-ops now have their own national news letter. In January of this year, "Campus Co-ops," made its bow as the official monthly news letter of the student cooperatives of America. "Campus Co-ops" is published by The Cooperative League and is devoted to news on student co-op activities and information on the current courses on Cooperation in the colleges and universities throughout the country.
- Student co-op news shows that co-ops have increased in numbers and membership, and lowered living costs. Two new and successful book stores are being operated at the N. J. College for Women and Northwestern University. According to the latest reports, co-ops are supplying room and board for as little as $9 a month at the U. of Michigan, to $23.50 monthly at Illico House on the U. of Illinois campus, and at the U. of Georgia, living costs are as low as $45 per school quarter. Campus co-op dormitories the country over are bringing members an average saving of about 40% in room and board costs, one of the heaviest college expenses.

As the school year drew to a close, many student cooperators continued to live "the co-op way" by joining co-op hostel groups and taking to the open roads for the summer months. Such groups are already established in the Chicago area, at the U. of Wisconsin, and at the U. of Washington. In other sections of the country, cooperative youth groups are also discovering that healthy trips hiking or bicycling is not only a grand way to vacation but real training in the cooperative mode of living.

Student co-ops broke out in national publicity when the liberal New York Post, in a recent editorial, declared that "the student cooperative movement is increasing rapidly in popularity and scope." The Post continued, "Campus co-ops offer an effective answer to the student housing problem. At several colleges the cooperatives have gone into additional services such as cleaning and laundry. But perhaps the most important expansion is purely educational. The student cooperative members and managers are seeing one dramatic example of democracy at work."

"Babies of the depression, student co-ops have grown rapidly for they fill a practical role in the present day educational pattern. They are responsible for many a college degree that might have been "out of the question" because of the high cost of a college education. True, they are still having their growing pains—but they are growing in size and importance and are spreading co-op roots beyond the college degree into the cooperative movement as a whole.

Consumers' Cooperation

CO-OPS AT PLAY

"It's lots of fun when we play, all of us."

Cooperators in every section of the country are enjoying the fun of playing, singing, acting and dancing together this summer. Through "learning by doing," group play they are discovering the meaning of cooperation.

While not all of the many recreational activities sponsored by cooperatives can be given here, those listed do indicate that cooperative leaders are accepting the fact that playing together is a vital part of the process of learning to work and live together. The activities naturally vary in each situation but generally they include folk dancing, both European and American, singing, instrumental music, dramas, games and crafts—activities in which all can participate.

At the Lake Shawnee Country Club, near the Delaware Water Gap, Pennsylvania, cooperators and their families enjoyed a "vacation with a purpose," July 15-20. Ethel Beam, Rochdale Institute, was in charge of recreation for the period and activities ranged from puppet shows put on by the children, and flower arrangements by the women, to folk dancing for all.

For the first time, recreation was included as a special interest topic at the Eastern Cooperative League's Institute at Amherst, Massachusetts, July 29 to August 4. Cooperators with recreational leadership aspirations were given ample opportunity to learn games, dances and songs, create a puppet, make a leather purse or a pair of slippers and to thresh out local recreation problems and discuss technique of good group leadership. J. P. Plauche, ECL, and Ethel Beam were the "experts" on hand to give helpful advice.

In the area served by the Midland Cooperative Wholesale, a two-weeks' camp, three-week-end recreation institutes and numerous picnics and get-togethers gave Wisconsin and Minnesota cooperators opportunity to "learn through play." Camp Co-op, near Madison, operating June 16 to 30, offered in addition to a full sports program, folk dancing, dramatics and handicrafts. Three Recreational Institutes sponsored by Midland were held in various sections of its territory July 26-28, July 30-August 1, and August 2-4. The staff was headed by James Norris and Ruth Chorpenning, faculty members of the National Cooperative Recreation School. They were assisted by Paul Linzinger, New York, and Willbur Leatherman and Frank Shillston, Midland field men. The program at all institutes included instruction and participation in handicrafts, simple dramatic forms, play directing and acting, musical games, folk dancing and singing.

At Circle Pines Center the week of August 4-10, a special Recreation Institute was held under the direction of Chester Graham assisted by an able staff. Woodwork, weaving, leather and metal craft, booking, instrumental music and dancing were some of the activities enjoyed. Under the leadership of Naomi Rawlin, Recreation Director, group play has been a vital part of the summer program at Circle Pines.

Folk dancing winding up the day's activities at the Co-op Summer Camp and Institute, Sierra, California—young cooperators at Brule, Wisconsin, singing and dancing together—four co-op study clubs in Minnesota getting together for an evening of music and dancing—rural youth in Ohio "swinging on the corner"—all part of the picture of happy cooperators who have been discovering the joyful experience of creating their own recreation and sharing this experience with others.

"All join hands." That's a good idea for cooperators. "Hold fast to the hand of your neighbor." That's the way to begin to cooperate—to begin to live. "It's lots of fun when we play—all of us. Lots of fun when we work—all of us."

Ellen Edwards
WHAT'S NEWS WITH THE CO-OPS

Attemped squeeze plays on co-op oil refineries have become a continued story.

Using a shortage of crude oil in Canada's famous Turner Valley oil field, the major oil companies in Canada have attempted what looks like a "squeeze play" on the new oil refinery of Consumers Cooperative Refineries in Regina.

When production in the Turner Valley field fell to 22,866 barrels per day for average July deliveries, the Federal Oil Controller ruled that refineries not owning crude in Turner Valley would be supplied from the surplus remaining after companies owning crude had been supplied. Normally, all of the oil producers would operate under the same quota and independent producers would be in a position to supply the co-op refinery. Under the ruling the amount of oil available for the co-op fell to 400 barrels a day when the quarter-million dollar modern cracking plant had a 1,500 barrel a day capacity.

The management of Consumers Cooperative Refineries laid the facts before the Federal Controller by wire and received the following reply:

"Situation arising out of assurance given me that the field would produce thirty-five thousand barrels daily and my desire to extend the markets. However, your situation is being taken care of." Signed, G. E. Cotterelle.

As we went to press, it appeared that another squeeze play had been averted but co-op leaders became more convinced that eventually the co-ops must get further into production.

Columbus, Ohio—The "co-op skyscraper," an eight-story structure in downtown Columbus, purchased by the co-ops in 1936 has already been outgrown, and the Farm Bureau Mutual Automobile Insurance Company announced last week that it had purchased the historic Arcade Building and the underlying land next door.

The Farm Bureau Co-op family including the automobile, fire and life insurance cooperatives, the Farm Bureau Cooperative Association, Farm Bureau Agricultural Credit Corporation, Farm Bureau Rural Electric Cooperative, Farm Bureau Cooperative Services and the Farm Bureau Consumers Cooperative and Employees Credit Unions now have a combined staff of 860. The cooperatives serve 100,000 farmer-consumers in Ohio, in addition to several hundred thousand holders of co-op insurance policies outside of the state.

New York City—The Group Health Cooperative, Inc. of New York just received its permit from the New York State Insurance Department and will begin to supply co-op medical service as soon as $1,800 in subscription applications have been received. The Group Health Cooperative is the daughter of the Group Health Association of New York which has been operating a medical service plan on an experimental basis for over two years. The co-op will stress preventive medicine and pre-payment of medical care.

Chicago, III.—The Cooperative League of the U.S.A. announced July 17, the appointment of John Carson, former Consumers' Counsel under the National Bituminous Coal Act, who will be in charge of the Washington Research and Information Office of The League.

Mr. Carson served as secretary and assistant to former Senator James Couzens of Michigan from 1924 until the Senator's death in 1934. After Couzen's death, Carson was appointed Consumers' Counsel under the Coal Act and remained there until the independent status of the office was abolished and the Consumers' Counsel became a subordinate to the same government official who fixed the coal prices. Then Carson resigned and became associated with "Labor," the newspaper owned cooperatively by the various organizations of railroad employees.

Consumers' Cooperation

JOHN CARSON

To Head Washington Office

Regina, Sask.—Unprecedented in the history of the cooperative movement in Canada, an official of the Retail Merchants Association appeared before the annual conference of Saskatchewan Cooperative Trading Associations. He was George Houghman of Toronto, Dominion Secretary of that body and chairman of the new Canadian Food Council. Mr. Houghman told the delegates that he regarded the cooperative movement as one of the most hopeful signs of the times. "Within your movement lies all hope for the survival of our democratic institutions," he stated.

Congratulating the delegates on the reality of their discussions and their acute sense of the value of problems, Mr. Houghman told them that he represented a dying species—the independent retailer. "There is no room any more for anyone whose sole claim to existence is his independence," he said. Pointing out that both the independent retail merchant and the cooperatives face a common "economic autocracy," he foresaw the day when retailers would see the cooperatives in their proper light and work with them instead of in opposition.

Minneapolis, Minn.—Sales of $1,722,000 during the first five months of 1940 or 20% more than for the same period last year were reported at the annual meeting of Midland Cooperative Wholesale, June 10-11. About 150 of the 200 cooperatives comprising Midland were represented at the conference which voted amendments to its Articles of Incorporation providing that patronage refunds be paid to patron associations in common stock as a method of building up operating capital.

Prior to the annual meeting, 250 delegates from co-op clubs met in Minneapolis for their second annual conference. There are more than 3,000 active members of 155 clubs in Midland territory.

BOOK REVIEW

The Story of Tompkinsville, Mary Elliott Arnold, New York, Cooperative League, 640 pages, $1.00.

There is something highly appropriate in the fact that the first book published by the Cooperative League of the U.S.A. should deal with the venture which is the most spectacular and at the same time the most significant cooperative undertaking on this side of the Atlantic. This may sound extreme but it is simply a factual statement. Ten coal miners whose average wages were but $800 to $1,000 a year, by means of cooperative technique, built for their families attractive new homes equipped with modern conveniences and worth more than $2,000 apiece. They moved out of dingy mining company houses with rickety back fences and barren backyards of baked brown earth and coal dust and began to cultivate the soil for the first time in their hitherto stunted lives. They transformed themselves from idlers at the corner saloon to energetic, ambitious home steaders ready to face the world.

This little book deals first of all with the human side of the story. It tells of headaches and heartaches, disappointments and triumphs; it gives credit to the dogged courage that these men manifested in launching and carrying through so novel and ambitious a venture. It also tells of the various ways the men helped each other and the struggle they had in the face of breakdowns and discouragement to win out in their race against time.

The second part of the book is even more informative, for it relates at some length the
various steps of study and construction from the very beginning until the houses were finished. Week after week the future homesteaders met to discuss the myriad details involved in so complex and unfamiliar an enterprise. The first topic was, of course, where the money was to come from, the final preliminary the building of each home in cardboard models.

The illustrations in "The Story of Tompkinsville" are worthy of note. There are fine portraits of Father Tompkins and Father Cealy who all along have been the moving spirits in the remarkable people's program of St. Francis Xavier University of Antigonish. There are good pictures also of the various stages in construction from the time the men were ready to break ground. There are good floor plans with tiny pen sketches of several of the houses and there are good pictures of men at work or discussing plans with the author. The one thing missing is a photograph of the completed community or several "shots" of some of the completed new houses; such illustrations would be a real addition in the next printing of the book.

"The Lord Helps Those Who Help Each Other" is a convincing one considering the limitations and the men were ready to break ground. There are good floor plans with tiny pen sketches of several of the houses and there are good pictures of men at work or discussing plans with the author. The one thing missing is a photograph of the completed community or several "shots" of some of the completed new houses; such illustrations would be a real addition in the next printing of the book.

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The narrative which details this project step by step together with the appendix which comprises all manner of detail on costs, materials, financing, etc., provides complete data on how to go about a venture of this kind. The story is a convincing one considering the limitations of the printed page. It is hoped that it will fall into the hands of many American social workers, pastors and others vitally concerned with human rehabilitation. "The Story of Tompkinsville" demonstrates that it can be done and shows just how a group comprising an average cross-section of humanity can be inspired and shown how to build their lives anew. It is the next best thing to discussing their achievement with the men and women themselves.

—Edward Skillin, Jr., Editor, The Commonweal

CO-OP LITERATURE

- Novels and Biography
  - Fresh Furrow: Burris Jenkins (Special) 50
  - The Brave Years: Wm. Hayliger 1.50
  - My Story, by Paddy the Cope, Co-ops in Ireland 2.75

- Textbooks on Cooperation
  - Consumers' Cooperatives, Julia E. Johnson, Co-ops Handbook 3.00
  - When You Buy, Trilling, Elchman and Nichols, High school and college, two chapters on consumer cooperatives 1.50
  - Cooperation, Hall and Watkins, Official British Textbook 3.00
  - The Consumers Cooperative as a Distributive Agency, Orin E. Burton 3.50
  - Windows on the World, Kenneth Good, high school text, one chapter on cooperatives 3.00

- Cooperative Recreation
  - The Consumer Co-op, Josephine Johnson, A Puppet Play 60
  - Cooperative Recreation, Carl Huchinson, reprinted from The Annals 60
  - Two One Act Plays, Ellis Cowling 1.50
  - The Answer, 3-act play, Ellis Cowling 1.50
  - Let's Play, Frank Shilston 1.50
  - All Join Hands, Edwards and Puchne 1.50
  - Education Through Recreation, L.P. Jacks 1.50

FILMS

- Traveling the Middle Way in Sweden, 16 mm. silent, produced by the Harmon Foundation. Unit I: Land of Sweden, 2 reels. Unit II: Consumer Cooperation, 2 reels. Unit III: Agricultural Cooperatives, 2 reels. Rental per unit: color, $5; black and white, $3; additional showings, $12.00 color and $6.00 black and white.

- "The Lord Helps Those Who Help Each Other," a 3 reel, 16 mm. film of the New Scotland adult education and cooperative program, produced by the Harmon Foundation. Excellent photography. $4.00 per day, $12.50 additional showings.

- A House Without a Landlord, a 2 reel, 16 mm. silent film on the Amalgamated Cooperative Houses in New York City.

- Clapping Hands, 16 mm. silent, two reel film showing how cooperation is taught in the schools of France.

- When Mankind is Willing," a 16 mm. silent three-reel film, with English titles, of cooperative stores, workshops and factories in France.

- A Day With Kagawa, 3 reel, silent, 16 mm. Kagawa and his co-ops in Japan.

POSTERS

- Organize Cooperatives, 10"x13" Blue, for $1.00
- Cooperative Principles, 10"x13" Blue, for $1.50
- Cooperative Ownership, 10"x13" Malberry, for $1.00
- Consumer Ownership, 10"x13" Red-White-and-Blue, for $1.00

- Consumers' Cooperation 128

Co-operate or Collectivize

Discussion Questions on Peace and Cooperation

Program of the Cooperative Congress

Cooperative Reading Clubs

Oscar Cooley

A Recreation Program for a Cooperative

Ellen Edwards

Washington Office Open

What's News With the Co-ops

September 1940

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS
COOPERATION
OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

PEACE - PLENTY - DEMOCRACY

Volume XXVI. No. 9 SEPTEMBER, 1940

AGAIN WE URGE—COME TO THE CONGRESS

In this issue you will find the detailed program of the coming 12th Biennial Congress and Silver Anniversary of The Cooperative League. Read it carefully. There have been splendid Congresses in the past—however, this should be by far the largest and best.

Look at the list of speakers who will discuss the four corner stones of the Movement—education, recreation, business, and finance. All four corner stones have now been well laid and those who will discuss the four subjects are outstanding national cooperative leaders who have taken the initiative in each field. Their addresses should be significant, historical cooperative papers.

Two years ago provision was made for half day group meetings which proved so popular and valuable that they will again be a part of the program. In these groups you can meet and discuss common problems with those who are most interested and active in each division.

An innovation will be display booths representing the principal projects of the national movement as a whole and of various regions.

Come to the Congress. Come to hear and to see and also to participate. You will never again be able to attend another Silver Anniversary. It comes only once in the history of any organization.

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.
TRANSLATE INTO ACTION

Editorials in regional cooperative papers are increasingly well written and effective interpretations of the Movement and challenges to action. Of the many we have read, few have been more apt and timely than a review of the report of the Committee on Cooperatives of the National Education Association which appeared in the August issue of the Pennsylvania Co-op Review by the editor, T. Warren Metzger. The concluding statement reads, "The entire N.E.A. report is as refreshing as a spring breeze. It reveals no trace of cobwebby thinking. The subject has been thought through well. It is pretty largely up to us cooperators now to see that the report is translated into action—right here in Pennsylvania."

Translate into action! That's the challenge to cooperators in America. Speed up the application of proved cooperative ideas everywhere. There is too much time lag. The National Education Association advocates the teaching of cooperation and the organization of cooperatives among school children. Translate their official recommendations into action in schools everywhere. The national religious bodies advocate cooperatives as the economic expression of brotherhood. Translate their official endorsement into action among church members everywhere. The national labor organizations advocate the organization of workers as consumers into cooperatives as well as their organization as producers into unions. Translate their official approval into action among workers everywhere. The national Congress of the United States has passed a model cooperative incorporation law. Translate their example into action in the States everywhere. Coopertors in America, as Johansson of Sweden said, have a great opportunity. We also have a great responsibility.

COOPERATE OR COLLECTIVIZE

Which will it be in America? It will be one or the other. Either cooperation will be democratically adopted by the people, or compulsory collectivism will be dictatorially imposed upon us. There is no alternative.

We cannot go back to so-called free competition which is advocated only as a verbal smoke screen behind which monopolies are expanded. We must coordinate that as the real lesson of today's tragedy.

Either we must coordinate our economic system democratically by cooperation from the bottom up or we will be coordinated dictatorially by collectivism from the top down. Either we must unite ourselves from within willingly, or we will be united from without by authority. America must choose. There is little time now to lose.

As George W. Russell forewarned Ireland a quarter century ago, Americans "should think long and dispassionately on the prospects for humanity which each offers, and consider well their varying political, social and economic possibilities."

So much for America as a whole. What lesson is there in the world shaking events through which we are passing for the Consumers Cooperative Movement? The same lesson will apply.

Some local cooperatives have not joined the regionals in their territory. In one State as much petroleum products are shipped in to so-called independent local cooperatives as to affiliated cooperatives. How it could be possible that cooperation is not thought of as extending beyond the community is hard to understand. How can any local cooperative reach back to production alone? Regional affiliation is the only means of entering into production. Production is the place where the great savings are to be made—not primarily in retailing or wholesaling. Furthermore, one-third of the regional cooperatives are not as yet affiliated with the national organizations. Self-interest should lead them to do so and without delay.

Nation wide monopolies cannot be met by isolated regional cooperatives alone. No minor differences should weigh in the balance against the advantages of the voluntary mobilization of the entire purchasing power of the Movement, notwithstanding what the purchases may consist of or the occupations or residence of the members. This is no scare-head editorial. It is a simple matter of the practical lesson to be drawn from the events of today.

Will leaders in every field in America voluntarily cooperate or be forcibly collectivized? This is the great and vital question of today which will determine the future of America.

THE ONLY SURPLUS—EXCESS SAVINGS

There is no evidence that, if everyone could have all that they can consume, there is or ever has been a surplus of any commodity we produce. Before there can be a surplus there must be a sufficiency for all. Instead of surpluses there are only insufficiencies. The only thing of which there is a surplus is excess savings in the hands of a few.

The Brookings Institution Report first brought this fact clearly to light in definite statistics which confirmed what was generally believed by most people to be the fact. In 1929 there were 2% of the families in America who received over $10,000 incomes. These 2% saved 10 billion dollars which was 2/3 of the total savings. They had already spent all that they could consume. Their savings were also so great that they could no longer be spent in building new enterprises. Their saturation point of spending for consumption and investment had been reached. The old saying that money is like manure—it is only valuable when it is spread widely—was doubly demonstrated.

What was the thing which the government should have done to prevent the gears of industry being clogged with the sand of excess savings? Why, most naturally they should have been taxed out of the hands of the few who could not consume them and distributed into the hands of the many who could. But did the government do so? Unfortunately, not. Instead of taxing them away, the government borrowed them and permitted other billions of excess savings to continue to pile up year after year. That's why we do not get out of the depression.

What is the immediate answer to poverty and to unemployment and to depression? It's so simple. Excess inheritance taxes—excess income taxes—excess profits taxes. Not consumption or pay roll taxes which reduce the consumption of the many. Tax away surplus savings and nothing more will be heard of surplus commodities. Of course, the final answer is to raise pay and lower prices and prevent surplus savings piling up. But, why doesn't Congress relieve poverty and unemployment by excess inheritance, income and profits taxes now? It's up to the people to see that they do. This is the major political question.

WHAT SHALL WE SAY ABOUT CAPITALISM?

This question was asked us recently by a cooperative leader. Our answer in general is to say that it has been tried and found wanting. Like slavery and feudalism, which capitalism superseded, it will not work any more.

Some suggest that cooperation might be called cooperative capitalism. To us,
cooperation is the name of an economic system which will eventually supersede capitalism. Others say that cooperation will preserve the profit system. To us, cooperation will checkmate and replace the profit system. Still others say that cooperation will restore free competition. To us, cooperation means an entirely different relationship than competition.

Funk and Wagnall's dictionary defines capitalism as "A system that favors the ownership of capital in the hands of a few." If we do not want such a system, should we not say so specifically?

Years ago William Morris said that "war is the life-blood of the profit-makers." If we do not want war, why then reject the profit system unequivocally? Again Morris said, "The gambler uses both consumer and producer as his milch cows." Why not declare that capitalism depends upon speculation which cooperation eliminates? Still again, Morris further says, "Adulteration is an absolutely necessary incident to the production of profits." Since capitalism misrepresents for profit, why continue it and its deceptions?

We see no reason to equivocate—to us the unqualified moral and mental rejection of capitalism is the basic step necessary in building cooperation. We see no reason why we of this generation should not reject capitalism as definitely as our forefathers before us rejected feudalism and slavery. Of course, the selection of words to persuade others requires judgment—according to circumstances which each one must determine for himself.

**DISCUSSION QUESTIONS**

**ON PEACE AND COOPERATION**

Will arming our own nation protect us from Fascism or Communism? Why? What, after all, are Fascism and Communism? Fascism springs from the seeds of monopoly. Communism springs from the seeds of poverty. Both monopoly and poverty are rife in America. Can Maginot lines on our borders or ships and planes and tanks protect our nation against the growth of Fascism and Communism from monopoly and poverty within our borders? Is our primary need to build ships and planes and tanks to protect ourselves from Fascism and Communism without; or to build a cooperative economy which will protect ourselves from the growth of Fascism and Communism within by abolishing poverty, unemployment and tenancy? If we ever must protect ourselves from Fascism and Communism coming across the waters and attacking us, can we do so by ships and planes and tanks manned by men who do not have an economic stake in the ownership of the country which they are to protect?

Can Fascism and Communism in other countries be crushed by force? Was George Russell right when he said, "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." Can we not do most to heal the world's ills by setting an example in our own country of a large nation which has solved poverty, unemployment and tenancy by voluntary cooperation? In the meanwhile, until we have developed voluntary cooperation and until other nations have themselves rejected compulsory collectivism, can we still not trade with other nations? Can we not trade with Fascism when we did with Kaiserism? Can we not trade with Communism as we did with Carrism?

**If we ever do fight, who should do the fighting?**

Who is responsible for the political and economic conditions of the world today? Is it grown men or young men? Since grown men and not young men are responsible, why should grown men ask young men to fight for them if we do fight? Why should we, as the American Youth Council recommends, "set apart a certain group of our young men who will be trained to kill and take the risk of being killed" in order that the democratic community of free people may continue to exist? Why, instead, should grown men not follow "the unwritten rule of the sea" and "save women and children first"? Why should grown men over 45 not be the ones to be conscripted if we ever have conscription, rather than young men? What, after all, would life be worth to a father who had sent his son to die in his place and for his political and economic sins? Furthermore, if grown men take upon themselves their own responsibility of solving the political and economic problems they have created, will they not likely find a better way of solving them than attempting to do so by futile fighting? Should wealth not be conscripted before men?

Can war bring plenty? Do not preparations for war and war only gloss over a nation's economic problems of poverty, unemployment and tenancy and not solve them? In fact, does not preparation for war, in the long run, only accentuate them? Is war not simply an escape from the necessary self-discipline to develop the spirit of brotherhood and the intense thinking and strenuous effort required to organize ourselves into a cooperative economy where everyone will have plenty?

Can war bring peace? Are these statements not correct? "Whatsoever ye sow, that shall ye also reap" is a practical social principle as well as a physical law of the harvest. We cannot sow the seeds of war and reap the fruits of peace. The means determines the ends. The means of war cannot achieve the ends of peace. "True peace is to be won only through a power that owes nothing to violence," says an Epistle of the London Yearly Meeting of Friends, even while their nation is in the midst of war. Dr. Harry Emerson Fosdick challenges America to "break the vicious circle" of war which forever leads only to greater war. Some large nation must take the lead. America, which because of its size need not be afraid, should and can be such a nation, if we only will.

**YOU SHOULD READ THESE BOOKS**

The Cooperative League has now become a book publisher as well as a publisher of pamphlets. Now you can get two cooperative books at the low prices which only cooperative publishing could make possible.

Mary Arnold has written a current book telling "The Story of Tompkinsville." She has told the story in graphic language of a group of Nova Scotia miners who first studied and then built homes for themselves cooperatively at an unbelievably low cost. The book is illustrated with attractive photographs and drawings and concludes with material schedules. Only 65 cents in paper. One dollar in cloth.

George Russell wrote "Cooperation and Nationality" in 1912. It is as timely today as it was then and perhaps even more so. He warned then against the encroachments of dictatorship and deplored "the offer of the State to do for us what we should and could do far better ourselves." This book has unfortunately been out of print for years or otherwise its lessons might have been read and needed. But it is not too late in America. Only 25 cents in paper.
PROGRAM OF THE
TWELFTH BIENNIAL CONGRESS and SILVER ANNIVERSARY
OF THE COOPERATIVE LEAGUE OF THE U.S.A.
CHICAGO, ILLINOIS, OCTOBER 16, 17, 18, 1940
MORRISON HOTEL

PROGRAM HIGHLIGHTS
1. Presentation by national cooperative leaders of papers on the Four Corner Stones of the Consumers Cooperative Movement—Recreation, Education, Business and Finance—and discussion by members.
2. Participation in Cooperative Recreation in the form of group singing, dancing, etc.
3. Half day meetings of Special Interest Groups led by national leaders and subdivided, if desired, into smaller discussion groups in order that everyone may participate.
4. Banquet and international program on Cooperatives and Peace.
5. Exhibits of Cooperative Projects by national and regional organizations.
6. Presentation of Officers Reports and Recommendations and consideration and action by delegates.

WEDNESDAY, OCTOBER 16
Morning . . . Officers Reports and Recommendations
9:45—Group Singing
10:00—Introductions and Greetings
10:30—President’s Report and Recommendations
11:15—Secretary’s Report and Recommendations
12:00—Recess

Afternoon . . . Cooperative Finance
1:15—Group Singing
1:30—Buy For Cash
2:00—Build Cooperative Capital
2:30—Discussion of Cooperative Cash and Capital
3:00—National Cooperative Finance Association
3:30—Cooperation in Banking
4:00—Discussion of Cooperative Finance
4:30—Recess

Evening . . . Cooperative Education and Recreation
7:15—Group Singing
7:30—A Comprehensive Cooperative Education Program
8:00—Discussion on Cooperative Education
8:30—A Comprehensive Cooperative Recreation Program
9:00—Participation in Cooperative Recreation

THURSDAY, OCTOBER 17
Morning . . . Cooperative Business
8:45—Group Singing
9:00—Cooperation in Production
9:30—Factories are Free for Cooperators

10:00—Discussion of Cooperative Production
10:30—Building Rural-Urban Local Cooperatives
11:00—The Producer, Political and Purchasing Approach to Economic Problems
11:30—Discussion on Rural-Urban Cooperative Organization

Afternoon . . . Group Meetings
1:30—COOPERATIVE PUBLICITY AND EDUCATION
(Under the direction of the National Cooperative Publicity and Education Committee, Robert L. Smith, Chairman)
—COOPERATIVE ART AND ARCHITECTURE
(Under the direction of the Cooperative Design Service, Esther Greenleaf, Director)
—COOPERATIVE ACCOUNTING
(Under the direction of the National Society of Cooperative Accountants, Emil Selvig, President)
—ROCHDALE INSTITUTE
(Under the direction of Lionel Perkins, Registrar)
—COOPERATIVE MEDICAL SERVICE
(Under the direction of the Bureau of Cooperative Medicine, Dr. Kingsley Roberts, Medical Director)
—YOUTH AND COOPERATIVES
(Under the direction of Northern States Cooperative Youth League and Ohio Cooperative Youth Groups)
—WOMEN AND COOPERATIVES
(Under the direction of the National Women’s Cooperative Guild, Mrs. Maiju Viita, Secretary)
—COOPERATIVE HOUSING
(Under the direction of the Committee on Cooperative Housing, A. E. Kazan, Chairman)
—COOPERATIVE RECREATION
(Under the direction of the Cooperative Society for Recreational Education, Carl Hutchinson, President)
—CAMPUS COOPERATIVES
(Under the direction of the National Committee on Student Cooperatives, William Moore, Chairman)
—LABOR AND COOPERATIVES
(Under the direction of the Committee on the Relation of Organized Labor and Consumers Cooperatives, James Myers, Chairman)
—CHURCHES AND COOPERATIVES
(Under the direction of the Federal Council Committee on Church and Cooperatives, Dr. J. H. Carpenter, Chairman)
—SCHOOLS AND COOPERATIVES
(Under the direction of the N.E.A. Committee on Cooperatives, Dr. H. G. Lull, Chairman)
—CREDIT UNIONS AND COOPERATIVES
(Under the direction of the Credit Union National Association, J. Orrin Shipe, Educational Director)
Afternoon
See bulletin board and listen to announcements for location of Group Meetings.

Get your tickets for the banquet early at the Registration desk. The banquet will
be in the Terrace-Casino Room at the Morrison Hotel at six-thirty o'clock, Thursday evening, October 17th.

Local arrangements for the Congress are in the hands of a committee of the Central States Cooperatives, Albert G. Rose, Chairman.

Tours to Central States Cooperatives will be arranged at convenient times if desired.

Make hotel reservations well in advance:

MORRISON HOTEL—Headquarters
Clark and Madison Streets

Single Room (For 1 person) ........................................ $2.50
Double Room, Double bed (For 2 persons) ......................... $4.00 ($2.00 ea.)
Double Room, Twin beds (For 2 persons) .......................... $5.00 ($2.50 ea.)
Room with two double beds (For 4 persons) ....................... $6.00 ($1.50 ea.)
Room with three double beds (For 6 persons) .................... $7.50 ($1.25 ea.)

All rooms with bath. All rates are per day.

FRIDAY, OCTOBER 18

Morning . . . Business Meeting
8:45—Group Singing
9:00—Reports of Treasurer, Committees and Groups
10:30—Discussion Groups to consider Reports and Recommendations of Officers
12:00—Recess

Afternoon
1:15—Group Singing
1:30—Reports of Discussion Groups
2:00—General Discussion on Officers Reports and Recommendations
3:00—New Business
4:00—Election of Directors
4:30—Adjournment of Congress
5:00—Meeting of Board of Directors

COOPERATIVE READING CLUBS

WHEN the Educational Committee of People's Cooperative Society, Superior, Wisconsin, launched its reading clubs in 1938, it had two objectives:

1. To provide an enjoyable activity which members could carry on cooperatively and thus increase the solidarity of the group.
2. To increase the reading of books on Cooperation.

The committee felt that cooperators, like others, read all too little, for their own profit and enjoyment. The radio and movies provide severe competition. The newspaper occupies what little time a given to reading. Libraries are distant, and books are too dear to purchase. The committee believed that the reading club plan would solve this problem, and it does.

Applying Cooperation to Reading

The plan is simply this: Twelve to fifteen people sign up to form a club. One or two especially interested members take it upon themselves to study reviews of the latest books (old books, too, are admissible, but the appeal of the "best sellers" cannot be ignored). The club meets, discusses the reviews, and selects the books—one for each member.

One member is chosen to order the books—through co-op channels, of course. Another is appointed to make the schedule, a copy of which is pasted in the front of each book. This schedule is a chart giving the names of the books, the names of the members, and the date on which each member is to receive each book. The dates are spaced three weeks apart.

Fifteen "Best Sellers" for the Price of One

Thus each person keeps a book for three weeks, then passes it on to a fellow member and receives another book, according to the schedule. Thus, if there are fifteen members, the club runs for 45 weeks, and at the end of that time all of the members have had an opportunity to read all of the books. And, best of all, at the price of only one book, for the cost of the books is divided equally among the members.

At the end of the period, another meeting is held and each person receives one book for keeps, the division being made either by common agreement or according to lot. The club can then organize for another spate of reading, if the members so desire.

Also, at the final meeting the members may get pleasure and profit from a discussion of the books read.

Thus a common interest in books and reading is created, and thru simple cooperation the cost per book is brought very low.

Budgeting Your Reading

However, the cost is something ($2.50 per person, let us say). Having paid this, the member feels that he must get his money's worth by reading each book as it comes along. Thus, the reading club provides just the little element of persuasion necessary to promote reading in spite of the pull of easier, shallower enjoyments.

Three such clubs, having about 13 members each, were organized by the Superior committee early in 1939, and when they completed their run three more were launched and are now in progress. The clubs have proven decidedly popular.

One cooperative book was included in each club. "Cooperatives in America" by Cowling and "The Lord Helps Those" by Fowler were chosen by the first clubs; "Masters of Their Own Destiny" by Coody and "A Doctor for the People" by Shadid were the choice of the second groups formed.
All These and Cooperation Too

Seven of the books chosen by the three first groups were among the 20 selected by the American Library Association delegates in December as the most popular books of 1949. These are “Listen, the Wind” by Anne Morrow, “Through Enchanted Eyes” by Martha Dodd, “All This and Heaven, Too” by Rachel Field, “Rebecca” by Daphne du Maurier, “The Yearling” by Marjorie Kinnan Rawlings, “Disputed Passage” by Lloyd C. Douglas, and “The Rains Came” by Bremfield.

Others were “The Importance of Living,” “Benjamin Franklin,” “Tree of Liberty,” “My America,” “Secret Agent of Japan,” “The Fight for Life,” “The Liberty,” “My America,” “Secret Agent of Japan,” “The Fight for Life,” “The Liberty,” etc.

This and Heaven, Too" by Rachel Field, "Rebecca" by Daphne du Maurier, "The Yearling" by Marjorie Kinnan Rawlings, "Disputed Passage" by Lloyd C. Douglas, and "The Rains Came" by Bremfield.

A RECREATION PROGRAM FOR A COOPERATIVE

Ellen Edwards

WITH the first hint of frost, plans for renewed cooperative activity get into full swing. High on the list of “What can we do to make our cooperative society more fully serve our members” should be plans for an active recreational program.

“When people play together, they work together better,” Louis W. Warbington points out.

The possibilities for a recreational program are unlimited. At the regular business meeting of the co-op, start with group dancing and a “get acquainted” game such as “Bumpity-Bump-Bump” which is described in “Come On, Let’s Play.” A Handbook for Recreational Leaders” by Ella Gardner also has a good collection of home games (available through The Cooperative League, 25c.)

Plans also should include several evenings in which cooperators and their friends get together just to have fun. Let such parties be a group experience—planned by the group and participated in by the group and you’ll see what Miss Neva Boyd means when she says, “group recreation is a significant experience in the growth of an individual.” A few suggestions for planning such parties with descriptions of games and dances, are given in “All Join Hands” (available from The Cooperative League, 15c.) “Let’s Make Things—a Handcraft Party” (available from the National Recreation Association, New York, 10c.) will give you some new ideas. Explore around in your cooperative and you’ll find people with all sorts of talents and abilities to making a party go off smoothly and seeing that everyone has fun.

In addition to parties, banquets, picnics (that’s a grand idea for fall), there are all sorts of recreational activities that co-ops can and are enjoying—a craft room or shop where people can come and make things, for example. It may be the sewing of some member’s home, or a room in back of the store. Leather purses, key holders, pewter or copper bracelets, candlesticks and bowls are just a few of the articles that are easy and fun to make. Industrial Arts Cooperative, 519 West 122nd Street, New York, offers sets of craft materials of all kinds—metal, linoleum blocks and tools, looms and wool, clay, paints. Send 10c. for a complete catalogue of all the material available. The construction of board games should appeal to those who like woodwork. Cooperative Recreation Service, Delaware, Ohio, can send you information on these games. The equipment for such a craft project need not be elaborate and when it is shared by the group, need not be expensive. And if you will look, you’ll find the leadership right in your own community.

By all means get a dramatics group started. This is a project in which all the group can participate. You’ll need actors, directors, stage managers, designers, electricians, and of course, an audience. The use of charades and simple pantomimes at parties is an excellent way to create an interest in dramatics if the interest is latent.

The use of singing games and folk dances at parties may create the demand for a folk dance group meeting regularly—many such groups have grown up around a cooperative. The best source of members for the Cooperative Recreation Service. The following Kits are suggested as excellent to start with: “Play Party Games,” “American Folk Dances,” “Quadrilles,” “Joyous Folk Games from Other Lands.” These are 25c. each.

How about an orchestra, a harmonica band, or a group of people who like to get together to sing? Musical activities of all kinds should prove popular.

These are just some of the activities which a cooperative society might help to get started. They need not be set up as separate activities but might all be part of a recreational program. A group in New York, for example, has set up a Play Co-op, open to all, and the program of activities varies with the interests of the participants. It includes folk dancing, dramatics, singing, puppetry, and plans for crafts are under way.

What about leadership for these various activities? It’s right in your own membership or potential membership. It may have to be developed. Recreational leadership conferences are excellent to stimulate and train people with potential leadership. In addition to the two week’s National Cooperative Recreation School, cooperative regional associations have sponsored weekend conferences which reach people unable to attend the National School. Three such weekends were sponsored by the Midland Cooperative Wholesale this summer. The Ohio Farm Bureau Cooperative Association included recreational leadership as part of its youth camp program. The Eastern Cooperative League conducted two week-end conferences last winter and had a special recreation section at their Amherst Institute. Not only regional cooperatives but local cooperatives can conduct such training conferences.

If your co-op has a recreation committee, and every co-op should have one, it should keep on the alert for potential leadership. The contribution of every person to the recreational program will help make the program “open up new horizons” for cooperative activity.

If you’re looking for new material, the Eastern Cooperative League, 135 Kent Avenue, Brooklyn, New York, has mimeographed a leaflet, “Where to Find It,” a limited list of source materials for cooperative recreation activity in singing games, dances, games, music and crafts. Copies will be sent free on request.

September, 1940
WASHINGTON OFFICE NOW OPEN

ONE of the projects which the Board of Directors of the Cooperative League decided upon after the last Congress as a next national step in advance was to undertake the opening of an office in the capital of our country. A special Legislative Committee meeting was called by the Chairman, Murray D. Lincoln, on February 1, 1939. The entire day was spent in discussing and deciding upon a comprehensive program. The Secretary of the League went to Washington to start the ball rolling. Several months were spent in formulating and getting introduced the Norris Bill providing for the liberalization of the Farm Credit Administration law relative to cooperatives eligible for loans. One full day’s hearing on the Bill took place before Congress adjourned in the summer of 1939 at which time testimony supporting the Bill was presented by Messrs: Benjamin, Bowen, Cort, Cowden, Hayes, Hull and Lincoln, who had been appointed by the Directors.

Legislative Program Grows

Six half-day hearings took place this spring—four in opposition and two in further support of the Bill. Consultations were held with District of Columbia cooperative leaders on the model incorporation. The introduction of the bill was held with the support of the local leaders. While the District of Columbia Bill has now been passed, it became increasingly evident that to get the Norris Bill and others which should be introduced passed it was necessary to have a permanent representative on the job in Washington.

Financing a Permanent Office

The next step was to provide the funds to finance a permanent office, which were voted by National Cooperatives, Inc. Then came the question of the man for the position. After lengthy discussions of possible candidates, the Directors of the League unanimously decided to approach Mr. John Carson, who has now become Washington representative in charge of the new Research and Information office. Space has been rented at 726 Jackson Place, N.W., where communications may be sent and where Mr. Carson may be personally contacted. Mr. Carson enters the Cooperative Movement after many years of newspaper experience and later years of legislative experience as Secretary to the late Senator James Couzens, and administrative experience as Consumers Counsel of the Bituminous Coal Commission. His experience plus his personal integrity and energy should be a valuable asset to the Cooperative Movement.

Research and Information Office

The new Washington Office is, as indicated by the title, a Research and Information Office. It has been opened to serve as a means of educating the Legislative and Executive Departments of the national government to the vital necessity of the growth of Cooperation in America as the democratic alternative to Communism and Fascism. It will carry on its work directly as a means of first-hand contact with the Administrative Departments of the Government. It will enable the Cooperative Movement to benefit greatly by being in close touch with the many invaluable statistical studies being made in Washington, which should be of great help in guiding the future of the Movement soundly. It has been said that having a Washington Office is a sign that an organization has grown up—if this be so, then the Consumers Cooperative Movement in America has now become of age. Suggestions as to activities of the Office will be welcomed at all times.

Consumers’ Cooperation

WHAT’S NEWS WITH THE CO-OPS

As we went to press the major oil companies in Canada were continuing their “squeeze play” against the new co-op oil refinery completed in June by the Consumers Cooperative Refineries in Regina. The co-op’s supply of oil from Canada’s famous Turner Valley had been cut in half and the cooperatives were forced to import oil from Montana fields at considerable economic disadvantage.

While Canadian officials promised to do what they could, the Canadian refinery appeared to be in a more difficult position than the co-op refinery at Phillipsburg which defeated a similar “squeeze play” by U.S. oil interests. War-time conditions in Canada are making it difficult to reverse the arbitrary allotments which have produced the co-op’s crude oil famine.

Indianapolis, Ind. — The cooperatives took another important step into production of the goods they supply their members when United Cooperatives established a new co-op paint factory at Alliance, Ohio.

Designed to “debuff” the mystery of paint as well as to distribute a widely used co-op commodity, the new paint factory is already producing many kinds of paint according to formulas worked out by U.S. government and college laboratory specifications. The large regional cooperatives affiliated with United Cooperatives are already distributing nearly half a million gallons of paint annually. The acquisition of a paint factory is expected to boost this amount considerably.

Amherst, Mass. — Carl N. Schmalz, formerly head of the Bureau of Business Research at the Harvard School of Business Administration and now Controller of a large department store in Boston told cooperative food store managers meeting here that the cooperative movement must modernize its food stores and make them the best in their community if they are to meet intense competition in the food field.

This statement was the keynote for discussions of large-scale modernization programs being considered by a number of co-op stores in the east. The discussions were part of the ECW Co-op Manager’s Institute.

A week earlier, Dr. James P. Warbasse told 143 co-op leaders gathered here for the Eastern Cooperative League Institute that “There is more hope for cooperatives now in America than at any time in the last twenty years.”

New York — Business of co-op grocery wholesalers in the U.S. continued to rise more rapidly than business as a whole in the grocery field during the first part of 1940.

Central Cooperative Wholesale at Superior, Wisconsin reported sales of $2,189,000, a rise of $344,000, or 18% above the first half of 1939.

The Cooperative Wholesale of Chicago found its business up 20% with sales totaling $104,976 for the period ending June 30.

Eastern Cooperative Wholesale made a 58% gain in business, handling $757,656 worth of goods and services during the first half of 1940. This was a gain of more than a quarter of a million dollars over the corresponding period last year.

Berkeley, Calif. Cooperators in Berkeley celebrated the opening of their modern Co-op Center here July 15, on the completion of a consumer-owned store, modern in every respect, including “earthquake resistance.” The new building is located next door to the Berkeley Cooperative Union’s year-owned modern super service station.

The Associated Cooperatives of Northern California, regional federation reports that 18 co-ops are now members. The Co-op Wholesale provides groceries, petroleum and educational services.

September, 1940
Minneapolis, Minn.—Cooperative oil associations in Minnesota and Wisconsin reported to the Cooperative Auditing Service that they handled $8,156,000 worth of petroleum products through 129 retail outlets last year.

Toronto, Canada—John Brophy, CIO director of local unions, said after a tour of the Canadian Maritime provinces that he has the highest praise for “the remarkable development of adult education in relation to the cooperative movement among farmers, miners, fishermen and other workers in Nova Scotia.”

St. Paul, Minn.—The biggest construction job in the Twin Cities is under way as 25 cooperatively built houses are in various stages of construction. The houses are part of St. Paul’s Cooperative Housing Association.

Indianapolis, Ind.—The first year of operation of the cooperative bank, owned by co-ops in the state of Indiana, “has definitely established the feasibility of cooperative banking,” according to I. H. Hull. The co-op bank reported increasing deposits, capital and savings during the year. It also led the way in eliminating exploitation on credit transactions which often cost Indiana farmers as high as 21%.

Superior, Wisconsin—Thirty-two students have been chosen out of 51 applicants for admission to Central Cooperative Wholesale’s annual training school for prospective co-op employees. The ten-week training school begins September 15. Students from four states will be in the student body.

New York City—Rochdale Institute will open its fifth term of instruction here, September 30. Courses in Cooperative Business and Education will be supplemented by a special course in Cooperative Food Store Management offered by the Council for Cooperative Business Training.

Circle Pines, Hastings, Minn.—Over 150 auto workers and leaders from six states and the Dominion of Canada held their Workers Institute at the co-op vacation spot here in July. Although most of the classes were devoted to labor history, economics and shop problems, a great deal of interest and discussion were devoted to the cooperative consumer movement.

New York City—The Consumers Book Cooperative, organized three years ago to serve as a cooperative book buying agency for individual consumers, cooperatives, and libraries has just announced the appointment of two new board members. They are George Tichenor, editor of The Consumer, and Robert M. Trent, member of the staff of the Library of the College of the City of New York.

INTERNATIONAL COOPERATIVE NEWS

Manchester, England—Cooperatives in England and Wales are setting up a Mutual Aid Fund or “bomber insurance” plan from which to assist those cooperatives which suffer damage and loss owing to the war. The Mutual Aid Fund will be administered by the Cooperative Union and Cooperative Wholesale Society. More than 250 cooperatives registered to participate in the fund by July 20. Already, one cooperative society has reported its entire premises destroyed by bombing.

Vienna, Austria—Control of the Austrian Cooperative Wholesale passed out of the hands of its member consumers when the Nazis took over active control of the organization in July. Harald Ziegler, Nazi official was selected by the political administration to become the leader of the Cooperative Wholesale. The “Die Verbraucherorganisation,” official organ of the Austrian cooperative movement, declared in commenting on the appointment, “This appointment arises from the conviction of the political administration, that the wholesale as well as the affiliated locals are of such great economic and political importance, that their economic power must at all events be preserved. Pr. Ziegler has expressively pointed out that he does not come as a liquidator but that in his opinion, his mission is to make these organizations strong and give them as much striking power as possible in order that they may accordingly serve the German economy.”

Stockholm, Sweden—Customers of cooperative stores in Sweden saved the equivalent of one month’s purchases through buying at the co-ops rather than from private distributors, according to a survey conducted by the Swedish Cooperative Union and Wholesale. In August, 1939, the difference between cooperative prices and those for the country as a whole, as revealed by government statistics, were 4.6%. The gap has since grown wider. In December, 1939, prices in the co-ops were nearly 5.9% lower. Since Swedish cooperatives return approximately 3% of the original cost of the goods in savings returns to the consumers, this makes the co-op savings total about 8% of the equivalent of one month’s consumption.

Kwantung, China—Expansion into the field of consumer cooperation is being planned by Chinese Industrial Cooperatives, according to Professor J. B. Taylor, Educational Director of the CIC. It is estimated that between 1,200 and 1,700 industrial cooperatives have been established in war-torn China. According to the present schedule, plans are under way for the establishment of 30,000 industrial cooperatives.

Tel-Aviv, Palestine—Among the remarkable achievements of post-war Palestine, few are more striking than the development of the cooperative movement in the Jewish community. Jewish cooperative societies have grown from 13 with 796 members in 1921 to 949 with 280,797 members in 1939. It is estimated that one out of every four Jewish men, women and children, is a member of a cooperative society.

At the end of 1939 there were 115 Jewish credit unions, 73 urban, and 42 rural. Jewish farm co-ops numbered 105, 68 of which were marketing societies. Consumer co-ops rose from 60 to 105 in the last quarter of 1939 alone. Since September 1939, 50 new consumer cooperative societies have been established for the purpose of purchasing and storing of necessary provisions for war-time needs.

 Gateshead, England—The finance committee of the Gateshead Community has recently transferred its account from one of the big private banks to the bank of the Cooperative Wholesale Society. The action followed the demand of the private bank for interest returns of 4.25% to 4.5% for emergency loans when the community had been borrowing on a basis averaging 2%.

Scene of 12th Biennial Congress of the Cooperative League
Terrace Room, Hotel Morrison, Chicago, October 16-18
## CO-OP LITERATURE

### Student Cooperatives

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<tr>
<td>American Students and the Cooperative Movement</td>
<td>.05</td>
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<tr>
<td>Co-ops on the Campus, Bertram B. Fowler</td>
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<td>Campus Co-ops, William Moore</td>
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<tr>
<td>Handbook on Student Co-ops, Based on the Findings of the Pacific</td>
<td>.10</td>
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<tr>
<td>Cooperatives and Peace, Harold Fey</td>
<td>.05</td>
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<td>Cooperatives and Peace Edition of Consumers' Cooperation</td>
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### Leaflets to Aid You: Per Per Copy 100

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<tr>
<td>Cooperatives—They Form a Gigantic Democratic Business, Pathfinder</td>
<td>.02</td>
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<tr>
<td>How a Consumers Cooperative Differs From Ordinary Business</td>
<td>.01</td>
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<tr>
<td>I Saw a People Rising From the Dust, Rev. Ignatius W. Cox, S. J.</td>
<td>.02</td>
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<tr>
<td>Learn About Consumers Cooperation</td>
<td>.02</td>
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<td>Sure Way is the Quick Way</td>
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<td>The Burden of Credit</td>
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<td>What Cooperation Means to a Depression Sick America, Cooley</td>
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<td>What Is A Cooperative Store</td>
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<td>What Attracts Members to the Cooperative Shop Movement</td>
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<td>Building a Brave New World</td>
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<td>Brick Bats and Beekeepers</td>
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### Novels and Biography

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<tr>
<td>Fresh Furrows: Burris Jenkins (Special)</td>
<td>.50</td>
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<tr>
<td>The Brave Years: Wm. Hayliger</td>
<td>.50</td>
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<tr>
<td>My Story, by Paddy the Coop, Co-ops in Ireland</td>
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### Textbooks on Cooperation

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<tr>
<td>Consumers' Cooperatives, Julia E. Johnson, Debate Handbook</td>
<td>.00</td>
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<tr>
<td>When You Buy, Trilling, Eberhart and Nicholls, High school and college, two chapters on consumer cooperatives</td>
<td>1.50</td>
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<tr>
<td>Cooperation, Hall and Watkins, Official British Textbook</td>
<td>.50</td>
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<tr>
<td>The Consumers Cooperative as a Distributive Agency, Oris E. Burley</td>
<td>3.00</td>
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<tr>
<td>Windows on the World, Kenneth Gould, high school text, one chapter on cooperatives</td>
<td>3.50</td>
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### Cooperative Recreation

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<td>The Consumer Consumed, Josephine Johnson, a Puppet Play</td>
<td>.05</td>
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<tr>
<td>Cooperative Recreation, Curt Hutchinson, reprinted from The Annals</td>
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<tr>
<td>Two One Act Plays, Ellis Cowling</td>
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<td>The Answer, 2 act play, Ellis Cowling</td>
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<td>The Spider Web, 3 act play, Ellis Cowling</td>
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<tr>
<td>Let's Play, Frank Shilton</td>
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<tr>
<td>All Join Hands, Edwards and Planché</td>
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<tr>
<td>Education Through Recreation, L. P. Jacks</td>
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### FILMS

**Traveling the Middle Way in Sweden**
- Unit I, Land of Sweden, 2 reels. Rental per unit: color, $5; black and white, $3; additional showings, $2.50 color and $1.50, black and white.
- "The Lord Helps Those Who Help Each Other," a new 3 reel, 16 mm. film of the New South adult education and cooperative program, produced by the Harmon Foundation. Excellent photography. $4.50 per day, $2.25 additional showings, $12.50 per week.
- "A House Without a Landlord," a new 25 mm. reel, 16 mm. silent film on the American Cooperative Movement in New York City.
- "Chasing Hands," a 16 mm. silent, two reel film, showing how cooperation is taught in the schools of France.
- "When Manhood is islands," a 16 mm. silent, three reel film, with English titles, of cooperative stores, wholesale and factories in France.
- "A Day With Kagawa," a 16 mm. silent, fine film, showing cooperative labor and cooperatives in Japan.
- Rentable: Each of three above $3 per day, $10 for each additional showing or $15 per week.

### POSTERS

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<tr>
<td>Organize Cooperatives, 19&quot;x29&quot;</td>
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<td>Cooperative Principles, 19&quot;x29&quot;</td>
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<td>Cooperative Ownership, 19&quot;x29&quot;</td>
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<td>Malheur, 3 for $1</td>
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<tr>
<td>Consumer Ownership—Or, By and For the People, 19&quot;x29&quot;, Red-White-and-Blue, 5 for $1</td>
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<tr>
<td>Buy Co-op, 19&quot;x29&quot;, Red-White-and-Blue, 5 for $1</td>
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**Here's an Idea for Cooperators**
- The District Federation Plan, William Holmekangas
- Those Finnish Cooperatives, Henry H. Bakken
- Labor and Cooperatives: A Review, Jacob Baker
- Recreation Notes, Ellen Edwards
- What's News with the Co-ops

**October 1940**
THE COOPERATIVE LEAGUE

608 SouthDearborn, Chicago
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.

AFFILIATED REGIONAL COOPERATIVES

Name Address Publiction
Central Cooperative Wholesale Superior, Wisconsin Cooperative Builder
Central States Cooperatives, Inc. 2301 S. Millard, Chicago The Producer-Consumer
Consumers' Cooperative Associated
Consumers Book Cooperative
Cooperative Distributors
Cooperative Recreation Service
Eastern Cooperative Wholesale
Farm Bureau Cooperative
Farm Bureau Mutual Auto Insurance Co.
Farm Bureau Services
Farmers' Union Central Exchange
Grange Cooperative Wholesale
Indiana Farm Bureau Cooperative
Midland Cooperative Wholesale
National Cooperatives, Inc.
Pacific Supply Cooperative
Pennsylvania Farm Bureau Coop. Ass'n
United Cooperatives, Inc.
Weeks' Mutual Fire Ins. Society

THE PRODUCER-CONSUMER

Midland Cooperator
Pacific N.W. Cooperator
Penn. Co-op Review
Readers Observer
E.C.L. Cooperator
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Cooperative Consumer
Consumers Defender
The Recreation Kit
E.C.L. Cooperator
Ohio Farm Bureau News
Michigan Farm Bureau News
Hoosier Farmer
Midland Cooperator

THE RECREATION KIT

The Recreation Kit

THE CONSUMERS' COOPERATION

OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

PEACE-PLENTY-DEMOCRACY

Volume XXVI. No. 10 OCTOBER, 1940

NOVEMBER-DECEMBER COMBINED

SPECIAL CONGRESS ISSUE

Again the Post Office Department has granted our request to combine the November and December issues of CONSUMERS' COOPERATION as a Special Congress Issue. Accordingly subscribers will not receive any copy of the magazine during the month of November but will receive a combined and enlarged issue in December.

The Special Congress Issue will contain extracts of the reports and addresses delivered at the 12th Biennial Congress and Silver Anniversary of The Cooperative League which takes place on October 16-18 in Chicago. It will include a general story of the Congress, a summary of the business sessions, copies of any resolutions, etc.

Splendid as are our regional cooperative newspapers, they are not a substitute for the national magazine for cooperative leaders. The leadership of every local and regional cooperative should be subscribers. The Special Congress Issue would be a good time for those who are not already subscribers to start.

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.
CAPITALISM CANNOT PAY ITS DEBTS

Capitalism can only expand production by increasing debt. Under private-profit capitalism, excess savings flow into the hands of the few. Since the few cannot consume the goods these savings represent, they must be loaned back to society either in increased private investment or public loans. In either case the many become all the more in debt and the few become owners of an increased percentage of the wealth of society.

Now we plan to borrow twenty billions more for war preparations. It is said in defense of increased public debt that: (1) National income will increase and the resulting increase in taxes will catch up with the increased borrowing. This will happen about as soon as a dog is able to catch its tail. (2) We are paying only 1\ 1/2\% of our national income in interest, where in 1933 we paid 1\%\%\%. This is only a temporary result of the process of going onto a lower interest level which increased public debt is causing. (3) For every dollar in increased debt our national income has increased two to three times. Stimulation is possible temporarily by either dope or debt, but the habit eventually brings cold gray dawns to the experimenter.

Borrowed billions mean debt dictatorship. Private debt leads to receivership. Public debt leads to dictatorship. The extent to which the government climbs up on lengthening debt stilts for relief and rearmament expenditures will determine the distance to which we will eventually fall.

Excess income, profit and inheritance taxes are the only means of keeping capitalism alive and preventing revolution while we build a new non-profit cooperative economy. Every citizen should become aroused and demand that we tax excess savings rather than consumption and pay our way as we go. Otherwise, the coming peace depression will bankrupt us both individually and nationally.

CAPITALISM BUILDS HUMAN SLAUGHTER MACHINES— TRAINS MEN INTO KILLERS AND BRUTES

We dislike to face what we are doing and generally gloss over the naked truth with deceptive words. That is why we like the straight forward statement of the president of the Caterpillar Tractor Company, who surely ought to know what the building of tanks means, when he speaks of "building billions of dollars worth of slaughter machines." This is realism. It is in accord with the American Youth Council statement which speaks of setting apart young men trained to kill and risk being killed. It is in line with the New York Daily News editorial which urges that young men be trained to be "brutes." "Slaughter machines, men killers and brutes"—they are the means of Capitalism, Communism and Fascism—not the means of Cooperation. Cooperation develops by education and persuasion—not by bayonets, bullets and bombs.

"MORE BUSINESS IN GOVERNMENT" MEANS FASCISM

The president of the National Association of Manufacturers says that we are getting "more business in government" rather than more government in business. If we really are, then look out! If we get more business in government we will have Fascist dictatorship in the end. If we get more government in business we will have Communism in the end. Neither government nor business can control a free society. Nor can either control the other. A free society must control its agencies—not the agencies control a free society—otherwise it will not long be free.

How It Works on the Minnesota Iron Range

THE DISTRICT FEDERATION PLAN

William Halmekangas, Manager
Range Co-operative Federation,
Virginia, Minnesota

(Errow's Note: An intermediate type of co-operative organization is developing between the locals and regions, namely that of District Federations. The best example to date is the Range Cooperative Federation of Virginia, Minnesota, which has 18 local consumers' co-operative purchasing members. This Federation performs functions for its local members which they cannot do as well individually for themselves and which the regional cannot do for them as economically and efficiently. This development is well worth watching and patterning after in other territories.)

For years many cooperators on the Minnesota Iron Range dreamed of bringing their local consumers' societies into a closer working relationship. They saw many services which needed to be done cooperatively, but which were too big for each local society to perform by itself, and yet were district needs and so could not be expected to be performed by the Central Cooperative Wholesale, with which the Range societies are affiliated.

Not everyone on the Iron Range, it should be made clear, is an iron miner; in fact only a comparatively few are engaged mainly in mining. Many of the range miners are engaged mainly in dairying, and supplementing their dairy income with the sale of cash crops such as grass seed, potatoes, and pulpwood.

Early Beginnings and Development

Joint educational activities were instituted by the local cooperative societies in the early 1920's, and a district-wide oil association was functioning effectively before 1930. Pool buying of certain goods in carlots had been experimented with, and the co-op managers were accustomed to come together to discuss their managerial problems.

Then, in 1933, five local consumer co-operative societies subscribed a total of $100 for the purchase of a second-hand truck, and on September 25 of that year a load of merchandise was picked up from the Central Cooperative Wholesale and delivered to the several stores. During the rest of the year enough trucking was done to bring in an income of a little more than $1,000.

Early in 1934 nine more local societies subscribed another $1,800 and the Range Cooperative Federation was incorporated with 14 member societies and share capital of $2,500. On November 1 of that year two manufacturing units (creamery and sausage factory) were opened for business, and sales for the year amounted to $15,602. Another department was set up in 1935 and sales amounted to $123,779. In 1936 three more departments were added and sales increased to $230,229. The regional oil association was merged with the Federation in 1937 and two other departments added to more than double sales, with a total of $552,890. In 1936 still another department was set up, and sales for the year were $573,297. In 1939 the handling of forest produce was initiated, with sales reaching $650,287. In 1940 the handling of farm produce was started and sales for the first half of the year were a little less than half a million dollars. The goal for 1940 is "a million dollars of sales."

The Federation is thus supplying local cooperatives with goods and services of many kinds, none of which are duplications of service of the Central Cooperative Wholesale. It is providing some of the stores with 25% of their total purchases, thereby supplementing the 70 to 75% which some of them obtain from the wholesale, so that more than 98% of the
purchases of these societies is from cooperative sources.

Membership and Control

There are 18 consumer organizations which are members of the Federation, and recently a marketing organization which purchases of these societies is from co-operative sources. The marketing organization which purchases of these societies is from co-operative sources. The livestock buyer has purchased more than 1,500 head of livestock for this department in the last 12 months. A farm is rented for pasturing and housing the livestock until it is needed in the plant. Facilities for slaughtering hogs are maintained on the farm, while beef is slaughtered in a city-owned slaughtering plant. This department operates a meat pool through which the various meat departments can get any kind of livestock products desired. Volume for 1940 is expected to exceed $100,000.

The AUTO SALES & GARAGE provides new and used cars and trucks to individuals and cooperatives. The fleet of 20 trucks of the Federation and three dozen or more trucks of the local cooperatives furnish considerable work for the garage. In addition to general repair work, the garage also performs work to which most of the insurance work of the claim adjusting goes, due to the lower costs and superior workmanship. Sales of this enterprise constitute 22% of the total sales of the Federation.

INSURANCE of all kinds and claim adjustment keep the insurance man busy. Life insurance is written with Cooperators Life Association of Minneapolis, and auto insurance with American Farmers Mutual Auto Insurance Co. of St. Paul. This department has been able to save cooperators and their organizations thousands of dollars each year in insurance premiums.

The FARM MACHINERY department carries an inventory of farm machinery and parts, while local cooperatives themselves carry a stock of repair parts for makes other than that handled by the Federation. The salesmen are hired by the Federation.

The MORTUARY, started in the fall of 1937, shows a higher net gain than any other department of the Federation, in spite of a policy of maintaining from 20 to 50% lower prices than private undertakers. For 1939 the net earnings were 24.77%.

Consumers’ Cooperation

A CO-OP CENTER became progressively more and more necessary with the cooperative meetings increasing rapidly in number and size, and was acquired in the fall of 1938. In this building are facilities for committee meetings, membership meetings, and cultural and social gatherings. The general offices of the Federation and the creamery are also housed here. There are large and small committee rooms, a small auditorium with a stage and a large auditorium completely equipped with stage properties. The employees maintain a “coffee club” in the kitchen, which is otherwise pressed into use for meetings. The Co-op Center hums with activity for 10 months of the year, with 3 and 4 meetings frequently in session at the same time.

The FOREST PRODUCE program relieves the local cooperative societies of the need of maintaining contacts with pulpwood buyers. The Federation makes contracts directly with paper mills, thus earning the brokers’ fees and providing ready markets for the wood available in the territory.

The handling of FARM PRODUCE resulted from the increasing pressure put on local cooperatives to take the surplus products produced by the farmer. Since it was the practice among local merchants to accept limited amounts of this produce and pay for it with commodities, it was necessary to develop a service to dispose of these products. Potatoes were handled for the first time in 1940, consisting of high quality certified seed and table stock. The handling of wool was initiated also, and the expectations are that eggs will be handled as soon as cooler space can be conveniently arranged.

Joint EDUCATIONAL activities, as has already been indicated, have been carried on for many years. With the addition of a full time worker in educational activity, much assistance to local educational committees has been made possible. Among the activities stressed are: the discussion group and study circle work, publicity and organizational work involving rather wide use of the radio, and assistance in organization of credit unions, health groups, and such organizations.

OUTDOOR FACILITIES were provided by the leasing of a “Forest Camp.” There are held the Children’s Co-op Summer Camps, the Co-op Summer Institutes, and the Discussion Group Conferences. The camp is also rented to other groups for a part of the season.

District Federation Works Well

Range cooperators are sold on the “federating” idea. In its 8th year their district organization will very likely top a million dollars of sales. It has assets of $125,000 and close to 50 employees. Services are expanded or added just as rapidly as the financing of them can be arranged, and frequently the board of directors asks the “monthly delegate meeting” to discuss proposals and if desirable to take the proposals back to the local board meetings for discussion and delegate instructions. The building of a slaughter house will be necessary in the near future, a lumber yard and building materials program is under consideration, the volume in fruits and vegetables warrants considering more activity in that line. The enlarging of the creamery has already been mentioned and the establishment of a livestock market yard has been proposed.

The rapid growth to date testifies to the need of federation. The high interest at the delegate meetings held each month is indicative of the hope cooperators have of the Federation providing still more services. The amount of discussion of problems involving the Federation at discussion group meetings promises intelligent tackling of the many problems facing organized consumers and farmers in the district.

The feeling is frequently voiced that “only if you will.” Visitors from all over the country marvel at this development and frequently ask, “Why aren’t we doing these things in our communities too?” The answer is, “You can, if you will.”

October, 1940
THE BITTER TASK OF BREAKING THE NEWS of capitulation to Russian demands in the recent treaty of Moscow fell to the then Foreign Minister Väinö Tanner—world famous cooperator. His memorable salutation, “We must forget the past and look to the future,” exemplifies the fighting spirit of the intrepid leaders, and complements the free and courageous people of Finland. For three months the heroic Finns astounded the world with their resistance to the invasion of the Russian hordes. Their concession to these alien legions was a temporary expedience; for they hold nothing in common with the political ideals, culture, and life philosophy of the invaders. There are times, however, when realism supersedes idealism and the Peace of Moscow saved Finland from inevitable destruction.

A Crisis

Today, the Eastern frontier of Finland runs along about the same boundary lines as those fixed by the Treaty of Uusikpubi in 1721, when Peter the Great prevailed over Sweden. It is a serious blow to a small nation to lose roughly ten per cent of its land area and to surrender valuable natural resources as well as strategic industrial enterprises. Even in peaceful times an adjustment of this magnitude would appear insurmountable. What now, when 400,000 Finns from Karelia and the Corridor vacated en masse rather than live under the sign of the hammer and sickle? When new homes must be built in their country where nearly every village and all the cities were bombed and ravaged from the air? When trade connections have been severed and the country isolated from the rest of the world by a military blockade? When dislocations in domestic affairs, industry, and social life tax natural resources and strain human ingenuity to the limit? Finland will survive! The in-dominable will of its peoples has always sustained it in similar periods of crises and the Finns of today by temperament, training, and cultural background are undoubtedly more admirably prepared to meet these exigencies than were their forebears.

In this period of reconstruction the cooperatives of Finland are destined to play a major role. The basis for this statement is predicated upon historical facts. It was during the late nineties that the czar re-visited a perennial conspiracy to assimilate the Finns and to make their land an integral part of the Russian Empire. The attempt to deprive these people of their meagre constitutional rights as a grand duchy of Russia immediately aroused resentment and revolt which ended in the national strike of 1905. The czar’s representatives acquiesced to the demands of the Social Democrats’ program of reform. It was during these years that the cooperative movement emerged. Unostensibly the purpose of this institutional innovation was to liberate the workers from exploitation by the bourgeoisie, but its adherents were attracted as much by its possibilities as a political and as a social agency in the drive toward nationalism as they were for its use as a weapon against usurers and iniquitous shopkeepers.

A Crucial Victory

The measures of reform prescribed by the Social Democrats at Oulu was the Finnish Bill of Rights designed to firmly establish a Democratic form of government, assist the poor in improving their economic and social status, protect the children and provide comfort and care to the sick and the aged. Laws could be passed, but their successful execution depended upon the types of institutions and agencies that would be designed to achieve their objectives. This period of political turmoil explains more eloquently than anything else the cause for the phenomenal rise of associationism.

The industrial workers of Viipuri are reputed to have been the first (1878) to form a mutual society for purchasing simple household necessities. Five years later (1883) the workers of Tampere initiated a similar business. These sporadic ventures in the realm of collective action were inspired by fragmentary but flowing reports of the successes of British, German, and Danish cooperative enterprises. Small holders and townpeople in the Helsinge parish were likewise sounding the field of cooperative buying in the late nineties. In this connection it is interesting to note that the first agrarian purchasing society and forerunner of the great Hankkija society was called “Labor,” or more formally the “Finnish Farmers Co-operative Wholesale Society—Labor.” The appendage of the word “Labor” to its name was obviously a device to attract an urban membership to its fold as well as the rural dwellers. There were, however, only three registered consumer cooperatives in Finland when the Diet passed the first cooperative law (1900) so the movement toward associationism among the Finns is a twentieth century development.

An Adroit Leader

It so often happens that the influence of one man may affect the destiny of a whole nation. This is true of the economic development of Finland. A young academician from the University of Helsinki, Hannes Gebhard, had just completed his studies in Germany where he observed the operations of the cooperative credit banks (Genossenschaften) and conceived a plan for making cooperative enterprises ubiquitous in his home country. His return coincided with the intolerable czarist regime of suppression. His people were ready to accept any reasonable means of escape from a despot and the Russians perceived no subversive influence in the mutual societies that were being advocated and formed by Gebhard. Later the periodic meetings of these societies served as rallying points for the young Social Democrats and other patriotic groups to lay plans for passive resistance and provided the stimulus that was needed to make the national strike of 1905 a success. In 1905 there were 171 consumer cooperatives in the grand duchy and the dual movement toward economic and political independence proved so popular that by 1910 the Finns had formed 525 similar societies.

Patterns of Organization

The general procedure for cooperative development in Finland as outlined by Gebhard was a highly centralized scheme of organization and may be roughly classified as follows:

1. Establish a central informational agency (Pellervo) which serves as a clearing house for all ideas and plans of promoting cooperatives and improving their operating techniques.

2. Found a central cooperative credit society (OKO) which would encourage thrift and provide the means for financing both production and distribution through cooperative channels.

3. Consolidate and unify the consumer cooperative movement in great mutual wholesale agencies such as Hankkija, Sok, and Otk.

4. Promote parallel growth among agricultural producers for the production and sale of agricultural commodities, etc., Valio and Muna.

5. Originate various types of mutual service agencies to lighten the burdens of the toiler and contribute to his pleasure and well-being.

6. Assume the extraordinary risks to properties and lives by creating central insurance companies (not included in the original plan).

7. Encourage miscellaneous collective enterprises which may not conform to the above pattern of organizational structure.

The whole program is designed for a general advance on all fronts to effect...
greater efficiency in production and distribution than prevailed under other modes of organization. In this plan of action, the Finns have succeeded in applying the technique of collective action more intensively and extensively than other people have been able to accomplish anywhere in the world. Let us turn our attention now to some of the consumer purchasing societies and describe the services they offer their members in this remote country of the North.

**Origin of the Consumers’ Cooperative Wholesale SOK**

In 1904 an invitation from Pellervo was sent to 119 consumer societies to attend a conference at which the question of forming a wholesale society would be considered. At the conclusion of this meeting “an organization was finally formed, but only 12 of the 119 societies found it expedient to become charter members. Others might have joined if there had not been such bitter opposition to the movement. In its first year of existence, all effort was devoted to spreading information designed to improve the operating methods of member societies. After a year of such preliminary work, SOK began purchasing certain items, and so marked was the conflict was focused, the progress of SOK was beginning, the progress of SOK was

The schism in the membership ranks of SOK culminated a long inter-organizational struggle too involved to explain in detail in this article. Briefly, the main difficulty was political in nature in that the industrial workers and urban dwellers were ambivalent to capture contemporary social and economic movements to increase their influence and present a formidable political front. When SOK was formed, it provided that each society should be entitled to one and only one vote in its government. This system of representation caused dissatisfaction among those ambitious to gain control of SOK because expansion of the cooperative movement in urban centers resulted in appreciable increase in membership in the existing societies while in the country expansion resulted in adding many new societies without a corresponding increase in the membership of each society. Thus the conflict was focused on the issue of representation and the rural cooperatives, superior in numbers and naturally conservative in administrative policies, refused to amend the constitution of the society permitting proportional representation.

**Consumers’ Cooperation Revolution and Survival**

The first years proved to be exceptionally difficult ones for the “progressive” cooperators because the industrial workers were more susceptible to the unpopular liberal political philosophies current during the revolutionary days of 1917 and 1918 than were the rural dwellers. After the war, however, the “progressive” cooperators made phenomenal gains in membership and volume of trade. The story of OTK in many respects is a repetition of that recounted for SOK. The wholesale society has 121 member societies, which operate 2,159 retail shops patronized by 283,000 members with total sales exceeding 22 million dollars annually. The society maintains experimental laboratories for examining consumer goods rejecting about 11 to 15 per cent of the articles submitted. Its own manufacturing establishments produce about 20 per cent of its requirements. Its margins of costs are correspondingly low, and its reserves and properties easily place the society among the great business establishments of Finland.

It differs from SOK in that it is a more centralized type of organization administratively and it is predominantly an urban institution whereas SOK is a federation in which rural societies preponderate. It is perhaps a fortunate incident in the history of the cooperative movement of Finland that the discontented members in SOK seceded and formed a rival society challenging to this day the supremacy of the senior cooperative in the business of wholesaling consumer goods. Everywhere one travels throughout the length and breadth of Finland the rivalry between the two cooperatives is apparent. The Finns explain that this competition between SOK and OTK has stimulated interest in consumer cooperation and as a result, 30 to 35 per cent of the total retail trade is done through these cooperative enterprises. The recent war will probably minimize these differences because they are fundamentally incompatible and each organization is relatively self-sufficient with ample resources to carry on its work in assembling, manufacturing, and distributing consumer goods.

**Elanto**

The year of the national strike in 1905, a few workers in Helsinki made up a jackpot of $57.00 and gambled on a self-help enterprise for procuring staples. Their ambition was to alloy social and economic activities in one great society. “It was not a Utopia they desired, but simply an improvement in their luckless situation.” A bakery was acquired; for these simple workmen wanted good bread as well as more of it for the price customarily paid. Elanto is Mr. Tanner’s paternal society to which he has given the best years of his life in its development. The ramifications of this business enterprise’s activities today staffed by 3,500 employees affects nearly every phase of the member’s home life. From its first simple venture of operating a bakery the society now maintains 431 shops located in 14 parishes in the Helsinki area patronized by about 58,000 members. Its annual sales exceed ten million dollars. The society possesses many valuable properties and through the years of conservative management it has accumulated sizable reserves. Its employees receive better wages than private industry. It grants longer vacations with pay and provides indemnity insurance, superannuation, hospitalization, excursion trips and free passes to many entertainments and recreational events sponsored by workers and members. Members receive gifts at birth and from then until their final demise, many of their elemental needs are provided by Elanto including insurance against unemployment, old age and death. This great local society with such a humble origin epitomizes the recreational and rehabilitative powers of the whole Finnish cooperative movement.

**Reconstruction Years**

The extensive facilities and the substantial reserves maintained by most cen-
How Cooperative Services of Minneapolis, Minnesota, Raises Capital

HERE’S AN IDEA...FOR COOPERATORS

Co-op Services like many another co-op has the problem of raising funds adequate for business operations. By clever strategy they are well on their way to solving it. They’ll tell you with an eye to the future, “sure we still want more capital,” but they’ll admit when pressed that they have enough for present needs. They take all their discounts and this statement appears in their annual report of September, 1940, “we were able to go through the year without borrowing from the bank, our financial load being carried entirely by our own capital and loans from our own members.”

In the beginning it was not so. To run their gas and oil business, Co-op Services had to dig for working capital. They sold shares, they accumulated “first” shares of new patrons and they earmarked at least 10% of net each year for the capital fund. Money was coming in, but not fast enough and to these orthodox methods Co-op Services added a few ideas of their own. After the annual meeting each September they send letters to all members and patrons. If the person is a customer for the first year and not yet entitled to a full share, the letter reads:

“It is a pleasure to mail you this notice of your part of the $13,500 saved. Fifteen hundred persons are now entitled to refunds in cash. . . . But according to law each member must accumulate one share before refunds can be paid. . . .

“To operate efficiently any business must have capital . . . and since a co-op is owned by all the people it must obtain capital from all its patrons. . . .”

“Since only fully paid shares draw interest, may we suggest you pay your share in full, or do as some members do invest in several shares . . . .”

If the person has earned his first share, the letter reads:

“This is a most pleasant task . . . . to present you with your first share of stock. . . . But writing this letter will be even more pleasant if it succeeds in persuading you to leave your cash refund in the co-op on further shares . . . .

“Why? Because your co-op shares are a good investment . . . . fair rate of interest is paid . . . . and you help the co-op help you . . . .

“Why? Because your co-op needs that refund for more capital . . . . You see it requires money to operate this business . . . . In fact the co-op should have between $25 and $30 from each member to operate most efficiently.”

If the member is entitled to a refund above the first share, the letter varies only slightly from the one just described. However, along with it goes a self-addressed penny postcard reading:

Consumers’ Cooperation

ALLOCATION OF 1940 CASH PATRONAGE REFUND OF

John Doe

$7.25

Because I am interested in building a strong Cooperative to promote my consumer interest, apply my refund on another share of stock . . . .

Send me a check for the amount of cash refund . . . .

Be sure to indicate your choice. If you fail to do so the refund will be left on your share account.

Are these methods successful in raising capital? Let Madsen and Strandskov, of Co-op Services, give the answer in their own words, “during the last 2 years by urging people to buy new shares, more than $16,000 has been paid in, and by suggesting that people leave their refunds in more than $10,000 has been added to the capital fund. When asked to do so we find that about 60% will leave their refunds for additional shares.”

Cooperators, here’s an idea. In fact, a couple of them. If you want more capital, keep asking members and patrons to buy shares and invest in your own business. Use letters and campaigns. Then don’t make it easy for people to get their refunds, don’t send the refund checks already made out, send a card telling them they can get it if they want, but urging them to leave it in if possible.

(From letters used by Co-op Services and other details may be had by writing Jack McLanathan, Midland Co-operative Wholesale, Minneapolis, Minn., author of the foregoing article.)

Ellen Edwards

PLAY, PLAY, PLAY, PLAY

A special session on “Recreation in Cooperatives” was included on the program of the National Recreation Association Congress, meeting in Cleveland, September 30 to October 4. This is the first time the contribution cooperatives are making in the field of recreation has been recognized by the National Recreation Association with a place on the Congress program. Carl Hutchinson, president of the Cooperative Society for Recreational Education, served as chairman of the discussion group; and Dr. M. C. Elmer, professor of Sociology at the University of Pittsburgh, served as Summarizer. Discussion leaders included Gertrude Emerson, secretary, Cooperative Society for Recreational Education; Katherine Thompson, Columbus, and Lynn Ruhbrough, Cooperative Recreation Service, Delaware, Ohio.

Growing out of the need felt by cooperatives in Lincoln, Nebraska, for an institute which would emphasize recreation and leadership, with a broad purpose of demonstrating participation and cooperative living, twenty-seven persons, the majority from Lincoln, set up such an institute at Nysted, Nebraska, August 30 to September 5. The group was fortunate in securing the volunteer aid of Christensen and Harris Jespersen of Viborg, South Dakota, for expert recreation leadership. In addition the resources and skills of those present were drawn upon to make the program varied and to stimulate cooperation. The program was organized and yet was left flexible. It included folk dancing, games, instrumental playing, singing, and discussion of recreation in modern living.

The institute ended with a group discussion Monday afternoon, devoted to a review and to planning for the future. The group voted to set up a committee to plan quarterly week-end institutes during the coming winter, and a one week institute next summer. All those who participated agreed that the three days of cooperative institute, with a total experience but significant as the beginning of a vital new program for the Lincoln area.
About forty co-operators in the Philadelphia area got together for a week-end of "just fun" at Camp Tinicum, Ottsville, Pennsylvania, September 20 to 22. The informal program included folk dancing, traditional board games, paper bag puppets, watermelon seed spitting contests, bean bag toss, and the cooking and serving of the meals. Many of the attendees were from the Cottontail Co-op, New York, and the group was entertained by a Cottontail play, "Pigskin," written by James Morris, president of the Cottontail Co-op.

The Communities with modern co-op stores developed under this program are Greenbelt, Md., Cambridge, Mass., Madison, N. J., Schenectady, N. Y., Harrisburg, Pa., Washington, D. C. and the Knickerbocker Village Co-op in New York City.

Washington, D. C.—Konsum, Washington's gasoline, oil and auto service cooperative opened the doors of its new service station at 2621 Virginia Ave., September 1. The service station is the second story of the new Konsum Federal Credit Union.

City, has purchased an interest in the producing well and a 160 acre tract plus full producing and operating rights on the quarter section which lies eleven miles east and three miles south of Plainville, Kansas. Under the present plan of drilling one well to every 20 acres, there is space for seven wells on a quarter section. The complete report of the consulting geologist with supporting data and maps was considered fully before the purchase was made. There are ten good wells producing 42 gravity crude oil on three sides of the lease.

The Cooperative Oil Producing Association incorporated to handle production will be a subsidiary of CCA with all of the voting stock held by The Consumers Cooperative Association. Cooperative organizations and individuals may invest in non-voting preferred stock.

"Our latest development," declared Howard A. Cowden, president of CCA, "is another step in the direction of taking crude oil directly from the ground to the ultimate consumer through cooperatives.

New York—A modernization program to make co-op stores "kitchen clean" and the most modern and efficient in their communities is well under way. Five new stores have been opened, new fixtures and equipment installed in a dozen more and many cooperatives are discussing similar expansion. This new modernization program is being carried forward by local cooperative societies in cooperation with Consumer Distribution Corporation, founded by the late Edward A. Filene, and the Eastern Cooperative Wholesale. Under this arrangement, CDC has agreed to lend consumers a sum equal to that which is raised by the local consumer members for the modernization of old stores or for moving into new and larger quarters.

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The second story of the new Konsum station supplies office space for the District of Columbia Cooperative League and the Konsum Federal Credit Union.

Superior, Wisconsin—The Central Co-operative Wholesale and its affiliated retail cooperatives have set up the Central Finance Company to help cooperative stores finance installment purchases by their members of appliances, machinery and other heavy items. This is the third regional cooperative finance association now in operation. Others are run by the Ohio and Indiana Farm Bureau cooperatives.

Minneapolis—Cooperative life insurance made a long step forward in serving the states of Minnesota and Wisconsin when representatives of the Coopers Life Association, the Cooperative Insurance Mutual, the Cooperative Management Association and the three co-op wholesale serving this territory, Central Cooperative Wholesale, Midland and Farmers Union Central Exchange met in Milwaukee September 6 to plan a unified life insurance program.

The new program will unite the Cooperatives Life Association, which is now licensed to sell life insurance only in Minnesota, and Cooperative Insurance Mutual, the co-op wholesale serving Wisconsin. Cooperators Life will join the Cooperative Management Association, which manages the Cooperative Insurance Mutual in establishing a new management organization to be known as Cooperative Insurance Services.

Common stock of Cooperative Insurance Services will be held both by the local cooperatives and co-op wholesalers in the two states. Voting rights will be based on the volume of business contributed and will rest with the local co-ops.

Montreal—The Cooperative Service Section of the International Labor Office has established its headquarters at McGill University here. It transferred its office from Geneva when the major sections of the League of Nations and the International Labor Office disbanded last month.
Washington, D. C.—The United Federal Workers of America, the national organization of government employees, (C.I.O.) adopted resolutions endorsing consumer cooperatives and calling upon the C.I.O. to appoint a committee to develop the cooperative movement within the C.I.O. This action was taken at its national convention here September 19.

Ted Silvey, secretary of the Ohio Industrial Union Council, told the government workers, "The workers in private industry can participate actively in the work of political organizations, as well as in the work of labor organizations and in cooperatives. But the government workers must depend upon their labor and cooperative organizations and therefore you should be very much interested in the cooperative movement."

New Ulm, Minn.—The Catholic Central Verein of America, founded in the middle of the last century, devoted a major part of its convention this year to a study of cooperation and agriculture. Those who outlined the possibilities for social action through cooperation were the Most Rev. A. J. Moench, Bishop of Fargo; I. S. Hemph, editor of the Nebraska Union Farmer; and Rev. Martin Schriber, O.S.B., Collegeville, Minn.

**RECENT ARTICLES ON COOPERATIVES**

**Advertising Age, September 9, 1940**, "Co-op Movement is Progressing."
**Business Week, June 1, 1940**, "Coops Try Housing."
**Carrollton, Georgia.**
**Commonwealth, June 28, 1940**, "Kansas Oil Co-op Wins out Over Big Producers."

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**INTERBRACIAL REVIEW, June, 1940**, "A Parish Interracial Cooperative."
**PM, September 20, 1940**, "Farm Health Plan in Oklahoma is Commended by Dr. Sigrist."
**September 23, 1940**, "Oklahoma Farmers' Health Plan Worth Copying, Dr. Sigrist Says."

**PUBLIC OWNERSHIP, August, 1940**, "Rural Cooperative Development Program."
**SOCIAL JUSTICE Review, June, 1940**, "Havens for Sharks, Cooperation and Credit Unions."
**August, 1940**, "Self-government Essential to Cooperation."

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**SOLIDARITY, August, 1940**, "A Word on Consumers' Cooperatives."
**SOCIOPOLITIC AND SOCIAL RESEARCH, July, 1940**, "The Cooperative Study Group."

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**Consumers' Co-op to Unite Farmers and Workers**—by John Carson appeared in the June issues of:
**Railway Carmen's Journal**
**Boilermakers Journal**
**Engineers' Magazine**
**Machinists' Monthly Journal**
**The Railway Clerk**

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**How a Co-op Battles the Oil Trust** by John Carson appeared in the August issues of:
**Railway Carmen's Journal**
**Boilermakers Journal**
**Machinists' Monthly Journal**
**Engineers' Magazine**

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**Consumers' Cooperation**

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**LAW AND CO-OPS: A Review**


In this day of demand for authoritative books that are short and comprehensive, James Myers, well known to liberal Protestantism, the cooperative movement, and organized labor, has done a praiseworthy job. There are certain things that the cooperative group want to know about. The purpose of this review is to tell those things and tell them briefly.

The book is short, only 133 pages, and is organized in such a way that the chapter leads into another, so that the reader's interest keeps up as the story unfolds, and his information grows to the very end. The book is about the whole of American labor, the labor movement, labor unions and the way they run. It also is about the relations between unions and employers, and labor's place in the world.

It can safely be said that there is no other book that covers so wide a range so simply. Any farmer or professional man, any high school student or retired veteran, anybody in the United States who likes to read and is willing to understand what he wants to know about, can read this book and at the end of it say that he has covered the essential facts about American labor.

Some of the best things about the book are these. It tells how labor unions are responsible. It shows what they have done to strengthen and stabilize industry. It tells something of how they improve management and increase industrial productivity and efficiency.

More than that, it indicates the division between the field of organization of labor unions and of cooperative enterprise. There is no question that through building cooperatives working people can do for their pocketbook what labor unions do for their pay check. The same experience has also proved that through cooperative enterprises the worker may control the quality of the goods he buys and thus gain the same control over his goods that his union gains over working conditions.

The author also deals sensibly and optimistically with labor as citizens, how organized labor develops its political action in parallel with and we may hope in the future in joint effort with farmers and all other workers. Finally, he discusses international labor relationships, labor's stake in peace and the part that Negroes play in labor unions. The relationship of women to labor unions and of unions to education and the church conclude the book.

There are a few things omitted, a few things that this reviewer would do a little differently. There is a chapter on profit-sharing that I am afraid indicates there is still left in the author a feeling that somehow righteousness can be given effect without the hard process of bargaining and negotiation. True, the author says that profit sharing itself is not enough. He uses that chapter as his stepping off place for boosting consumers' cooperation. And perfectly.

In some of the most civilized of the western European countries we have been told that farmers are ready for the upper shelf and on a three-legged stool. One leg is the labor union, one cooperative enterprise and the third political organization. If that is true in Sweden, Denmark, and England it probably is true in the United States.

The future of the cooperative movement is closely connected to organized labor. One of the two great lacks of our cooperative movement in the United States is the lack of consumer cooperatives in the great industrial area of the country. The other lack, and equally great, is that farmers have not been able to organize the cooperative processing and marketing of the basic crops of the country.

This book should go far to give cooperators that knowledge of labor that will make possible their understanding of the labor union. Labor leaders must busy themselves with the problems of organized labor. They can't take time away from that.

Membership of labor unions who are not leaders, whose efforts and energies are not now used, can make that effort and can take that time. Cooperatives, as they spread, will make it possible for their local members understanding, enthusiasm and leadership based upon knowledge of their problems. This book should go far to build a better labor movement and a better cooperative movement.

—JACOB BAKER, President
United Federal Workers

**SOUTHEASTERN CO-OP CONFERENCE PLANNED**

The Southeastern Cooperative Education Association, organized last spring, will hold a south-wide Conference on Cooperatives at the Hotel Biltmore, Atlanta, Georgia, November 14 and 15. For a copy of the program and complete details write E. Yomans, Secretary, Southeastern Cooperative Education Association, Carrollton, Georgia.
In only a score of years, the London Cooperative Society has grown nearly eight times in membership to 800,000. Control is demographically decentralized through 29 District Committees. It’s volume has multiplied nearly five times to $80,000,000. Its number of employees has increased over six times to 15,000 and wages over seven to one and one-half times to $14,000,000. Capital has gone up eleven times to $55,000,000 of which $30,000,000 is invested in the Cooperative Wholesale Society, an increase of thirty times. The London Society has 261 grocery, 206 meat and 132 fruit and vegetable branches; 76 coal depots; 17 bakeries, 3 dairies and 4 laundries; it handles women’s and men’s clothing, shoes, jewelry, drugs, furniture and hardware. This list sounds like “everything from the cradle to the grave,” and indeed they have 899 funeral branches. The anniversary booklet also describes their education and recreation programs, pension and benefit funds. An annual membership drive has brought in an average of nearly 50,000 new members a year for the past five years.

In the United States we think in terms of regional wholesales and local retail cooperatives. It is interesting to note that the membership of all the commodity wholesales and retail cooperatives affiliated together in the national organizations in the United States is less than the membership of this one retail cooperative. Perhaps time will result in amalgamations in America as it has done in London. This wonderful historical booklet arouses one’s thinking, excites one’s admiration and fires one’s imagination of the possible future of cooperation.

CO-OP LITERATURE

- **Student Cooperatives**
  - American Students and the Cooperative Movement
  - Co-ops on the Campus. Bertram R. Fowler
  - Campus Co-ops, William Moore
  - Handbook on Student Co-ops. Based on the Findings of the Pacific Coast Conference of Student Cooperatives

- **Cooperatives and Peace**
  - Cooperatives and Peace, Harold Per
  - Cooperatives and Peace Edition of Consumers’ Cooperation


- **Cooperative Recreation**
  - The Consumer Consumed, Josephine Johnson, a Puppet Play
  - Cooperative Recreation, Carl Hutchinson, reprinted from The Annals
  - Two One Act Plays, Ellis Cowling
  - The Answer, 2-act play, Ellis Cowling
  - The Spider Web, 3-act play, Ellis Cowling
  - Let’s Play, Frank Shilston
  - All Join Hands, Edwards and Pluche
  - Education Through Recreation, L. P. Jacks

- **FILMS**
  - Traveling the Middle Way in Sweden, 16 mm. silent, produced by the Harmon Foundation. Unit I, Land of Sweden, 2 reels. Unit II, Consumer Cooperatives, 2 reels. Unit III, Agricultural Cooperative, 2 reels. Rental per unit: color, $8; black and white, $5; additional showings, $2.50 color and $1.50, black and white.
  - “The Lord Helps Those—who Help Each Other,” a new 26 mm. silent, 16 mm. film of the Soviet adult education and cooperative program, produced by the Harmon Foundation. Excellent photography, $1.50 per day, $2.25 additional showings, $12.50 per week.
  - “A House Without a Landlord,” a new 26 mm. silent, 16 mm. film on the Amalgamated Cooperative Houses in New York City.
  - “Camping Hands,” 16 mm. silent, two reel film, showing how co-operation is taught in the schools of France.
  - “When Mankind is Willing,” a 16 mm. silent color film, with English titles, of consumer stores, wholesales and factories in France.
  - “A Day With Kagawa,” 3 reel, silent, 16 mm. Kagawa and his co-ops in Japan.
  - Rental: Each of four above $1 per day, $1.50 for each additional showing or $10 per week.

- **POSTERS**
  - Organize Cooperatives, 19"x25", Green, 5 for $1
  - Cooperative Principles, 19"x25", Blue, 5 for $1
  - Cooperative Ownership, 19"x25", Mulberry, 5 for $1
  - Consumer Ownership—Of, By and For the People, 19"x25", Red-White-and-Blue, 5 for $1
  - Buy Co-op, 19"x25", Red-White-and-Blue, 5 for $1

- **Consumers’ Cooperation**
SPECIAL CONGRESS ISSUE

By special permission of the United States Post Office, we have combined the November and December issues of Consumers Cooperation, issuing this special Congress issue, four times its normal size.

We are bringing you in this number a complete report of the Twelfth Biennial Congress and Silver Anniversary Celebration of The Cooperative League of the U.S.A., which was held at the Hotel Morrison in Chicago, October 16, 17 and 18. Within these covers are condensations of all of the major addresses at the Congress, accounts of group meetings, resolutions, memorials, and the special Congress radio broadcast.

To meet Post Office requirements, this November-December 1940 issue is singly numbered, Volume 26, No. 11. Published monthly January to October, bi-monthly November-December for 1940 only, monthly thereafter.

Additional copies of this Special Congress Issue may be secured for 25c. per copy—while they last.

Order your copies today from:
THE COOPERATIVE LEAGUE
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726 Jackson Place N.W., Washington, D. C.

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Auditing Bureau, 167 West 12 St., N. Y. C.
Design Service, 167 West 12 St., N. Y. C.

AFFILIATED REGIONAL COOPERATIVES

Name                      Address                        Publication
Central Cooperative Wholesale        Superior, Wisconsin                  Cooperative Builder
Central States Cooperatives, Inc.    2301 S. Millard, Chicago        The Producer-Consumer
Consumers' Cooperative Association  Amarillo, Texas                  Cooperative Consumers
Consumers Book Cooperative          N. Kansas City, Mo.               Readers Observer
Cooperative Distributors           118 E. 26 St., N. Y.              Consumers Defender
Cooperative Recreation Service       116 E. 16 St., N. Y.              The Recreation Kit
Eastern Cooperative Wholesale       Delawar, Ohio                   E.C.L. Cooperator
Farm Bureau Cooperative Ass'n       133 Kent Ave., Bklyn              Ohio Farm Bureau News
Farm Bureau Mutual Auto Insurance Co. Columbus, Ohio          Ohio Farm Bureau News
Farm Bureau Services               Lansing, Michigan              Michigan Farm News
Farmers' Union Central Exchange    St. Paul, Minn.                   Farmers' Union Herald
Grape Cooperative Wholesale         Seattle, Washington             Grange Cooperative News
Indiana Farm Bureau Coop. Association Indianapolis, Ind.         Hoosier Farmer
Midland Cooperative Wholesale       Minneapolis, Minn.             Midland Cooperator
National Cooperatives, Inc.         Chicago, Ill.                   Pacific N.W. Cooperator
Pacific Supply Cooperative          Walla Walla, Wash.              Penn. Coop Review
Pennsylvania Farm Bureau Coop. Ass'n Harrisburg, Penn.            Cooperative Builder
United Cooperatives, Inc.           Indianapolis, Ind.              Cooperative Builder
Workmen's Mutual Fire Ins. Society  227 E. 44th St., N. Y.                     Cooperative Builder

DISTRICT LEAGUES

Central States Cooperatives          2301 South Millard Ave., Chicago, Illinois
Eastern Cooperative League          135 Kent Ave., Brooklyn, N. Y.
Associated Cooperatives, So. Cal.    7218 So. Hoover St. Los Angeles, Cal.
Associated Cooperatives, N. Cal.     1414 University Ave., Berkeley, Cal.
National Cooperative Women's Guild   Box 2000, Superior, Wisconsin
Southeastern Cooperative Education Ass'n Carrollton, Georgia

FRATERNAL MEMBERS

Credit Union National Association  Madison, Wisconsin        The Bridge

THE CO-OP CONGRESS WAS NEWS

As usual the Congress became another national sounding board for the Movement and was widely reported even though it had to compete with draft registration, the opening day, and with domestic election and foreign war news. Outstanding were newspaper and magazine stories in The New York Times and Herald Tribune, Christian Science Monitor, New Republic, Business Week, Christian Century, Protestant Digest, News Week, Tide, Printers Ink, Advertising Age, Retailing and others.

The Associated Press wired an advance feature story to all of its papers, 600 of the 1,500 papers which use AP service were said to have used the story. United Press, Federated Press and AP carried daily stories on the congress. Local Chicago newspapers such as the Times, Daily News, Herald American and Journal of Commerce carried reports of the Congress, but it must be added for accuracy that the so-called “world’s greatest newspaper,” The Chicago Tribune, failed to recognize that such a significant meeting was in town. The week’s publicity was splendidly concluded by a national broadcast over the Columbia chain on which program the following cooperators spoke and answered questions propounded by the announcer: Howard A. Cowden, R. N. Benjamin, E. A. Whitney, and Wallace J. Campbell. The Columbia Country Journal on which the broadcast was used has a regular audience estimated at 6,000,000 listeners.

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 January to October, bi-monthly November-December for 1940 only, monthly thereafter by The Cooperative League of the U.S.A., 167 West 12th St., N. Y. City.

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.
"UNITY AND ACTION"  
KEYNOTES OF 12TH BIENNIAL CONGRESS

The week of October 14-19th, 1940 will long be remembered by U.S. cooperators. For during that week the 12th Biennial Congress of The Cooperative League was not only held, but, more than that, the Silver Anniversary of the League was also celebrated. In fact, the entire six days, from beginning to end, were "CO-OP WEEK," in Chicago, which is increasingly becoming the Cooperative Capital of the U.S.A.

Those who were so fortunate as to be able personally to be present repeatedly asked during the week and continue to write us since as to how best to carry the story back home to others everywhere. Well, we are going to do our utmost to tell the story as it unfolded in Chicago in this Special Congress Issue of CONSUMERS' COOPERATION. A large additional quantity has been printed for wide distribution. A film strip or slides with script are also being considered and will be provided if there is enough demand for them to show and tell the story at cooperative meetings.

First Quarter Century Ends—Second Begins

It was a grand and glorious ending and beginning—ending of the first quarter century of The Cooperative League and beginning of the second. March 18th, 1916, was the exact calendar date of the organization of the League, twenty-five years ago. It was generally expressed that the Congress program was worthy of the significance of such an event.

"Unity and Action" Keynotes

"Unity" was not just talked about but was evidenced in the proceedings of the Congress and the attitudes of everyone from beginning to end. That the Cooperative Movement is "in action" was demonstrated in the exhibits of activities, in the officers' general reports of cooperative progress during the past two years, in the special addresses covering various activities, in group recreation, in participation in the special group meetings and in the discussion groups during the business session.

Many New and Outstanding Features

The Congress was far more than a meeting of cooperators to hear reports and filings a banquet and to formally approve resolutions and elect directors. It was all of these, as other Congresses have been, except perhaps that all of them were even better. It continued the half day group meetings of the previous Congress, which had proven popular, only with far more advance preparation by the leaders of each group. But besides including all the successful activities of previous Congresses, there were many new features which the delegates liked so well that they voted to make them regular features of future Congresses. These features included:

- Exhibits of the major activities of the Movement.
- Beautiful stage decorations, banners and signs.
- National meeting of cooperative youth.
- National conference of campus cooperatives.
- Folk dancing and singing by all.
- Discussion groups to consider future programs.
- Special Co-op Congress News each day.

Everything Clicked—Well, Nearly

There were so few "flies in the ointment" that they were not worth mentioning. The local arrangements committee did its job thoroughly, both in advance of and during the Congress. All of the exhibitors installed their booths on time and stayed to the end and did themselves proud with their first efforts. The speakers relieved the national office of an impossible load by bringing 100 copies of their addresses for press room publicity. The group leaders were on hand at the appointed time. Volunteers were always ready to do the extra jobs, such as midnight gathering parties in the press room. At times the pleasure of personal conversations and examining the exhibits delayed assembling to hear the Congress program, but when a three ring circus is on, it is always hard to take in everything at the same time, particularly when all are of great value.

Registration Starts

Cooperators from all directions began arriving by train, plane, auto, elevated, street car and on foot. Entering the Morrison Hotel, they saw at first only the usual lobby, but a sign directing them to the Monte Carlo Bar and Terrace Casino rooms below. Strange names these seemed for a Cooperative Congress, but they proved to be an ideal setting. Down one flight of stairs the elevator brought you to the entrance where efficient local cooperative secretaries, who had registered you, badged you as a delegate, alternate, fraternal or visitor, and helped you to buy the Co-op Congress Song book and three issues of the daily Co-op News at a Co-op bargain price of a quarter.

Try to Visualize the Exhibits

Then a wonderful sight began to dawn on your eyes. The long oval bar in the middle of the room was converted into an exhibit of cooperative literature for mental rather than physical stimulation. And what a display! Few realized how extensive the publication of cooperative literature has become. The Co-op consumers purchased $350.00 worth—seven times as much as had been purchased at any previous Congress, showing that they came to learn more about their Movement.

You started walking around the walls of the Monte Carlo room where exhibits were installed around the “educational bar.” You saw displays of the extensive publicity and educational work which the Cooperative League and its members carry on. The recreational booth enticed you to stop and make something with your hands or suggested group recreation activities to undertake when you got home. Electrical appliances with a CO-OP label were shown by National Cooperatives, Inc. Ohio's exhibit featured insurance and fertilizer production. At Midland's exhibit showing cooperative distribution you punched buttons and to, bulbs flashed on maps indicating where various kinds of cooperatives were located, CO-OP automobiles were shown by the Farmers Union Central Exchange with samples and pictures of their educational activities. Co-op accounting came next with an exhibit of reports and graphs and a U.S. map with pins showing the widespread development by C.O. Central Exchange, accounting organized together in the National Society of Cooperative Accountants. Rochdale Institute displayed for the Movement samples of educational material used in the various employee training schools. Then you saw how a Co-op hatched chickens and fed with Co-op mash, as well as a row of marching men carrying samples of co-op building material, exhibited by Indiana. The Pennsylvania exhibit featured cooperative feed with enlarged photographs of their new Phillipsburg refinery, as well as small paint and grease mills with samples. Cooperative architecture was exhibited with samples of material and architectural drawings by the Co-op Homeowner. Next you watched the continuous movie of Eastern Cooperative Wholesale's testing kitchen and on to the display of CO-OP label groceries by Central States Cooperatives. Other displays on the balcony of the Casino included CO-OP camps by Circle Pines Center; consumer tested and union made goods by Cooperative Distributors; cooperative medicine by the Bureau of Cooperative Medicine; books by the Consumers Book Cooperative; and credit unions by the Credit Union National Association.

After seeing all of these illuminating November-December, 1940

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exhibits of the many activities of the Cooperative Movement, you could not help but conclude that you had already been well repaid for coming to the Congress.

Magnificent Stage Decorations

Then you entered the door of the Terrace Casino. The lights came on—subdued over the seating spaces and bright on the stage. The speakers stand was partially hidden with a beautiful bouquet of autumn flowers and flanked on each side with two growing pine trees potted in a tub and arched with a green wreath, representing the Cooperative League. Above the speakers stand on the curtain at the back of the stage you could see the international cooperative rainbow flag. On each side in a recess, brilliantly lighted, hung large colored banners on which were sewed the Pine Tree and COOP emblems. Around the balcony you ran a large 30-foot cream and green bannered with silver, "America's Road—Cooperation," "Cooperation—the Answer of Free Men."

Congress Called to Order

You found an empty chair on one of the terraces. On the stage were seated the national Officers and Directors. Then a hush, President J. P. Warbasse was approaching the speakers stand with an ebony gavel, inscribed "Dr. James P. Warbasse, President, The Cooperative League, Silver Anniversary 1940," presented by the Directors at their previous meeting. It was a dramatic moment culminating a quarter century of continuous service to the Consumers' Cooperative Movement during which time Dr. Warbasse has presided at every Congress and at every meeting of the Directors of the League. The gavel fell. "TheTwelfth Congress Called to Order."

M. O. O. R. H. was approached the speakers stand and read: "The Twelfth Congress of The Cooperative Union of Chicago and the Ohio Coop-
Consumers’ Cooperation

Cooperative Business

The subject for the second morning’s program of cooperative business brought forth stirring presentations on what might have seemed to be a prosaic subject. The following program was presented:

Cooperation in Production .... M. J. Briggs
Factory tours were free for
Cooperators ......... H. A. Cowden
Building Rural-Urban
Cooperatives ......... L. E. Woodcock and
R. N. Benjamin
The Producer, Political and
Purchasing Approach to
Economic Problems ..... M. D. Lincoln

COOPERATIVE PUBLICITY AND EDUCATION
(Under the direction of the National Cooperative Publicity and Education Committee, Robert L. Smith, Chairman, and James W. Cummins, Secretary)

COOPERATIVE ART AND ARCHITECTURE
(Under the direction of the Cooperative Design Service, Esther Greenleaf, Director, Wm. Torna, Chairman of Meeting)

COOPERATIVE ACCOUNTING
(Under the direction of the National Society of Cooperative Accountants, Emil Selvig, President)

ROCHDALE INSTITUTE
(Under the direction of Lionel Perkins, Registrar)

COOPERATIVE MEDICAL SERVICE
(Under the direction of the Bureau of Cooperative Medicine, Dr. Kingsley Roberts, Medical Director)

YOUTH AND COOPERATIVES
(Under the direction of the National Women’s Cooperative Guild Committee, Mrs. Maiju Viita, Secretary)

WOMEN AND COOPERATIVES
(Under the direction of the Cooperative Housing, A. E. Kazan, Chairman, H. A. Cowden, Chairman of meeting)

COOPERATIVE HOUSING
(Under the direction of the National Cooperative Housing, A. E. Kazan, Chairman, H. A. Cowden, Chairman of meeting)

COOPERATIVE RECREATION
(Under the direction of the Cooperative Society for Recreational Education, Carl Hutchinson, President)

Practical results, not theory, would be an accurate summary of the presentations. Savings in fertilizer and petroleum production and the beginning of cooperative control of price levels by ownership were recounted; the advantages of both rural and urban residents organizing to protect their interests as consumers were described; the comparative results of producer, political and purchasing action were appraised.

Group Meetings

Fourteen group meetings were held during the second afternoon under the auspices of departments of the League, affiliated organizations and other groups promoting cooperation in various fields. No general summary could be made of the discussions because of the variety of subjects considered. Brief stories of the reports of each group will be found later in the magazine. The group meetings were:

COOPERATIVE PUBLICITY AND EDUCATION
(Under the direction of the National Cooperative Publicity and Education Committee, Robert L. Smith, Chairman, and James W. Cummins, Secretary)

1. Cooperation in Production
2. Factory tours were free for cooperators
3. Building rural-urban cooperatives

COOPERATIVE ART AND ARCHITECTURE
(Under the direction of the Cooperative Design Service, Esther Greenleaf, Director, Wm. Torna, Chairman of Meeting)

COOPERATIVE ACCOUNTING
(Under the direction of the National Society of Cooperative Accountants, Emil Selvig, President)

ROCHDALE INSTITUTE
(Under the direction of Lionel Perkins, Registrar)

COOPERATIVE MEDICAL SERVICE
(Under the direction of the Bureau of Cooperative Medicine, Dr. Kingsley Roberts, Medical Director)

YOUTH AND COOPERATIVES
(Under the direction of the National Youth League and Ohio Cooperative Youth Groups, Miriam Sanda and Rex Corfman, Chairman of meeting)

WOMEN AND COOPERATIVES
(Under the direction of the National Women’s Cooperative Guild Committee, Mrs. Maiju Viita, Secretary)

COOPERATIVE HOUSING
(Under the direction of the Cooperative Housing, A. E. Kazan, Chairman, H. A. Cowden, Chairman of meeting)

COOPERATIVE RECREATION
(Under the direction of the Cooperative Society for Recreational Education, Carl Hutchinson, President)

CAMPUS COOPERATIVES
(Under the direction of the National Committee on Student Cooperatives, William Moore, Chairman)

LABOR AND COOPERATIVES
(Under the direction of the Committee on the Relation of Organized Labor and Consumers Cooperatives, James Myers, Chairman)

CHURCHES AND COOPERATIVES
(Under the direction of the Federal Council Committee on Church and Cooperatives, Dr. J. Henry Carpenter, Chairman)

SCHOOLS AND COOPERATIVES
(Under the direction of the National Education Association Committee on Cooperatives, Dr. H. G. Lull, Chairman)

CREDIT UNIONS AND COOPERATIVES
(Under the direction of the Credit Union National Association, J. Orrin Shipe, Educational Director)

Banquet and Recreation Program

Four hundred attended the banquet on Thursday night. Many more did not make their reservations early enough to get seats at the tables, but heard the program from the galleries. All of the banquet addresses were of an unusually high order. The speakers and their subjects were:

- Cooperative International Trade
- And Peace
- Dr. J. P. Warbasse

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- And Peace
- Dr. J. P. Warbasse

The March of Fascism

Dr. J. P. Warbasse

In addition to presenting a thoughtful address on the place of cooperation under present and future world conditions, Dr. Warbasse presided as toastmaster and enlivened the program by his inimitable observations and humorous illustrations. Immediately after Dr. Warbasse had concluded his address, Mr. Lionel Perkins addressed the microphone and presented to him a bound volume of letters of appreciation and congratulations signed by hundreds of cooperators both in the United States and abroad. After the banquet, Mr. Warbasse’s address was described as a masterly abbreviation of his book on the same subject. Msgr. Ligutti presented a living example to illustrate his theme in the person of Lawrence Oyers, member of Granger Homesteads of Granger, Iowa, whom he interviewed in concluding his address.

The Treasurer’s Report was then presented by L. E. Woodcock, after which Miss Mary E. Arnold, for many years Treasurer of the League, was called upon for a brief word of greeting.

The report of the Memorial Committee of the Cooperative League, which is a fraternal member of the Cooperative League, was read by the following speakers:

Mr. Roy F. Berggren, Director of the Credit Union National Association, which is a fraternal member of the Cooperative League, was called upon for a brief word of greeting.

The Treasurer’s Report was then presented by L. E. Woodcock, after which Miss Mary E. Arnold, for many years Treasurer of the League, was called upon for a brief word of greeting.

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operative Wholesale, Superior; Mrs. Ruth
Steva, Farm Bureau Cooperatives, Colum-
bus, and Clifford Miller, Consumers Co-
operative Association, North Kansas City,
was then read by Mr. Cooley, Chairman.
This report will be found on later pages
of the magazine.

The remainder of the morning was
given over to a series of interesting and
valuable reports of activities for the past
biennium by the various groups ending
with their special meetings the previous
afternoon.

Final Afternoon Business Session
Those who had heard of breaking up
an audience into small groups to enable
everyone to participate in the discussion
and to formulate recommendations, but
who had never before participated in
such a procedure, were loud in their
praise of the discussion group method,
and it was then read by Mr. Cooley, Chairman.

Tuesday, Board of Directors of National
Cooperatives, Inc.; Conference on Re-
ligion and Consumers' Cooperatives
Saturday, Institute on Organized Labor
and Consumers' Cooperatives; Midwest Con-
ference of Campus Cooperatives

The Past—The Future
And thus ended the first quarter cen-
tury of The Cooperative League. From a
few individuals, then a larger cooperative
enterprise in Illinois, it has grown until
today the League ends its first quarter century with more than a
million patron-members of two-thirds of
the regional cooperatives in the United
States, and with an outstanding demon-
stration of Unity and Action.

What’s ahead, no one can even predict
in the midst of such a world upheaval.
The failure and decline of the final form
of the profit economic systems which have
ever been able to prevail during all the
centuries is everywhere in evidence around us. The world is

ADDRESS OF WELCOME

It is my great privilege and honor to
welcome you to this Cooperative
League Silver Anniversary Congress
which marks a milestone of a quarter of
century of consumer cooperative de-
velopment in the United States. I am happy,
indeed, to welcome you, in behalf of
the cooperators in the area of Central States
Cooperatives to meet here in the great
city of Chicago in this history-making
cooperative gathering.

Two League meetings have been held
in this city before. I particularly recall
the Congress held in Chicago in 1922.

We had just witnessed the passing of a
“National Cooperative Wholesale,” and
with it about 25 local cooperative soci-
eties which the Wholesale had promoted
in and around Chicago. This Wholesale
and its affiliates were results of high
pressure promotional work and was built
on misstatements and promises for-

eign to any true cooperative movement.

After the 1922 League Congress,
we witnessed the closing of another, much
larger cooperative enterprise in Illinois,
the Central States Cooperative Whole-
sale in East St. Louis which was man-
aged and offered by men who were
more interested in holding high-sounding
titles in the Wholesale than in the Move-
ment itself.

Another “cooperative” scheme that
existed and was being business during
those days in and around Chicago was
the Cooperative Society of America. This
ill-famed spurious cooperative was a

on the march toward some form of coo-
dinated economy—dictatorial collectivism
may seem dominant today—but under the
rainbow flag of world brotherhood,
democratic cooperation will eventually
triumph. Cooperation is the answer, and
cooperators are on the way. We will
never stop until “the sons of men are
free” and until “we have shaped our ways
to our visions.”

Jacob Liukku, President
Central States Cooperatives
Chicago

scheme of vast magnitude. It was success-
ful in hoodwinkling millions of dollars
from the people of Chicago and suburbs.

Undoubtedly, these misfortunes have
retarded the growth and progress of co-
operatives in the Central States area dur-
ing the last decade. The framework of
the movement, however, was kept alive
in the name of the Central States Coop-
erative League which was organized in
1926 on the ruins of the old Central States
Cooperative Wholesale, Inc.

In Chicago and nearby communities,
we have 20 member societies, showing
continuous progress. The rest of the mem-
ber cooperatives of the Central States
Cooperatives, which is the new name of
the Cooperative Wholesale, Inc., are situ-
ated in Illinois and neighboring states,
about 75 in all. They are forming a new
nucleus for the cooperative development
in the Central States area. Our determina-
tion and desire, it is to build a sound, dur-
able structure for a lasting movement.

How long it will take to complete the
big job ahead of us is for all of us here
to examine and decide. It is my wish,
however, that we speed it up. We are still
enjoying the freedom of enterprise and
freedom of privileges essential in build-
ing the cooperative movement. If we are
not taking advantage of these privileges,
we have only ourselves to blame. The
life and strength of a democracy depend
upon the economic status of its common
people. By building cooperatives we can
strengthen democracy.
Dr. James P. Warbasse times need new men; and because I
should like to see this honorable position
enjoyed by some other worker as I have
in a field so rich with opportunity—some
cooperaor, more capable than I in serv-
ing and protecting the interests of this
now well-established organization.

When The Cooperative League was
formed, no national body had existed in
this country with a practical plan for the
federation of the cooperative consumer
societies. There were a few uncoordinated
groups in the New York Market district,
the Middle West, the Northern States, and
the Pacific Coast, and scattered societies
in New England. There were many states
with no societies and no knowledge of
cooperation. The United States was
looked upon as a cooperative desert with
but a few verdant oases.

Most of the societies of that day were
destined to fail. Cooperative education,
as we know it, did not exist. To start a
store, with the view that the members
would learn by doing, was regarded as
the important thing. This is a widely
accepted theory in education, but in at
least two fields it does not work: they
are cooperation and medicine. A very
considerable amount of education must
precede the assumption of the respon-
sibility of the life of a cooperative society
or of a human being.

Outside of a few leaders, there was
little knowledge of cooperation. The ab-
sence of understanding of Rochdale fun-
damentals prompted The League to pub-
lish a pamphlet setting forth these meth-
ods. The next undertaking was a survey
of cooperatives of the United States.
This constituted an inventory of what
we had had and the balance on hand.
Then we went out and made an examina-
tion of the sick societies. We looked into
their pathology and attempted to eval-
uate the nature of their illnesses. We also
sat by the bedside while they died. We
then took the next step and made a study
of such deceased societies as could be
located. We literally dug up the dead
bodies and subjected them to autopsy.
These studies proved so valuable that a
preliminary report was made in a little
pamphlet published in 1918, entitled
"Why Cooperative Stores Fail."

Cooperative Problems

I have always regarded these studies of
the ills of cooperation as one of the
most important fields of cooperative
knowledge. It is better to give up with
promotion and expansion that little
attention has been given to cooperative
pathology. However, I have done some
experimenting. For three years now I
have given a course at Rochdale Institute
on "Defects and Deficiencies of Coopera-
tion," based upon an elaboration of these
old studies, and I have become convinced
of the importance of discussing the weak-
nesses as well as the virtues of coopera-
tion. A considerable experience in pre-
senting the adverse aspects of this sub-
ject to advanced students in our colleges
and universities has strengthened my
conviction that this type of work has
completed the writing of a book which is now
ready for publication. It is entitled "Problems
of Cooperation, a Study of the Defects
of the Cooperative Method of Business
and of the Obstacles in the Way of its
Expansion." I speak of this at this jun-
ture in order to remind you that the co-
operative movement in the United States
has reached a position of such security
that it needs no longer to be nourished
wholly on promotion and propaganda,
but it can be benefited by some stern.
stuff. The time has come when we need
to examine our mistakes, to look back
into the history of our affairs and study
and discuss all aspects of co-
operation, be they good or bad.

Accordingly, I take this occasion to
recommend to you that you do not ad-
dress yourselves wholly to promotion by
the optimistic route, but that you give
some attention to searching out, examin-
ing, and rectifying the weak spots in
your organizations. I think that every
cooperative society might profitably devote
one meeting a year to self searching. Let
the members freely express themselves
upon what seems to them to be deficien-
cies in the society's policies and practices.
And let the directors, manager, and au-
ditors present what experience has re-
vealed to them as weaknesses.

The best place to talk about things
we think are wrong is in the presence of
the people who are responsible and who
should know the answers to our ques-
tions. This is better than the gossipy con-
versations that have only half of the
truth and are often animated by emotion
rather than by fact.

We gain strength by our errors if we
recognize them and take measures for
their correction. They destroy us if we
conceal them. Confession of sin is a first
step toward virtue. The cooperative move-
ment will do wisely to publish in its press
the failures of its societies, with all co-
gent circumstances, and thus elicit dis-
cussion. It has been the study of diseases
and the wide knowledge of the nature
of human ills that have won for man the
longevity of which he is proud. The same
frankness and frankness in the cooperative
movement can bring but little advantage
or comfort to the enemies of that move-
ment who would dishonestly distort its
facts to vicious ends.

When The Cooperative League went
into action there were societies making
fatal mistakes in the absence of educa-
tion. They were without a center of com-
mon information. There was no national
federation of societies. They made their
mistakes, and other organizations which
sprang up in the same area, often but a
few miles away, proceeded to perish from
the same errors. In the case of these soci-
eties, no one helped them, and they helped
no one. The absence of cooperation among cooperative

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societies spelled disaster, as it does among individuals.

Early Work of The League

The early years of The League were busy years. We collected information and developed the first roster of societies in the United States. Our staff was busy travelling across the country, hunting out individuals. In every state we were in touch with societies spelled disaster, as it does among developed the first roster of societies in charge. During its first year, it printed several revisions was brought out by the first congress of The League, and was quietly ushered in the title of "The Organization and Management of Consumers' Cooperatives." After first hand study of cooperative housing in Europe, the first American piece of literature on this subject was brought out by The League. This also has been more recently published, by the Government. One of the most useful pamphlets was a discussion of food value and prices, entitled "How to Buy Wisely at Your Cooperative Store." The first three books in America on the general subject of cooperative were written by directors of The Cooperative League. The titles of the early publications, the years had passed, I had visited every state in the Union and in every state we were in touch with groups of individuals who were interested in the promotion of cooperation. The League published pamphlets which were distributed widely and free of charge. During its first year, it printed and issued over 100,000 pieces of literature. The aim was to put out practical material. Among the pamphlets published was "How to Start and Run a Cooperative Store." This pamphlet after several revisions was brought out by the Department of Labor of the U.S. Gov- ernment. New faces appeared, new societies were represented, new ideas were offered, new experiences were reported, and new plans were adopt- ed. The League went through the two years of 1917-18, during which the country was at war, with consistent observance of neutrality. The publications of The League during that strenuous period showed that we were not deluded by the war. We did not take seriously the slogans of "fighting for democracy" or "war to end war." We went on with our cooperative jobs and let those be misjudged who would. Because we showed that we understood the nature of the war, and acted independently of the mob, we were not persecuted, but we kept our self-respect and refused to capitulate to the militarism. We were put out of our first offices by the patriotic landlord, but that only resulted in our moving into our own premises. We made no objections to individual cooperators taking any attitude they saw fit; but The Cooperative League as a representative body allied itself with the political organization of the government or party. It stood staunchly for one thing, cooperation, and hewed to the line.

The League became a member of the International Cooperative Alliance. It was represented by two delegates in the congress of 1921 and it has sent its deleg- ates to every international congress since that time. It has become a factor of importance in international cooperative affairs. It has had representation on the Central Committee of the Alliance for 20 years. Its representatives have played an important part in all the work of The League has been translated into five foreign languages and used by the co- operators of many lands. Officers of The League have contributed many articles to the official magazine of the Alliance and to many other foreign cooperative pub- llications. A service of The League which has been one of the most important, was the examination, exposure, and elimination of spurious cooperation. It was in this line that few people knew cooperation, frauds of many sorts were common. A lawyer employed by The League was required to give much time to these spurious societies which were defrauding innocent consumers of millions of dollars. They were easy then, but now as a result of the widened knowl- edge of cooperation, these things have almost disappeared.

From the beginning, courses in coop- eration and training schools for employ- ees have been conducted. At present most of the district federations affiliated in The League have such schools. In 1937, Roch- dale Institute was incorporated and be- gan its work as a national institution for the training of educators and executives.

The establishment in The League of an Accounting Bureau, an Insurance De- partment, and a Bureau of Art and Ar- chitecture marked progress. The Bureau of Cooperative Medicine and the Bureau for Research and Information in Wash- ington are more recent developments. And still more recently is the National Cooperative Finance Association now in process of development.

Political Relations

During the National Recovery Admin- istration, The League was recognized by the Government as the national body representing the cooperatively organized consumers. It worked in close contact with the Government and each performed signal services for the other. The Presi- dent of the United States knows The League and has spoken of its work. At the present time, a candidate for vice- president believes the cooperative meth- od of business offers the best hope for this country. This is important, because an enlightened political government can do much for the promotion of this cause. It would be entirely possible, in the event of a collapse of the prevalent economic system, for a government with an understand- ing of cooperation to throw the weight of its influence toward convert- ing our national economy into a coopera- tive economy. A President of the United

Consumers' Cooperation

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The dangers of totalitarian stateism, be it called capitalism, socialism, communism, or fascism, can be averted by cooperation. This is the only method of economic organization in operation today that is moving toward the prevention of this calamity.

We are building cooperation in a country peculiarly adapted to and urgently needing the cooperative way of life. Capitalistic profit business has had its day and is done with. With profit as its motive, it has developed our land and expanded our wealth, it has looted the earth of its natural resources and fed our population to its machines. Gigantic feats of engineering and of thievery, inextricably commingled, have characterized our age. As a result of the profit motive animating industry, the people have thought in terms of money. Cooperators are teaching them to think in terms of things and service. The money motive, and the profit motive have brought the world to the disorder which now prevails. The service motive only can save it. Our cooperative movement is devoted to uniting people to get things and services. Cooperation needs engineers, scientists, technicians, and experts. The one thing we do not need is the profit "business man." His day is drawing to a close.

Nations get away from the profit method in order to survive. Some nations today are surprising the world by their power of endurance without money. The ancient idea that money is necessary is exploded forever. Economists will have to write a new set of books. As we cooperators have always known, money should have value only as a means of accounting. Things and services are what people need. But the final disillusionment is still to come. The nations which are getting away from the profit economy, which are attempting to build themselves up on a service basis, but which are using their political governments as the agent for economic expression, are creating great frankensteins which will destroy the people and collapse of their own inherent incapacity. Political government, expanded to embrace industry, is the fatal scheme which engenders the world’s next catastrophe.

It is profit business that is forcing the European countries into fascism, and making the expansion of stateism the next step toward still further chaos.

Democracy is now perishing because it allied itself to profit business which is perishing, and because the political state can not be democratic in the absence of democracy in industry. This is proved in Europe today. The collapse of the profit system, with all that entails, will visit America as sure as the night moves westward.

You who represent what The Cooperative League stands for are building in this country an economy independent of the political state. You are demonstrating how the people themselves, in their own economic world, may serve themselves without looking to other sources either for help or for philanthropy. You are teaching the lesson of self-reliance in a democratic system. I trust that you who are performing your work are aware of the importance of your mission. The world in time will become aware of the service you are performing.

Cooperative Education

Cooperation in the United States began as a movement twenty-five years ago when a national cooperative educational institution was set up for the purpose of federating the societies of the country. A cooperative business or a wholesale jobbership was not first used to federate the societies in a commercial association. A fountain of profit business that was built. It is fortunate for cooperation that the national federation of our societies has come through a national educational organization. We have put education at the top. Neutrality and harmony of all interests are best preserved and protected when societies are federated in a national educational league. The directors of The Cooperative League have always supported this fundamental idea.

Where the national federation of so-
Experience has taught that a national educational institution is important for the best of cooperative success. Without it, cooperation grows more slowly and less securely. Where there is no independent educational supervision, appropriations are apt to be made for promotion and called education. An institution such as The Cooperative League is essential for purposes of examination and criticism of cooperative methods, for the promulgation of principles and standards, and for holding up ideals to a growing movement. The best investment that the commercial side of cooperation can make is its investment in education.

There is a limit to the speed which cooperation can make. There are some 17,500 cooperative consumer societies in the United States. The League has 2,175 of these societies in its membership with 1,116,000 members. Why are the rest of these societies not in the national organization? The 9,000 cooperative banking societies have a national federation of their own. They are carrying on education and they are moving on toward taking their place in a great united national movement. Outside of these credit unions and other cooperative banks, the cooperatives of this country have built. This is the organization the cooperative societies of this country have built. This is the federation which has brought together in the United States all elements of consumer cooperation. This is the institution for the future of which you are here to plan.

The Cooperative League has done more than to win success; it has deserved success. Edward Burks, said: “There is nothing in the world really beneficial that does not lie within the reach of an informed understanding and a well directed pursuit.” The educational work which you represent has created understanding and has directed the pursuit. It has built a glorious tradition. You who are doing the work today are the bearers of the torch of light in a darkened world. And you will pass on that torch to illuminate the cooperation that is to come.

To the constituent societies of The League, my wish is: may your future be as full of accomplishment and success as your past has been rich with the light of education and the power of unity.

COOPERATORS! BUILD FASTER!
SECRETARY’S REPORT AND RECOMMENDATIONS

E. R. Bowen, General Secretary

THE GOAL OF COOPERATION

Our forefathers brought forth on this continent a nation conceived in liberty and dedicated to equality. Equal liberty is the goal of America—the American Dream. Cooperative fellowship can only be realized under liberty and by equality. We, who are the inheritors of these ideals, are responsible for continuing to build a free society in which they can be realized.

Yet, America stands at the cross roads veering like a weather vane. Some want to go back to competitive Capitalism; some to the left toward Communism; some to the right toward Fascism (Corporatism); some straight ahead to Cooperation. George Russell, with the insight of a prophet, described our condition a quarter century ago in “Cooperation and Nationality,” “The Cooperative Commonwealth is the fourth alternative to State Socialism (Communism), the Servile State (Fascism), or our present industrial anarchy (Capitalism); and men must make up their minds which of the four alternatives they prefer.”

PROGRESS OF COOPERATION

The past two years since the last Congress have marked the far greatest progress toward the goal of Cooperation in the United States of any two years.

Unification of Movement

The present Directors of the League adopted in principle the idea of a unit national organization. The first steps toward that end have been taken in the
The interlocking Directorate between the Cooperative League and National Cooperatives and in the opening of joint executive offices in Chicago.

The Rochdale principle of Open Membership requires that every local cooperative may and should be a member of a regional and every regional a member of the national organization. Every regional cooperative argues that every local cooperative in their territory should become a member of the regional; by the same token every regional should be a member of the national cooperative organizations. There is still delay on the part of some regional cooperatives, who have joined National Cooperatives in order to gain the benefits of joint purchasing, in also joining the Cooperative League and paying dues to support the necessary national education program. Other regional cooperatives are not yet members of either national organization.

I speak generally and not personally when I say that there can be no restricted membership means that every local cooperative League and National Cooperatives and in the opening of joint executive offices in Chicago.

Every possible cooperative strength should be mobilized nationally. National unity is required in the Consumers' Cooperative Purchasing Movement in the United States. Every possible cooperative strength should be mobilized nationally. As was said in the early days of this nation, "Thirteen stars and never a hope will not make a barrel." Just so today—regional cooperatives, unless banded together into a strong national organization, will never become a powerful economic force. No personalities should be permitted to prevent such a combination of cooperative purchasing strength on a national scale. The issues are too vital, the advantages are too great, and the time is too short for long delays. Those who have hitched their wagons to the cooperative star have a tremendous responsibility.

Chart of National Organization

The Directors of the Cooperative League have adopted a chart of national organization for the building of the foundations and superstructure of the Movement. This calls for the laying of four great corner stones as departments of a national organization—Recreation, Education, Business, and Finance.

COOPERATIVE RECREATION

We believe that time will demonstrate that the primary method of cooperating, which people desire, is to play and develop themselves culturally together cooperatively. Miss Ellen Edwards represents the national League staff in coordinating cooperative recreation in all its forms. Playing together is the primary relationship of human beings.

For convenience in discussion and development, we divide Recreation into two major divisions, namely play and culture; each having four subdivisions.

Play

Group or folk dancing combines physical, mental and spiritual activity in a harmonious whole. *Traditional games*

Culture

Group singing and instrumental music are a high point of cooperative development and enjoyment. Cooperative drama combines the physical presentation, visualization and actuation of an idea by one's fellows. Cooperative crafts in family and community workshops will promote the joy of invention and construction through one's own handiwork, and offset the dullness of serving machines in the factory, office, or home. The gradual development of cooperative art, both in painting and sculpture, will be a crowning achievement of cooperative recreation.

COOPERATIVE EDUCATION

The two main divisions of Education we have named development and organization; each having four subdivisions.

THE CORNER AND FOUNDATION STONES OF A NATIONAL CONSUMERS' COOPERATIVE ORGANIZATION

Recreation

Education

Business

Finance

Play

Dancing

Music

Research

Publicity

Housing

Designing

Investments

Nov and December, 1940
Development

Special efforts have been made by the League during the past two years to further various types of statistical research in the Movement.

We are beginning to reap the fruit of the efforts which Cooperative Design Service has made towards the ideal of cooperative architecture in the type of buildings which are being erected and the equipment installed.

As a result of these efforts Cooperative Movement employees are both cooperative idealists and practically efficient. That combination can be realized by a true cooperative personnel.

We are glad to be able to report increasing friendly cooperative relationships with other national organizations.

Organization

Our publicity program can be said to work day and night. No list could be made of the numberless forms which feature Cooperation. I cannot report favorably this time, however, as to the results we have had recently in getting free publicity over national radio stations. The stations which are being erected and the newspapers which are becoming cooperative are all sure guarantees of democracy.

The cooperative story never grows old. Accordingly, there is no end to the publication of cooperative literature. Since we have begun to distribute special cooperative editions of books a few years ago we have saved cooperators $25,000 in retail prices and made another saving of $10,000 in discounts which have been used for the financing of cooperative education. This covers only seven special edition books which the national League has purchased. During the past two years 16 cooperative books have been published and 25 cooperative pamphlets. The League itself has begun to publish books as well as pamphlets, having become the publishers of a reprint of Russell's "Co-operation and Nationality" and Arnold's "The Story of Tompkinsville."

An outstanding step in progress long anticipated and now realized has been the opening of a Washington Research and Information Office, under the direction of our new Washington representative, Mr. John Carson.

I am particularly happy to be able to report favorable results in the passage by Congress of a Cooperative Incorporation Law for the District of Columbia which not only permits local cooperatives to incorporate under the Act but also cooperatives in other States where the laws are not favorable.

COOPERATIVE BUSINESS

The coordination of commodity buying is done through National Cooperatives, while the Cooperative League has largely promoted the purchasing of various forms of services cooperatively.

Commodities

Quick and large consumption products which might all be called by the general name of "food" products are the stable foundation of the Movement—food for the farm, food for the home, and food for people. Since the Movement finally began to build its business foundations upon quick and large consumption food products it has made steady and even spectacular progress.

More joint purchasing should be done through National Cooperatives, both for the savings which can be made and the standardization of quality. Brokerage fees should be allowed the national organization which would automatically build up sufficient capital to be able to enter into production on a national basis.

No more important development has ever been recorded in cooperative annals than the fact that during the past two years, following the example of cooperatives East of the Alleghenies, Ohio and Indiana cooperatives have entered into fertilizer production. Kansas City and Indiana have also entered into petroleum refining, and now Kansas City has gone into crude oil production.

Services

We are seeing the real beginnings of cooperative home building, outside of New York City. Minneapolis and St. Paul cooperatives are now the lead in developing cooperative building projects of individual homes.

Progress in cooperative medicine has been fraught with much opposition and the errors of experimentation. Elk City, St. Paul, Superior, Washington, New York, St. Louis, and other places are, however, overcoming the difficulties and demonstrating the possible results.

Two types of burial cooperatives are developing—local and federated—with the latter assuming prominence. It is not alone the savings which count, although they are large, but the spirit of fellowship which replaces exploitation in a time of distress.

COOPERATIVE FINANCE

Cooperative Finance has two main divisions which we call capital and accounting.

November-December, 1940
Accounting
The fact that cooperation requires periodic audited statements adds greatly to the significance of cooperative reports. Cooperative auditors should be business efficiency analyzers as well as certifiers of accuracy and compilers of reports. The National Society of Cooperative Accountants is doing effective work toward these ends.

Kansas City has made great strides in demonstrating that cooperative business can be done on a cash basis. Others are following their example.

A cooperative inventory is not purchased for the sake of speculation in prices. Cooperative managers are not hired to be speculators but to be business men.

RECOMMENDATIONS FOR THE NEXT BIENNIAL
Insofar as the future can be envisaged, I urge your favorable consideration of the following specific recommendations:

(1) The formation of a unit for national organization of the Movement.

(2) Now that a strong foundation has been laid for the growth of the Movement, a special effort should be made to unite in national membership every regional cooperative purchasing association in the United States.

(3) The widespread promotion of cooperative recreation among our members, rather than requiring them to depend upon commercial profit recreation or upon non-profit religious, educational or fraternal organizations.

(4) The strengthening of the educational corner and foundation stones of the Movement by the following:

(a) Appointment of Committees on Cooperatives by local, regional and national organizations in every field similar to the National Education Association, Federal Council of Churches, National Catholic Rural Life Conference and other Committees already appointed.

(b) We have now reached the point where our primary publicity program is based on the outstanding facts about the development of the Movement in the United States. To further such publicity, we should undertake a U.S. Cooperative Tour, we should finance a self-liquidating national cooperative film, we should prepare a CO-OP USA pamphlet.

(c) We should raise the funds necessary to add to the national staff an educational assistant to coordinate general literature publication, member discussion group outlines and employee training school texts.

(d) We should strongly urge both positive legislative and the negative elimination and prevention of legislative handicaps and inequality.

(5) I do not myself consider that we will really be thoroughly into the cooperative movement until every regional begins to handle and develop the cooperative purchasing of home supplies.

(6) We should extend cooperative production in various fields. Other territories should follow the evidence of our recent successes.

(7) (a) I care strongly urge the building of larger capital and reserve in cooperatives. (b) Also the greater mobilizing of our own money through cooperative finance institutions of every kind.

(8) Great as have been the developments in the Consumers’ Cooperative Movement during the past two years, there is still too much time lag between the inauguration by one regional of new cooperative activities which prove successful and their adoption by other regions. I appeal to the leadership and membership of every regional group to adopt far more rapidly the cooperative activities which are pioneered and proven successful by other regions, while there is yet time, lest dictatorship overtake us.

(9) I urge the inauguration of a corps of Cooperative Crusaders by every regional association which will result in the organization of a nucleus group of Cooperative Crusaders in every locality. To the end of financing a far stronger publicity and educational program, I urge your approval of the plan of voting that savings be distributed in general “half for today and half for tomorrow.” Specifically, this would mean half to patronage dividends, one fourth to reserves, and one fourth to education and recreation. In the face of coming dictatorship, we are serving the Movement and bleeding it to possible death by paying out too much in dividends and not using far more of our savings to strengthen and develop the Movement faster.

I offer as slogans for future and faster cooperative progress:
1. Join a cooperative recreation and education group.
2. Pool your home supply purchases cooperatively.
3. Mobilize your money cooperatively.

THE CHALLENGE OF COOPERATION
Every democratic agency in America should help to build a cooperative economy. A democratic church, school and government cannot permanently exist alongside of a dictatorical economy, as Capitalism is becoming through monopoly, and as Communism and Fascism are. Either the church, school and government will become dictatoral, or the economy must become democratic. Accordingly the church should preach, the school should teach, the government should promote, and the people should organize a democratic cooperative economy in America to provide equality and to preserve liberty.

CONFERENCE ON RELIGION AND CONSUMERS COOPERATION
"The church is not only spreading the cooperative movement in America, the cooperative movement is remaking the church," Dr. J. Henry Carpenter, chairman of the Committee on the Church and Cooperatives of the Federal Council of Churches told Catholic, Protestant and Jewish clergy who gathered at the Hotel Morrison October 15 for an Interfaith Conference on Religion and Consumers Cooperation.

E. R. Bowen, general secretary of The Cooperative League of the U.S.A., addressing the opening session of the conference, pointed to the achievements of the cooperative movement in America and said "we have demonstrated that cooperation is the most efficient and ethical of the possible paths before us."

Other speakers who took part in the conference were Rabbi George Fox, South Shore Temple, Chicago; Dr. Harold L. Bowman, pastor, First Presbyterian Church, Chicago; Monsignor L. G. Ligutti, secretary of the National Catholic Rural Life Conference; Rev. Harold Fey, field editor of the Christian Century, Chicago; and Rev. James Myers, Industrial Secretary of the Federal Council of Churches, New York.

The conference was under the sponsorship of the Committee on Cooperatives of the Federal Council of Churches and an interfaith committee in Chicago. The Rev. Edwin H. Wilson of Chicago was chairman of the conference committee.

Consumers’ Cooperation

November-December, 1940
Cooperative Finance

BUY FOR CASH

Strictly cash trading was put into effect at CCA on February 1, 1939. In the 19 months between then and August 31, 1940, when our latest fiscal year ended, the tangible net saving, that is less interest and bank charges and more purchase discounts taken, as compared with the 19-months period prior to cash trading, totaled $33,961.37. More operating capital by $163,959.57 is available now as compared to three years ago.

During the peak of the 1937 business, in July, CCA found that accounts receivable, then at an all-time high, represented 38 per cent of sales that month. In July, 1940, receivables equaled only 26 per cent of July sales, practically all of which represented money in transit.

The subject of cash versus credit trading was taken to the members the fall of 1937-38. Early in 1938, an educational program, designed to bring home the high cost of credit was started in earnest. This took the form of placing the subject foremost in cooperative council meetings for employees and directors, neighborhood councils, pamphlets, The Cooperative Consumer, CCA’s official paper, the weekly news bulletin to managers and directors, board meetings held by fieldmen and the staff, and radio programs.

The program of cash trading in CCA territory took the form of placing the wholesale on a cash basis and then taking the advantages of it to the member associations. It was the only alternative for some associations badly in debt.

The advantages of cash trading have been approached almost entirely from the standpoint of the high costs of credit. The credit costs transformed into an interest equivalent were found to be so high as to be equal to an annual interest rate of 13.6 per cent, according to a Kansas study, 16 per cent in Missouri and 17 per cent among cooperatives of Iowa.

Dr. Knapp of Farm Credit Administration, Washington, D.C., analyzed CCA member cooperatives and revealed the costs for credit in petroleum associations in 1938 to be $100 of credit sales. The total net savings on many narrow margin commodities do not equal 3.8 per cent.

Cash trading often increases rather than decreases volume of business. In a survey of CCA territory, it was found that 21 cooperatives, which had just made the switch from credit to cash, had a loss of 2.1 customers on the average. This was within the first few months of operating on a cash basis and amounted to less than one per cent of the patrons. A year of cash trading invariably brings these 2.1 customers back and more, too, for in a cooperative, efficient operations inure to the benefit of the patron instead of the investor.

Proper capitalization is important in any business. The members, three years ago, had taken back nearly all their equity in CCA as unpaid bills. The members now are financing 72.27 per cent of the required funds for their regional and have placed only 20.39 per cent of their members equity in receivables.

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With a 58.75 per cent decrease in receivables since August 31, 1939, there has likewise been a 66.6 per cent decrease in accounts payable.

Many businesses feel that credit extension brings more business. This is not necessarily so with cooperatives and may at times work in reverse. The expected continual increase of business has been maintained. The increase in physical units of volume of business for the fiscal year ending August 31, 1939, was 15 per cent greater than the previous fiscal year and the increase in dollars was 3.3 per cent. The 1940 increase in dollar volume over 1939 is 13.5 per cent.

November-December, 1940

Indirect benefits are hazardous to try to measure. However, it is definite that the expansion program of building a 3,000 barrel refinery, a 90-mile pipe line and acquiring of oil leases and wells, costing altogether nearly $1,000,000, could not have been attempted without the cash trading program simultaneously.

Merchandise credit is wasteful and expensive and no business or individual can afford it. Buying for cash is the answer, not only for the wholesale and local cooperative but for the consumer.

LABOR AND CONSUMER COOPERATION

Two hundred representatives of A. F. of L., C.I.O. and Railroad Brotherhood unions and members of consumer cooperatives met at the Hotel Morrison, Friday evening and Saturday, October 18 and 19, to discuss methods of increasing the buying power of the workingman's dollar by organizing as cooperatives.

Among the headline speakers at the labor-co-op meeting were Mark Star, educational director of the United Federation ofDY of L.; Jacob Baker, president of the United Federal Workers (C.I.O.) and chairman of the Injunction on Cooperative Enterprise in Europe, 1937; E. R. Bowen, general secretary, The Cooperative League of the U.S.A.; J. Orrin Shipe, executive director of the Credit Union National Association; and James Myers, Industrial Secretary of the Federal Council of Churches.

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Consumers’ Cooperation

Cooperation

Glenn S. Fox, Department of Finance
Consumers Cooperative Association
North Kansas City, Missouri

Cooperatives, CCA were summarized and the costs presented from every angle possible to bring out their significance. When the studies showed that, in a local retail cooperative, these costs ranged from approximately $4 to $6 per $100 of credit sales, and that the costs were equivalent to an annual interest charge of from 12 to 17 per cent, the significance was readily accepted. The costs for interest, loss of discounts, extra bookkeeping, collections, and bad debts in CCA were calculated at $40,000 annually or almost 1 per cent of sales. This yearly cost was roughly $100 per member company, a very significant cost.

The cash trading terms, adopted by members at the annual meeting in October, 1938, provided for “check immediately upon receipt of invoice.” If the check was not received within the office of the wholesale within 10 days from date of the invoice, all future shipments of merchandise would be made C.O.D., as long as any portion of the account remained more than 10 days old.

A companion resolution providing for “loan capital” was passed with the action concerning cash trading. CCA in instituting the plan, did not go back of the local to individual members. It is now paying 2 per cent annual interest compounded monthly, on the average monthly credit balance that the member company maintains with it as loan capital.

These companies still pay upon receipt of invoice, keeping their loan capital intact. Such funds are subject to withdrawal in cash or in merchandise at the request of the member.

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BUILD COOPERATIVE CAPITAL

While capitalistic processes flourish better during periods of an expanding debt structure, we in the cooperative movement recognize that our enterprises are the more sound when we have reduced our obligations to outsiders to an absolute minimum. World conditions today make it more important than ever that the cooperators in America build sufficient capital to own and operate their own business enterprises.

Capital has a two-fold purpose: First, to acquire the ownership of facilities and merchandise with which to carry on a business and perform a service; and second, to make a profit on the investment. In cooperative enterprise the first purpose is emphasized. In capitalistic corporations, the second purpose receives the greatest emphasis.

In some instances we can observe many interesting but paradoxical attitudes toward cooperative capital. These are:

1. Payment of patronage refunds in cash even if the cooperative has to borrow money with which to pay such dividends.
2. Wanting to cut prices in order to get business and perform a service; and second, to make a profit on the investment. In cooperative enterprise the first purpose is emphasized. In capitalistic corporations, the second purpose receives the greatest emphasis. However, this is not true, because the members are the cooperatives, and they would receive the $5,000 in interest.
3. Demanding cash patronage dividends from a wholesale when the wholesale is undercapitalized.
4. Trying to get new cooperatives going before adequate capital has been provided.

I believe it only fair to state, however, that these malpractices of good cooperative business are disappearing.

It is necessary that we build sufficient capital for three reasons:

1. Efficiency. Any business which is undercapitalized cannot operate efficiently. As long as we have to depend on borrowed money to carry on our business, we must pay interest to people outside of our cooperatives. The interest that we pay is taken out of the gross earnings of the business and is paid to those who have lent us the money, and, therefore, can never be used in the advancement of the cooperative movement.

2. Retention of earnings from operations.

3. Ownership. We should build cooperative capital for the sake of ownership and all of the consequences which widely distributed ownership means to the dignity of the human race. Our cooperative movement will never amount to much until we acquire complete ownership of our business. By what right do we aspire to the larger tasks until we fully own what we are now listing on the asset side of our balance sheet?

III. Expansion. We should build capital for expansion. The cooperative that does not expand will not continue to exist. Any cooperative that intends to depend entirely on the oil business to remain in business, will in a few years find that it cannot exist because of decreased margins. Broadening our operations by expanding into several commodities is therefore essential.

The cooperative movement in this country has been sold primarily on the cash patronage dividend idea rather than on the ownership and control idea, and the services that a cooperative can render to its patrons. If we do not expand, we will soon find ourselves out of business, and if we expand without providing the necessary capital, we will also find ourselves so undercapitalized that we cannot continue in business.

What means do we have of providing capital? There are only two possible sources of permanent capital:

1. Investment on the part of members.
2. Retention of earnings from operations.

The history of the cooperative movement shows that once a cooperative begins operations, its members usually cease to invest money in the cooperative. This is not so much the fault of the members as it is of the manager and directors of the organization.

Retail cooperatives can usually build their capital from earnings, provided they operate efficiently and retain the earnings in the business. However, this method, tends to retard expansion. This method, on the other hand, will not work alone for most wholesales. We must recognize that the per cent of earnings of a retail cooperative on the average are three to four times greater than the per cent of earnings of wholesales. Therefore, it is expecting almost too much of a wholesale to meet its capital requirements merely by retaining the earnings from operations.

There are several methods which can be employed to raise capital. First of all it is important that all earnings be retained until the cooperative, either wholesale or retail, is completely out of debt. Some cooperative wholesales require a minimum investment on the part of the local, based upon the number of members in the local.

Other associations have adopted the plan of retaining all current earnings and issuing common stock for all the earnings. This plan was adopted by Midland Cooperative Wholesale at its last annual meeting. It is commonly referred to as revolving the common stock. We have provided that all earnings will be paid in common stock until the board of directors feel that the wholesale has sufficient capital to pay out some of its earnings.

The Farmers Union Central Exchange of St. Paul has done an especially good job of building capital by having its members permit the wholesale to add an additional 1/8c. per gallon, which amounts to about $10 per tank car on all light oils. By this method, they have been able to accumulate in credit balances well over $100,000 additional capital.

Another plan that has been and is being used, is to offer preferred stock for sale. In the case of the wholesales, common stock is issued to cooperative organizations and preferred stock to individual members of cooperatives. Midland has used this plan and without actively attempting to sell preferred stock, members of local cooperatives have invested $75,000 to date.

As we get into production, we will find that much more capital is required in that phase of operations than in the distributive phase of the business. It is, therefore, necessary that we use every effort to build cooperative capital.
A NATIONAL COOPERATIVE FINANCE ASSOCIATION

Our political systems are being overturned in their efforts to meet the demands of the people because of the failure of our economic systems to function in their over-all interests. The political conflict now going on is one between the traditional "dollar economy" and a "goods economy."

Whenever an economic system does not function so as to provide employment for the people and the production of a reasonable amount of goods to satisfy their consumer demands, then our political systems are forced, at whatever cost, to produce the "goods economy." That's why we are driven to dictatorships.

We are now hiding the failure of our economic system in the United States to function in the interests of the people behind the greatest supposedly peace-time defense preparation of all the ages. If it were not for the spending of billions of dollars in the capital outlays for military defense, we would now probably be in a very marked depression.

These trends of government are adequate proof of the natural social and spiritual rightness of the consumer cooperative movement in building an economic democracy. If the general principles lying back of the full meaning of the consumer cooperative movement are not carried out voluntarily in our economic processes, then our political systems are driven, in an arbitrary way, to satisfy the consumer needs of the people.

With all of this as a background and perhaps as a dominating influence, the Board of Directors of the Cooperative League are about to inaugurate and attempt to federate, on a national basis, a finance system to be operated on a cooperative basis.

Perry L. Green, President
Ohio Farm Bureau
Columbus

I am presenting to you herewith a supplementary explanation of the need for establishing such a cooperative finance system and a few fundamental principles that need to be taken into consideration:

1. Money and credit should not be considered wealth—they should only represent wealth.

2. Money and credit are service instruments to facilitate the exchange and production of goods and should be subordinated to these uses.

3. The value of money must be managed so as to assist in maintaining a fair exchange of basic commodity values for manufactured goods, services, taxes, salaries, and the like, which are measured by the so-called "sticky dollar price."

4. The volume of money should depend upon the expansion or contraction of the production of all commodities in a scarce and hard to get, the amount of gold that the people can get, in terms of exchange, must be made to represent the same amount of goods. That is primarily the reason that basic commodity price levels are now hovering around an index of approximately 75, with industrial production approaching, if not above, the 1929 levels and with a general wholesale price index constantly creeping up. The amount of free gold in the world markets is so little in amount as a commodity that where the barter system cannot be made to work, not enough gold is available to make, on the rigid price basis, a comparable volume of money to make it self-competitive with the created credit dollars being put into circulation by the government.

5. Credit should be expanded only upon debt which represents a deferred payment in securing something that has real value—not speculative value. In the violation of this principle by the banks of the country, permitted and encouraged, of necessity, by the government in order to sell its bonds, lies the inflationary dangers of the future, as I have stated above.

6. All debt, real, speculative, insolvent, or for whatever cause it exists, is paid, if paid, out of earnings from somebody's production.

7. Banks and credit institutions should be run so as to help people get out of debt. This, of course, is wholly contrary to the profit motives of banking institutions.

8. The exchange of one man's production for that of another should be kept more attractive than dealing in money or credit. If out of dealing with money or credit, more profit is to be made than out of creating more wealth, then all of the factors, which make it possible to make more money out of money or credit, are brought to play upon our economic system.

9. The handling of money and credit, representing the wealth-producing ability of all members of society, must be carried on solely for their best interests.

10. Basic commodities, out of which our industrialized material wealth is processed and expanded, change very slowly in value and exchange value over on the basis of their intrinsic value.

It's the currency price that changes—not the real value of the commodity. No proper understanding, in my opinion, of the monetary and credit question is possible unless this very significant fact is recognized. Statistics are available which show that one basic commodity exchanges for another on a physical production basis and has for years in all of the markets of the world. Consequently, basic wealth exchanges on a value basis, and we must make our monetary and credit systems function in accordance with the fixed laws of exchange which constantly exist.

Upon these fundamental principles I am hoping that the organized cooperative movement in the United States may build, in the next decade, a system of cooperative finance institutions reaching back to every patron and member of every local cooperative society that will be able to serve the financial needs of the people whom all these societies serve.

There are enough available daily bank balances, savings, insurance premium deposits, and debts backed by intrinsic physical value, belonging to the patrons and organized institutions affiliated with the Cooperative League, to supply the long- and short-time credit needs of both patrons and their cooperatives.

There is no voluntary economic movement in the making in the whole world, gathering economic power in the hands of the people, which has the possibility of maintaining permanently both an economic and political democracy except the consumer cooperative movement.

The organized cooperative movement cannot become independent of the restrictiveness of the traditionally accepted practices of the existing financial systems until it accumulates within its own cooperatively operated financial associations the same facilities which the people furnish the existing ones.
COOPERATIVE BANKING

SINCE establishing our little Cooperative Bank down in Indiana we have had a rather wide variety of problems and experiences which might be of interest to other cooperatives contemplating a similar financial set-up.

Because of the legal requirements it was not possible to follow all of the rules of orthodox cooperative organization. For instance, under our by-laws, at the present time, we are required to allow voting privileges on the basis of shares of stock held. There is also some question about the legality of patronage dividends.

In setting up our bank we got around this technicality by providing in the By-laws and Articles of Incorporation that all stock, excepting only the directors' qualifying shares, must be owned by cooperative and non-profit corporations. In order to get as complete a representation of the various cooperatives and non-profit activities as possible, we divided the potential stockholders into four classifications: first, wholesale cooperatives which could be either buying or selling cooperatives; second, retail cooperative associations; third, credit unions; and fourth, any other non-profit corporations. In this group at present is the Indiana Farm Bureau. Any charitable institution, church, or non-profit membership group would be qualified under this classification.

Each of these groups is entitled to at least one representative on the board of seven directors and the groups which qualify for extra directors do so by virtue of the volume of business furnished during the preceding year. At the present time we have sixty-one different stockholder corporations.

The bank still continues to serve as the only bank in the community of Beech Grove, a city of 4,000 people. It is quite likely some local non-profit organization in the community may become a stockholder representative in the community and nominate a director for the board.

The operations for the past year, while humble in scope, compared with many of our cooperative activities, have nevertheless been very gratifying. At least, we have gotten over the feeling that there is so much mystery in the operation of a bank that it requires some sort of superhuman being to operate it. As a matter of fact, up to now I know of no activity we have ever undertaken that has caused less headaches.

During the period of our operations, demand deposits have increased from $94,000.00 to $170,000.00 and savings accounts from $27,000.00 to $58,000.00. Some of this extra deposit may belong to employees of the state cooperative association, and one extra few of them, and none of the outside members of cooperative associations, have placed deposits in the bank. This is because we have not encouraged these deposits until we had gained a little more operating experience and until the present cash on hand is loaned out. The payments of the Federal Deposit Insurance Corporation and other expense add up so that the deposit cost about five per cent per annum and it can become something of a burden to have a lot of deposits that are not working. However, we are gradually working out of this situation now and as fast as we need more money to loan for a good while to come we can simply go to our own people, asking them to transfer their deposits as we need them.

Our loans to a large extent to our members in the state are made to discount farm machinery and fertilizer notes.

It is all so easy and simple that one wonders why we did not undertake this kind of a program years ago. The answer is, no good reason that the control of our own finance is the most important feature of the cooperative movement. Perhaps our educational program should come first. We think of the whole cooperative movement as a sort of living vital thing. The educational movement would represent the head but just as truly the cooperative bank will some day be recognized as the heart of the movement, gathering in and pumping out the life blood of finance, without which the cooperative movement will quickly lose its democratic control and fall into the control of those who furnish the money even though that money may be the deposits of the very members who constitute the cooperative.

The time is not too soon to begin an active, voluntary mobilization of cooperative resources. Our finance setup should be the potential meeting ground of all genuine cooperatives and should have no restriction of membership requirements except genuineness of cooperative character.

I. H. Hull, General Manager
Indiana Farm Bureau Cooperative Ass'n
Indianapolis

Consumers' Cooperation

have given the loan committee permission to make loans to A-1 cooperatives who are also owners of stock in the bank in the amount of as much as 10% of the loan at a graduated rate which might be as low as 2½%.

The thought is that this method of classifying loans and giving preferred interest rates in the counties which keep themselves in a strong position should be a very tangible and obvious incentive for all borrowing cooperatives to keep their financial statements as good as possible.

During the period of our operations, demand deposits have increased from $155,730.00 to $233,461.00. We have been so careful and conservative in our operations, have neverthe-
Education and Recreation

A COMPREHENSIVE COOPERATIVE EDUCATION PROGRAM

“A typical educational program seeks to be comprehensive in reaching all who come within the sphere of cooperation, including the casual customer and prospective patron. Its content includes the principles and methods of cooperation supplemented by technical training. It is aimed at increasing the general level of knowledge, reason and culture. And to be effective, it requires the voluntary activity of hundreds of men, women and young people.”

A Typical Community Program

Perhaps the simplest way to describe the normal pattern of our educational machinery is to take one typical community.

1. The first organization definitely assigned to initiate and coordinate educational work in the community is the Educational Committee, a primary and essential educational unit usually elected directly by the co-op membership in their annual meeting, and definitely responsible to the society for its activities. It may consist of from 5 to 15 members. Some of its usual projects will include arranging public entertainments, organizing discussion groups, promoting distribution of cooperative periodicals and literature, arranging membership and patronage drives, securing speakers and lectures, arranging the annual picnic, joint meetings of directors and employees, and the like.

2. The Women’s Cooperative Guild provides varied training and interesting projects for women and young people.”

3. The Cooperative Youth League like the Women’s Guild is an independent membership organization, but it is for young people from 15 to 25 years of age.

4. The Co-op Junior Groups are formed for children under the Youth League age and are usually sponsored and directed by the local Women’s Guild or the Youth League, or jointly by them.

5. Cooperative Clubs are local cultural and educational organizations, hall associations, and the like with a prominent share of their educational interest and activities devoted to furthering cooperation.

6. Neighborhood Discussion Groups are to be listed among the regular cogs of the cooperative educational machinery, and our “sample community” may have two or three functioning Discussion Groups.

District Organization

1. The Educational Department of CCW is obviously the dominant center of educational activities in the territory. It employed only one full-time director in 1920, now has five staff members in the office and four resident educational directors in the district. It conducts our annual Training School for cooperative employees and this is supplemented by technical circuit schools for employees in the district. It provides the programs and instructors for the several adult summer institutes and young people’s schools. It conducts circuit schools for members and prospective members of local boards of directors. It also entertains, organizes, and educational organizations, and, generally speaking, its activities parallel those of the Guild organization except that they are carried on among the young people.

The Northern States Women’s Cooperative Guild is the district organization of the Guilds. It issues regular bulletins to the Guild units, as well as general educational and project material of special interest to women.

4. The Northern States Cooperative Youth League serves as the district federation of the Youth League local units and, generally speaking, its activities parallel those of the Guild organization except that they are carried on among the young people.

The CCW Educational Department and the Guild and Youth League district organizations jointly sponsor the annual 4-week summer schools for selected young people, work together in “press drives,” Co-op Month programs and other activities.

The “General Public”

What techniques or special methods should be used in seeking to educate the public or any particular section of it, would warrant an entire discussion by itself. We must assume that in a comprehensive program our cooperatives should be able to develop whatever techniques and facilities are necessary to reach any section of the general public whose support or sympathetic understanding is necessary for cooperative development.
A COMPREHENSIVE
COOPERATIVE RECREATION PROGRAM

Carl Hutchinson, Education Department
Ohio Farm Bureau Cooperative Association

W HEN the German philosopher and educational reformer, Friedrich Wilhelm August Froebel, opened the first Kindergarten, or "Garden of Children" in 1837, he placed play in the very center of that garden. Today we see social workers, ministers, governments, cities, educators and cooperators trailing behind Froebel, quite unaware of the fact that he is their leader.

Froebel saw play as an educational experience "to give to children employment of play. In a democracy we play not by with nature and their fellow creatures; and through their senses to acquaint them with nature and their fellow creatures; it is especially to guide aright the heart and the affections, and to lead them to the original ground of all life, to unity with themselves."

Such an idea was revolutionary 100 years ago, but today it is being accepted and acted upon, not only in the case of children, but with adults as well. In using various forms of play as a means of developing the capacity of people to work together, cooperatives have discovered nothing new. They are simply using one of the most primitive and powerful forces in society for social control.

Each culture creates its own ceremonial which produce unity of feeling and action, and our cultural heritage is rich — rich enough to destroy these modes of group expression will destroy or radically change the culture itself. Western civilization, today, is going through such a change, as the forces of the "have more" and the "have less" struggle for control. Any force disruptive enough to destroy these modes of group expression will destroy or radically change the culture itself. Western civilization, today, is going through such a change, as the forces of the "have more" and the "have less" struggle for control. This struggle goes on between individuals, corporations, nations and packs of nations. Back of this struggle is the failure of the profit system to yield a distributed abundance which science has made possible.

Totalitarian statesmen have found time to employ recreation as a means of meeting their objectives. Are the leaders of our democracies sufficiently alert and wise to conduct recreational activities in keeping with our democratic ideals? This may involve not only the curbing of little Hitlers among the participants but among leaders as well.

Freedom is an indispensable element of play. In a democracy we play not by external compulsion of a dictator, but because we are inwardly drawn to others in mutually enjoyable relations.

The Cooperative Movement can do much to strengthen and extend its culture by drawing upon collective expression, such as poetry, dramatics, group singing, mass chants, folk dancing and group games, which restore our unity as a group and reinforce our effort to mutual aid. The alternative for many is paralysis of effort. Is there a cooperative here tonight who at some time has not had that thrilling sense of isolation and despair as he tried to hold to his vision of a cooperative brotherhood in the face of a topsy-turvy world gone mad? We as a minority group may easily lose our identity in a time of sweeping social change unless we have cultural roots deep enough to unite us and reinforce the cooperative pattern of life.

What is Cooperative Recreation?

I am using the term cooperative recreation to embrace those forms of leisure activity which by their form and by the manner in which they are employed, awaken in the participants a sense of mutuality, a greater readiness to work together.

The question frequently arises: What shall we do when a group stops growing? It may be that such a group is being stunted socially by a lack of variety and quality in its recreational material. What are some typical activities that should be considered in developing such a program? The range and variety should be considered as inclusive as human interest requires. The tastes of a group often seem fickle and unpredictable. Without previous knowledge the leader must experiment with material until the group responds. To do this the leader should have a range of material sufficiently well in hand to experiment freely and note results. Physical surroundings will set limits to the range of possibilities. Other factors are age, sex, degree of group integration, vocational experience, cultural background, etc.

To illustrate I have selected three common group situations commonly found among cooperatives. Along with this are suggested certain types of recreation which seem appropriate:

Situation I. A discussion group or study club consisting usually of ten to fifteen persons meeting in a home. Recreation Type: Group singing, simple forms of dramatics, informal visiting, table games, mental games, readings, instrumental solos and small ensembles.

Situation II. Youth Council or membership gathering meeting in a gymnasium or recreation hall. Usually 50 to 150 present. Recreation Type: Group singing, folk games, dancing, play party games, active floor games, charades, instrumental music.

Situation III. The average family group of about four persons. Here the possibilities of voluntary group expression seem limitless: Crafts, such as making and playing shepherd pipes, making puppets and creating puppet plays, gardening, woodwork, furnishing a doll house, instrumental ensembles, music appreciation (phonograph and radio), part singing. Reading and story telling, Table games, puzzles, conundrums and guessing games.

This balance between the play of personality in social group games and the interplay of minds in discussion, is one which is not easy to maintain; but vitally important to group life.

The Function of Leadership

The function of the leader in exploring the needs of the group is to supply the best quality of material in his possession and let the group make its own choice. I see no place in cooperatives for competition in the field of supply of material. We have standards of quality in other commodities and services which affect the physical well-being of people. We should be at least as solicitous of these cultural goods which affect character and social development.

To be able to teach a group the patterns and even to engender the spirit of a song, a dance or a game is not enough. Unless the leader is sensitive by training and experience to the social values in the game, as well as the potentials of the group, the results may be short. A major problem in cooperative organizations is to discover latent material and develop it to the point where acceptable work can be done in local groups.

Most of the problems of our cooperatives can be traced to unsocial attitudes within the ranks. A person who has not learned the art of living and working with others is emotionally immature. The development of such a person must take place in a group in which he is accepted and with which he can participate freely. This experience releases energies within as he becomes more responsive to the influence of others. He develops a sense of responsibility in terms of the rights of others and thus in place of egocentric or anti-social tendencies he achieves ability to cooperate with others in a common task. When Mr. Bowen included recreation among the four corner stones of our Cooperative building, he also placed a great deal of responsibility on the individual to develop latent material and to turn it to the point where acceptable work can be done in local groups.
Cooperative Business

FACTORIES ARE FREE FOR COOPERATORS

Howard A. Cowden, President
Consumers Cooperative Association
North Kansas City, Mo.

U NDER the subject of this address, "Factories are Free for Cooperators," I want to tell briefly how far along the road we of Consumers Cooperative Association have traveled since 1929. We realize fully, of course, that we are just getting started.

Oil Compounding Plant Pays for Itself and Then for Office and Warehouse

When Consumers Cooperative Association began business as a petroleum wholesale in North Kansas City, Mo., in 1929, it began to compound lubricating oils. In only a few months the savings had paid for the plant. What had been profit to the privately-owned oil company became savings for cooperators.

Savings made in the oil compounding plant made it possible for Consumers Cooperative Association to buy its present home in North Kansas City—the office and warehouse built originally by an oil company that failed to survive the depression—an oil company which once declared the business of CCA too small to bother with.

Grease Factory Earned from Savings

When CCA moved into its new quarters in September, 1933, there was equipment on hand for making one type of grease. Equipment for making other types was added and the first shipment made in December of that year. By the end of 1936 the savings had more than paid for the original and all the added equipment necessary to make all types of grease—generally in use.

Paint Plant Free in Six Months

Early in 1936, CCA began manufacturing paint in a small way. The savings paid for the paint plant in less than six months. A new paint mill was added in 1937. Other new equipment is being added now. It is producing two and a half times as much high-quality paint under the CO-OP label as it did three years ago—at a saving to member-cooperatives.

Refining and Pipe Lines Will Be Free

When our volume of refined fuels reached above 30,000,000 gallons a year, and when margins in the retail field began to dwindle, members and directors saw the need for a refinery of their own.

Even though retail distribution was the least profitable field of the petroleum industry, major oil companies still were making enormous profits out of crude oil production, refining, and pipe line transportation. Directors and members felt that CCA should claim for consumers the savings to be made in these fields, so members of the board voted, in the summer of 1938, to build a refinery at Phillipsburg, in northwestern Kansas. Later they voted to build a 70-mile pipe line connecting the refinery with oil wells in three nearby counties. It was the first cooperative pipe line in the world and the first cooperative refinery in the United States. The 3,000-barrel plant, now turning out 11 different kinds of refined fuels, and the connecting pipe line, represent an investment of some $850,000.

Some day we hope to set out in book form the dramatic difficulties which are the inevitable accompaniments of any new enterprise. Some day we want to tell in full the story of our difficulties in getting sufficient crude oil after the new refinery was placed in operation, difficulties which, before they were solved, required us to spend $45,000 for 22 miles of additional pipe line. That will, we believe, make an interesting sidelight on the tactics of major oil companies.

Consumers will pay for the 92-mile pipe line in a few years merely by charging themselves the same rate for every barrel of crude oil flowing through it that a privately-owned company would collect for a similar service. They will pay for the refinery in a few years by selling refined fuels to themselves at the going price—the price they'd have to pay other refineries. They've paid for other pipe lines and other refineries many, many times in the past 25 years, but they've never acquired title to them. This time they're on the high road to unencumbered ownership through their day-to-day purchases from their own cooperatives. Today they are in position to make savings in pipe line transportation, in the transportation of refined products, in refining operations and retail distribution.

Now Oil Wells Free Too

Late last month, members of CCA took the fourth and final step into the petroleum industry—they purchased an interest in a 160-acre lease near their cooperative refinery; a battery plant, a soap factory, and an oil-producing plant.

Even though retail distribution was the least profitable field of the petroleum industry—today they are in position to make savings in pipe line transportation, in the transportation of refined products, in refining operations and retail distribution.

The Next Decade

A new decade began January 1, 1940. In the past decade of depression, members of CCA have built a compounding plant, a grease plant, a paint factory, a refinery and pipe line, and an oil-producing association, in addition to making substantial savings otherwise. What can they do in this decade? Their progress should be substantially greater because the effect of cooperative building is cumulative, like a snowball rolling down hill.

FACTORIES ARE FREE FOR COOPERATORS

Starting in 1929 with only $3,000 capital, and with consumer incomes at a low ebb during most of the intervening years, the North Kansas City Wholesale has made a modest start in the field of manufacture. Our new five-year plan calls for crude oil production, a crude oil refinery, and the building of the refinery; a battery plant, a soap factory and a cooperative printing plant.

These are to be regional undertakings for the most part. However, the day is not far distant when National Cooperatives, Inc., should make a start in the field of manufacture, in my opinion. It might be a tire factory, because the combined tire and tube volume of the various wholesalers would perhaps warrant a start in the not distant future. Or it might be some other commodity carried generally by the wholesalers. Once such an enterprise was launched, it would pay for itself in only a few years. Factories are free for cooperators, whether on a regional or national basis, and they're the life-blood of the movement. And I can think of no other one thing that would tend to give the national movement greater cohesion than to enter manufacturing in one or more fields.
BUILDING RURAL-URBAN LOCAL COOPERATIVES

Leslie E. Woodcock, Manager
Eastern Cooperative Wholesale
Brooklyn, New York

FIVE years ago we had less than ten societies handling groceries, and today there are over 200, including large and small. Those societies and their Wholesale both started from scratch, without experience, without working capital, without cooperatively trained employees, without informed memberships. All of these we had to gain. In the process the local societies and their Wholesale have grown together under the dire necessity of the thousands of cooperators who were trying even at that early stage to serve an area covering twelve north-Atlantic states. It is a tribute to the ability of the thousands of cooperators who trained themselves that those buying clubs grew in both size and numbers as the list of cooperatively labelled items the Wholesale could then supply and advised them to start a buying club on a basis of voluntary labor.

We were trying even at that early stage to serve an area covering twelve north-Atlantic states. It is a tribute to the ability of the thousands of cooperators who trained themselves that those buying clubs grew in both size and numbers as the list of cooperatively labelled items the Wholesale could then supply and advised them to start a buying club on a basis of voluntary labor.

When the buying club had been operating for a period which varied from six months to a year it grew to the next stage, that of the small store handling "dry" or non-perishable groceries only. It is now in business and should have 100 to 200 members, from $300 to $600 a week sales, a working capital of from $1,200 to $2,000, a good manager who is both a grocery man and a cooperator, and above all have a board and membership who know the score.

We discovered that psychologically there must be a certain steady progress of growth. A group who "discussed" too long never did anything else. When a group stayed in the buying club stage too long voluntary muscles got tired. The small store in turn must grow into a full food market handling fresh meat and vegetables as well as dry groceries. This requires a minimum of 300 to 500 members, a working capital of $5,000 to $8,000, a volume from $4,200 to $2,000 a week, and must be the outstanding food market in town. That means really competent management.

As these societies grew our wholesale grew also. After two years we were able to put on one experienced field man—to visit 200 societies within a radius of 300 miles from the warehouse! Then a year later we had a second and third field man for that super-human job. As much assistance is given in helping lay out our new stores well, selecting equipment, furnishing personnel, merchandising co-op labels, etc., as possible.

For the third time we are conducting a technical course of 12 to 16 weeks for grocery store workers in connection with Rochdale Institute of the Cooperative League. We have been able to do this because the Consumer Distribution Corporation made a specific grant toward its financing. CDC assistance, however, has been of a much wider character than the money grant, their staff having given technical assistance of the greatest value in the field.

Back of the field staff has been our educational department which has published the monthly COOPERATOR, run the annual two-week Institute at Amherst, Mass., furnished material for discussion groups and Advisory Councils, supplied speakers and visual aids, as well as giving much advice by correspondence and personal visits.

With our city cooperatives in the east there are repeated again and again the progress from discussion group to buying club to small store to full food market.

R. N. Benjamin, President
Pennsylvania Farm Bureau
Cooperative Association, Harrisburg
for which the State Association furnishes competent educators to present the program in detail.

After from four to six months of intense effort along this line, the territory is usually ready for organization. By this time a group of local leaders has naturally developed and they, with some direction from the educational and organization staff, canv ass the territory and secure the stock subscriptions. When from 300 to 400 stockholders have been secured, a new co-op is ready to join the ever increasing co-op family.

There may be those who will criticize or question this rather lengthy program of education previous to organization, and we can only answer we are convinced it is the only sound way to lay the foundation under a cooperative and are well satisfied with the dividends this policy has returned. I might add that this program of education does not stop with the completion of an organization, but is continued indefinitely.

Two other services can be rendered by the central association that we find aid materially in building strength and stability in the local co-op. First is financial service by competent accountants. Second, but by no means second in its importance, is managerial assistance service.

We have constantly worked toward keeping our cooperative from being a class organization, to encourage our members to consider themselves co-operators rather than farmers, and in our educational program answered the call for help from the urban seeker after cooperation as readily as the call that came from the farm.

BUILDING RURAL-URBAN LOCAL COOPERATIVES

I WILL discuss briefly some of the fundamental procedures we have found to be not only successful but absolutely essential in the building of strong local cooperatives out of rural people.

In this discussion will we assume that it is the desire and intention to have the utmost control in the local association.

In Pennsylvania for the past seven years, as a first step, we have been firing a broadside of cooperation, so to speak, through the medium of our house organ, the CO-OP REVIEW. Then a little co-op magazine going into 80,000 homes once a month, seeks as part of its mission to break the ice, bringing to the uninformed some knowledge of what cooperation is and creating a desire to know more about it. This method of approach has brought gratifying results. Many letters are received from interested readers, and this serves to create contact points in the field.

A careful analysis is made of the territory to determine whether or not there is enough potential business within a reasonable radius to make the operation of a cooperative economically possible. If the territory has possibilities, contact is made with some twenty to forty key farmers and when they become sufficiently interested, they are brought together in a first meeting and the whole problem frankly discussed, great care being taken to have them understand that they are not dealing with Santa Claus.

If a desire can be awakened, and it usually can, to do something for themselves, to better their economic position and to become part of the growing cooperative movement, this group acting as a committee arranges for educational meetings November-December, 1940
THE PRODUCER, POLITICAL, AND PURCHASING APPROACH TO ECONOMIC PROBLEMS

For the past five years the Ohio Farm Bureau has taken the position that unless the emphasis of the economic system is shifted from restriction, scarcity, and monopoly to greater freedom and abundance, the ultimate consequence will be economic chaos and war. Low farm prices, unemployment, insecurity, reliance on government action—without resulting government debt—and finally war, are all logical and inevitable consequences of restriction and artificial scarcity.

Underconsumption is still the black plague of the twentieth century, and will continue to be until we distribute abundance. Organizations representing the laboring man constantly strive for higher wages and shorter hours, often oblivious to the fact that higher wages mean little to the individual if his real purchasing power is dissipated by high costs of everything he buys. Producer groups are looking for controls rather than freedom. They want to freeze the economic system at present levels. This is economic suicide.

Capitalism operating by and in the special interest of producer groups has not provided the high standard of living for the people who live under it and capitalism, by definition, cannot do it. Funk and Wagnalls defines capitalism as "An economic system favoring the concentration of income in the hands of a few."

Producer action as evidenced in our capitalist economy has certainly lived up to its definition. In U.S., 1/10 of 1% of the people get as much income as 42%. Seven per cent of U.S. families save $5,906,000,000 of $5,978,000,000, or practically all savings. Seventy-eight per cent of all corporate dividends are paid to .35% of the people.

We must get all groups to lower prices as the means of increasing purchasing power. In turn, this will create more employment, bring larger total profits to industry, eliminate the necessity for government in business, and remove the causes of war. We must lead all groups to an understanding of what Beatrice Webb means when she says:

"The most essential element in the creation of 'value' in the economic sense is neither labor nor capital, but the correspondence of the application of labor with some actually felt specific desire.

If we can get an understanding of this fact, people will automatically support consumer cooperation. To me this statement is the most challenging and revolutionary demand upon cooperative leadership in our country today. I am convinced that it holds the key to the solution of our economic problems.

This concept of economics is a complete reversal of our traditional idea. We have been taught to think in terms of accumulating capital in the hands of a few and hiring labor, turning out goods, and then marketing the goods by devices of advertising, selling, and other forms of promotion.

Under this new idea, we simply turn things around. First, we mobilize our 'specific desires'—find out what we want in terms of bread, shoes, blankets, tractors, feeds, fertilizer, and other goods. Then we produce and distribute these goods among ourselves.

In spite of our federal subsidy program, cooperative marketing, and others, farmers still do not receive parity prices for the things they sell. Over the period of the past ten years farmers have faced a 22% exchange disadvantage in dealing with other economic groups.

By way of contrast, farmers in one state have secured parity through cooperative action on many of the commodities they buy. To list a few: auto insurance today costs 46% less than pre-war, gasoline 38% less, interest rate on farm loans 35% less, fertilizer 20% less, and feed at the pre-war price.

Your daily purchases of goods and services and insurance premiums create the great economic institutions of today. If the people will only take over the ownership of enough of the economic enterprises and conduct them for use they can build cooperative enterprises owned by and operated in the benefit of those who use their services, rather than concentration of wealth and income in the hands of a few, they will come nearer solving their own individual as well as general problem than anything else they can do.

COOPERATION AND PRODUCTION

We regret that we have been unable to secure a manuscript of the address "Cooperation and Production" by M. J. Briggs, Assistant Manager of the Indiana Farm Bureau Cooperative Association.

During his talk Mr. Briggs emphasized the need for adequate credit, saying that "we used to think cooperatives were something to take money out of. Now we have decided they are good organizations to put money into."

Consumers' Cooperation

Murray D. Lincoln, General Manager, Farm Bureau Cooperatives, Columbus


**Congress Banquet**

**COOPERATION AND PEACE**

The Nature of the Present War

We are witnessing certain incidents arising from the changing of an economic system. The increase of stateism is associated with enlargement of officialdom, the promotion of autocracy, and the abrogation of democracy.

Democracy finds itself in a bad predicament because it has been allied with the profit method of business. The democracy which has pervaded the world has found its expression in free competition in economic affairs. A small minority have succeeded and a vast majority have failed in this free enterprise, with the result that, as Virgil said, "The unscrupulous protect the system by which they think to win."

When Mussolini exclaimed "Democracy is a rotten corpse," he used words the meaning of which he did not understand. It was not democracy that was rotten, it was the profit system that was rotten. And this benighted man blames democracy.

The conflict now raging is due to the decay of the profit system and the struggle of stateism to take its place. No nation can now fight the war as the one big machine with supplies.

The nations of the world are steadily relinquishing their profit system and adopting collectivism in some form. This is not generally the result of plan; it comes automatically. Nations are in grave danger in attempting to carry on their affairs by means of an impracticable economy. And their difficulties will increase as the struggle goes on, unless they quit their profit system.

We have in the United States a class called business men, now actually attempting to capture the government, who are unaware of these obvious facts, and who probably will not become aware of them even when their house falls down upon their heads. They demand a business government "that will manage our affairs as intelligently as our business men manage their enterprises." At the same time, they themselves acknowledge that "only one-third of the established businesses are successful," while statistics show that is less than fifteen per cent that succeed.

The competitive methods used in the quest of business result locally in hostilities among men, and internationally in hostilities among nations. These elements, which enjoy advantages and privileges from the prevalent system, are willing to go to war or to any other extreme to protect the system by which they think they have benefitted. They dishonestly wage war in the name of democracy, but democracy is not what they want. They want to preserve the profit system, and they call it democracy. While doing this, they discard their profit system in order to win.

One side is fighting fascism, but in doing so is adopting fascistic methods. It is fighting fascism to bring fascism in, for if the insanity of war shows anything, it shows that the victors take on evil qualities of the vanquished, and the vanquished adopt sins of the victors.

On the other hand, the fascist nations claim to be fighting democracy, but as a matter of fact they are fighting against the profit system. They began by fighting socialism, but now they discard their profit system, but make use of it where they need support of the people. And finally, they are moving on toward a system in which the government is engaged in business as the one big profit-making monopoly.

These are the inconsistencies which characterize war. Had rational men understood these conditions, and had they

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*W. L. Willkie, in an appeal for reduction of capital gains tax on corporations, Saturday Evening Post, June 17, 1939.*

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Consumers' Cooperation

Dr. James P. Warbasse

met to adjust their differences, there would be no war. But when political governments, without rationalization, attempt to solve the problem, it is not solved, it is made worse.

I shall not dwell upon the absurdity of the nations, now fighting one another, having previously engaged in supplying the other side with funds and weapons for war; nor bring the matter home to ourselves by discussing our activities in armament.

War is a political affair having behind it certain economic interests which, like vultures on the field of death, hope to profit by the disaster of others. Political governments make war. Political governments express themselves through politicians, officials, and diplomats. Human beings are intelligent, but a government is not an intelligent thing. Let me illustrate. Before the present war began, each side wanted certain things of the other side. Men of intelligence of each side knew what the cost of war would be. Had they acted as human beings and not as the agents of governments, they could have sat down together, and each side could have granted to the other all of its demands. The most onerous conditions asked could have been yielded by each. And what they would have sacrificed would have been infinitely less than the sacrifices which the result of the war will impose on each. Intelligent individuals on each side knew this, but it was political governments that were acting. And what is worse, governments in the disorder of a changing economic system.

The result is war, the wholly inexcusable necessity now is this power of unity! Cooperation is developing it, not in the world of theory nor of polemics, but in the world of everyday affairs. It is wholly practical. Neutrality gives cooperation its strength, and for its banner are uniting the peoples of all countries and of all creeds.

This principle of neutrality has been tested now for a hundred years. Its validity is well established. Political parties and governments invoke cooperators to violate their stand. But such violation only brings harm to a great movement in which resides the hope of democracy. Governments, using autocratic power, attempt to deprive cooperative societies of their neutrality; and for a time succeed in coercing them to violate this principle. Expediency may demand yielding in the presence of a temporary autocratic authority. But cooperatives need not voluntarily sacrifice neutrality.

The present move to commit the cooperatives to approve of and give aid in the present war is an example of the efforts to break down cooperative neutrality in the interest of political government. Certainly the societies in The Cooperative League are opposed to war, to the suppression of liberty, to the suppression of minorities, and to the invasion and subjugation of other countries. But November-December, 1940
Taking sides with a political government, which at other times has committed all of these offenses, as has our own government, is the question? Is taking sides with a government, which itself is casting away democracy, a justified cooperative position? Is any government in the present war with clean hands? None came out of the last war with either honor or credit, and this is built on a foundation of that war. The Cooperative League was wise enough to have adhered to its neutrality twenty-three years ago. At that time it was difficult: the churches, universities, and scientific societies were for war.

Cooperation has a definite policy. It can not unite with a political government. It has one great opportunity when all the rest of the world goes insane. That opportunity is to furnish an example of sanity. It can provide one oasis in the desert of hate, poverty, pillage, and murder—one spot where peace, democracy, and justice prevail. When the war is over, we can then see a better business system, which has no amends to make, no apologies, no reorganization. There can be a system which has adhered to definite principles of peace, and has gone on supplying the needs of the people. Only neutrality in war can make this possible.

**Why Cooperation Cannot Participate in War**

To be unneutral and side with a political government, if that government wins its war, is to have made an alliance with something which after the war will prove to be still a political government, but impoverished, corrupted, and bereft of moral principles. To take sides with a government which loses its war is to come under the sway of another political power doubly hostile to the cooperative movement. If cooperation wants the respect of all the people and would avoid hostility of the domain forces, whatever they be, its best course is to confine itself to cooperation.

The unthinkable thing is for cooperative societies to sacrifice their neutrality in the interest of making war or for the sake of urging a country into war. This present war is a graveyard of democracy. Every country that participates loses something which after the war will prove a lesson before all men as an example of reason, justice, and democracy in business. To preserve this intact in its purity is the most important thing in the economic world today. Cooperation can prevail. And I say, if it abstains from committing the great sins in which governments are engaged, if it does not attempt to attain fair ends by foul methods, if it holds itself aloof from all wrong and walks straight and clear the path of justice, I say, no power can quench its light nor stay for more than a brief moment its inevitable triumph.

**The Role of Cooperation**

In all of this insanity now sweeping the world, one economic system can remain still sane. It can stand out as an example lesson before all men as an object lesson before all men as an example of reason, justice, and democracy in business. To preserve this intact in its purity is the most important thing in the economic world today. Cooperation can prevail. And I say, if it abstains from committing the great sins in which governments are engaged, if it does not attempt to attain fair ends by foul methods, if it holds itself aloof from all wrong and walks straight and clear the path of justice, I say, no power can quench its light nor stay for more than a brief moment its inevitable triumph.

Do you believe that the intelligence that resides in the minds of men will accomplish naught in this crisis, that this intelligence is sterilized by governments? I do not believe that the people are capable of discovering and seizing upon those measures which will bring them the most happiness. Our imperfection makes us expect results too soon.

In the cooperative movement, is the principle of cooperation as a movement to embrace all kinds of individuals, the neutrality of cooperative societies is its only way.

After this war has come to its end, when the hoarse throats of the cannon belch death no more, when the heavens cease to rain destruction on the innocent, the countries which have participated will be depressed and disorganized. Democracy will be stricken.

If one powerful autocracy dominates the world, peace will reign; but it will be peace with enslavement of the people. If more than one autocracy prevails, the preparation for the next war will go on.

If a great democracy survives the war, the hope of the world will reside in the minds of men will will. That is his private affair. But if cooperation as a movement is to embrace all kinds of individuals, the neutrality of cooperative societies is its only way.

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As the quest for foreign markets in the profit world is a cause of war, so is the international commerce carried on within the consumer cooperative movement a cause of peace. The wheat from Canada to Scotland, the tea from India to England, the petroleum products from the United States to Bulgaria, the lamps from Sweden to Denmark, and the vast cargoes of other useful things transported within this great movement from the place of abundance to the place of need, are expressions of friendship and peace. They are not seeking markets to exploit. They are not a part of an hostile competitive system. They demand no tariff barriers nor secret treaties. In the hands of the cooperatives, they become the materials out of which peace is built.

Were all the petroleum in the world owned by the people in their cooperative societies, this commodity might be lifted out of the catalog of war-making elements and become an agency of peace instead. And since peace is essential to mankind, those sources of petroleum and its products now owned by various foreigners and operated may be viewed as symbols of that hope.

**International Commerce and Peace**

As to cooperative international commerce and peace, you know the answer. The past commerce of the world has been in the quest of profits. It is broken...
The March of Fascism

THE Fascist threat to America does not lie primarily in the hate-breeding, alien-aping, or alien-controlled antidemocratic organizations in this country and South America, for they can be stopped by a vigilant police and citizenry. They will be stopped if the people think it worthwhile to defend what they have, against such attacks. The more fundamental threat lies in those many places where our social and political structure fails to meet the fundamental psychological, social, and economic needs of our people. There, resentment and revolt against economic insecurity, lack of opportunity and purposelessness of life are growing, much as they grew in pre-Fascist Italy and Germany. Those are not things the people will rally to defend against attacking minorities.

We have stronger defenses against such movements of resentment and disillusion than the Western European nations possessed. It would take, I think, at least another depression or a prolonged and futile war before our people would turn their backs on the democratic state and accept a ruthless totalitarian control in return for promises of bread, pride, action and opportunity. No nation or people sets out and says, "We want Fascism." On the contrary, they say, "We do not want Fascism," and then slide into it for lack and failure to do those things which might have prevented its coming.

The Psychologically Lost—Raw Material of Fascism

We cannot underestimate the change that has come to the people living in the industrial nations of the 20th century. Their lives depend not on their own decisions, not even on their own crassness or hard work. They depend on decisions as to opening or closing of factories, on wheat or cotton consumption, and prices, made sometimes thousands of miles away, by people they never heard of. Millions of them are psychologically lost, finding no way to serve their families, their community or their nation. These are the people on whom both major depressions and major wars descend without the least consent, against which they find the liberal state an inadequate and sometimes elusive protection, and yet for which they find no one to blame or hold responsible except the state.

This attack on the institution of the state which does not live up to the promises made in its name is not something any of us can ignore. For the state, as Hitler has shown, can become the means of autocratic control of every branch of living, intellectual, religious or economic.

In looking back later to the present days we will find them marked by even more significant events than the rapid German military conquest of all continental Europe, or than our somewhat casual movement into the position of heir apparent to the unattached property and headaches of the British Empire. More important to our lives and days are two other developments. First, the replacement of 19th century liberalism in Central Europe by a dictatorship which seems to have accomplished some social objectives which its predecessor could not accomplish, notably full employment and a kind of national unity. Second, the failure of the remaining liberal nations in Western Europe or North America to find rapidly either a method to solve the same problems of how to increase casual production and wealth and to remedy the psychological sense of purposelessness which characterizes men today, or to find a philosophy for either liberalism or democracy which could rally the hearts and minds of men today around its broader concept of life. The opposition has been negative. It has been merely anti-Fascist, hating without constructing, defensive rather than on the conquering offensive
in the way democracy was in its early life in this nation.

Democracy on the Defensive

Men are even beginning to ask themselves if National Socialism may not be, "the cultural synthesis of the 20th century." We encounter more feeling than ever before that the problems which democracy in modern industrial society is called upon to solve are too difficult to be solved through popular participation.

Such an attitude seems more profoundly tragic than the defeat of armed forces, for if the mind can find no way to work, and the soul can find no faith, then defeat is imminent, with or without war, and is catastrophe indeed. But such an attitude, such a conclusion, is completely unwarranted. True, we have not yet begun to find a counterpoise to Fascism. But we have not yet tried to forge the gun to find a counterpoise to Fascism. I spent some years studying what had happened to them, constantly keeping in mind our own nation, and weighing the similarity or dissimilarity of its problems.

I wish to skip what you already know, the cruel history of coercion, terrorism, concentration and assassination, the division first of the German nation and now of Europe into first and second-class citizens, and the humiliations and degradations of the latter. The significance of the rise, survival and spread of National Socialism is more important to us than its crimes for obviously, to rise and to survive it had to appeal to a considerable number of people.

The liberal states which were overthrown in Italy and Germany by fascism and in Austria by clerical authoritarianism and then by National Socialism were not democratic states. They were unpremeditated, supposed to referee between groups of conflicting interests and help out those who turned out to be permanent underdogs by such measures as old age-pensions and unemployment insurance. They really saw no choice between a state unstable which had to control the important decisions in a nation's life, the decisions about whether the factories stay open or close down, the prices people get and pay, their pride in useful work, and a state which was a complete dictatorship. Hating the latter with all their hearts, they clung to the former, and then dictatorship came.

It was not because the Western European nations were strong, but because they were weak, that fascism came so readily and rapidly. They did not realize until too late that a do-nothing state could not survive major crises in production and consumption and income.

How Church and Labor Played into Fascist Hands

It was a shock to me as a descendant of many generations of Protestant clergy-men to realize how wholeheartedly the official bodies of the Protestant Church in Germany and later in Austria welcomed and vigorously aided in the election of Hitler. They had not seen that the claim of the church to an independent existence was one of the deepest issues of the world today. They let their fear of communism carry them toward semi-communism along a patriotic road.

In Italy there were few Protestants, but many free-thinkers, and they contributed heavily to Mussolini's funds for his march on Rome. In Italy the Catholics were organized politically, and they, like the Protestant clergy in Germany, let themselves be scared by the communist threat which Mussolini himself admitted had not existed after 1919, three years before he took power.

Great institutions caught in a rapidly changing world and a bankruptcy of industrial civilization, Chung a few crucial years too long to their belief that the happy 19th century could be reestablished.

The labor groups, like ours, were divided, and like the political states were discovering that the democratic process in their unions was one thing when all men and women reacted to the same methods of peaceful persuasion, and quite another when a small group taking orders from outside the system and acting as a unit, was engaged in power politics, and committed to a policy that everything had to be made worse before anything could become better. That doctrine, then held by the Communists of Italy and Germany, is in opposition to every humanitarian instinct to improve the lot of one's family and fellowmen. It led to the Communists voting first with Mussolini and then with Hitler against the other groups. They helped kill off both in unions and in the political state, those movements which would have made the state more than an umpire in a game where the old rules no longer produced unity or prosperity or progress.

Unemployed, Businessmen and Farmers Blunder into Fascism

The unemployed, not much larger proportionately in number in Germany than we have here, soon discovered that unionism in itself did not mean jobs to them. They discovered that civil liberties were not food, and could not be used as a substitute for food. They discovered that the liberal state was not proposing to take over control of industry and make work, and nothing else the liberal state did seemed important to them.

Among these unemployed were professional men, who were accustomed to status, to community respect. Their Joblessness and loss of place resulted in a bitter and effective resentment. They saw the state, industry, the church, the schools, everything as a "racket," and decided that the racket was going to be their racket.

Their farmers were not unlike ours, though perhaps a little less subject to being "tractored out" or "et out" or "blown out" or "flooded out." We have a fourth of our population getting a tenth of our income and serving, by cooperatives and other means to make that tenth go as far as they can. In Italy the cooperatives in the countryside were among the first regular objectives of Fascist raids. Like ours, their farmers lacked capital, and paid heavily for the privilege of using it. Like ours they thought they had won their war when they secured high tariffs on food products, and like ours were slow to find out that their enemy was elsewhere, in the depression in the industrialized centers.

The businessmen varied in their support. The export industries were afraid of an autarchic economic policy. The armaments industries generally supported the Fascists. Few recognized that a crisis situation was at hand, most of them seemed to think they were simply buying protection from a strong new political party. They were scared by moderate reforms. So they fell into a system where they no longer have any important say about when or how or for what price their factories work, or what they produce, or how they get their materials, or anything else. Here was a last rapid process of such a rapid transition by volition, from mastery to servitude.

Here were huge miscalculations of self-interest and national interest by major groups. None of them saw in time that the disintegration of the economic system had produced a crisis psychology, where the one thing people wanted was action, where the one thing they hated was inaction, where the desire to find a purpose for their lost lives led men to new leaders who promised it in return for the surrender of a liberty which had become only a scrap of paper.

November-December, 1940

Consumers' Cooperation
REPORTS OF GROUP ACTIVITIES AND MEETINGS

PUBLICITY AND EDUCATION, 
Robert L. Smith, Chairman, National 
Publicity and Educational Committee

The Publicity and Educational Committee consists of the Educational Director and Editor of each regional association. Since the last Congress the Committee has met on four occasions; and has held two national Publicity and Educational conferences at Milltown, Wisconsin and Tiffin, Ohio.

A film committee has studied the problem of producing a National Cooperative movie, which has been approved by the board of directors of the Cooperative League. A sub-committee on discussion group materials and techniques held a full day meeting at Tiffin.

The board of directors of the Cooperative League were petitioned by the committee to add an educational assistant to the staff of the Cooperative League. A sub-committee on discussion group materials and techniques held a full day meeting at Tiffin.

As the topic for fruitful discussion in the Publicity and Education group meeting at the Congress, the group discussed “What can cooperative educators do in this war situation?”

COOPERATIVE ART AND ARCHITECTURE, William Torma, Chairman Group Meeting, J. L. Proebsting, Secretary

To open the discussion, Mr. Torma read a paper on “Cooperative Architecture” in which were discussed the essential requirements for correct cooperative design. The four elements considered by the Architectural Department of K.F. in Sweden might well be adopted for our purposes in design: Simplicity, Efficiency, Beauty and Economy.

The problem that our cooperatives face in the development of their own architecture lies first in the lack of sufficient reserves which have not been permitted to accumulate because of insufficient cooperative understanding among the members of our American cooperatives.

On the basis of the above summary a very interesting discussion developed. Seven regional and local organizations were represented. Those attending were unanimously in agreement that the Group Meeting recommend to the Congress that a Modernization Committee be set up, which will become again the liberating state, under, as France did. But they have to move away from the umpire state to the administrative state. So far they have, except in wartime, gone Fascist and gone Communist. There is another alternative: They can move toward such coordination, such increase of production and consumption through democratic means.

A Democratic Alternative to Fascism

The alternative, in short, is that the national state, which is now the only institution of strength and scope, will become again the liberating state which it was in 1862 when with Lincoln’s signature, it opened up the means of production to men who were caught in a life without opportunity. The equivalent of opening up the land in 1862 is opening up the factories today. The task can be done democratically if we all realize that it must be done, in the first place, and that unless it is done democratically, it will be done autocratically, without popular participation.

The task can be done democratically if we all realize that it must be done, in the first place, and that unless it is done democratically, it will be done autocratically, without popular participation.

We do not need to give up our civil liberties, our rights to band together and work for progress under such a state. We can have both democracy and a strong state. We wish to see no standard bearing such miserable interrogatory as “What is all this talk of freedom worth?” but rather words of delusion and folly “A strong people first and democracy afterwards,” but everywhere, spread all over in characters of living light, that other sentiment dear to every lover of freedom in the nation “A strong people and democracy” now and forever, one and inseparable.
practically every known organization which provides auditing and accounting service to cooperatives represented.

Every month the members have received the NSCA Bulletin. Laurie L. Lehtin, C.P.A., secretary, has edited the Bulletin, and the members have contributed many fine articles. The last two annual meetings have been highly successful, both as to attendance and discussion.

ROCHDALE INSTITUTE, Lionel Perkins, Registrar

The Institute has trained about 250 men and women for service in the cooperative movement. It has been financed thus far by means of contributions of several individuals. To these contributions have been added student tuitions which total about $2,000 a year. A grant of $5,000 for grocery training was made by the Good Will Fund to be administered by the Council for Cooperative Business Training, composed of representatives from Rochdale Institute, Eastern Cooperative Wholesale, and Consumer Distribution Corporation.

At the recent Congress, Rochdale Institute conducted the first national cooperative group meeting on vocational training. Delegates were present from the Central Cooperative Wholesale, Eastern Cooperative League, Consumers Cooperative Association, Farmers Union Cooperative Education Service, Council for Cooperative Business Training, Ohio Farm Bureau, Chicago Cooperative Services Youth Group, Southern Wisconsin Co-op Youth League (an affiliate of the Midland Co-op Wholesale), and the Northern States Co-op Youth League. The Consumers Cooperative Association, Northern States Co-op Youth League, and the Northern States Women’s Cooperative League were affiliated members of the meeting. Martha Sandberg of Superior was recording secretary.

The Ohio Cooperative Youth Councils had the largest delegation, numbering 45. Other groups represented were the Michigan Junior Farm Bureau, Chicago Cooperative Services Youth Group, Southern Wisconsin Co-op Youth League (an affiliate of the Midland Co-op Wholesale), and the Northern States Co-op Youth League. The Consumers Cooperative Association, North Kansas City, Missouri, sent a delegate.

An appeal to member societies of the Cooperative League to encourage youth organization was made in a special resolution which was later adopted by the Congress.

WOMEN’S GUILDS, Mrs. Maiju Viita, Secretary, Provisional National Cooperative Women’s Guild

A National Guild Committee was first elected eight years ago. Two years ago it was decided to organize the Women’s Guilds on a more stable basis so the Provisional National Cooperative Women’s Guild was formed.

The Women’s Guild Group Meeting at the 1940 Cooperative League Congress unanimously decided that the Cooperative Movement in the U.S.A. needs such an important auxiliary as a National Cooperative Women’s Guild, and that the Provisional Guild should now be organized on a permanent basis with headquarters in connection with the Cooperative League.

All the four Regional Guilds: The Northern States Women’s Cooperative Guild, the North Kansas City Guild, The Southern Minnesota Guild and the Central States Guild are affiliated with the National; also four guilds from Ohio, four from California, one from Idaho, New Jersey, Connecticut and Alaska; total number of guilds from 14 states, 122; membership in these approximately 3,000.

The accomplishments during the two years may not seem great, but at least we now have the beginning of a National Cooperative Women’s Guild.

COOPERATIVE MEDICINE, Dr. Kingsley Roberts, Medical Director Bureau of Cooperative Medicine, New York

The work of the Bureau of Cooperative Medicine has been divided between the rendering of technical assistance to operating groups and to those in the process of formation, and the dissemination of educational material through pamphlets, articles and lectures.

In February, 1940, the Group Health Federation of America was established. Assistance has been given in the formation of a number of health plans. At the present time, two surveys are being made. Bureau publications include "New Plans of Medical Service." Articles have appeared in various magazines. Dr. Roberts has lectured at America’s Town Meeting of the Air and elsewhere.

At the 12th Biennial Congress of the Cooperative League, a round table on Cooperative Medicine was held and proved quite successful. Dr. Warbasse spoke on the attitude of the medical profession towards cooperative medicine and brought out the fact that opposition was lessening.
COOPERATIVE HOUSING, Howard A. Cowden, Chairman Group Meeting, Ellis Cowling, Secretary

The following immediate steps were recommended:

1. Cooperative wholesales and retail societies should begin the distribution of building materials.

2. Housing cooperatives should attempt projects large enough to make it possible to buy material in carload and wholesale quantities.

3. Housing cooperatives should study carefully the relative costs of various materials in each community.

4. Cooperative housing societies should so organize themselves that title to land and improvements is vested in the society itself.

The group also introduced two resolutions which were later approved by the Congress.

COOPERATIVE RECREATION, Carl R. Hutchinson, President, Cooperative Society for Recreational Education

The Cooperative Society for Recreational Education has conducted two National Cooperative Recreation Schools in the past two years. Each of these Schools operated through a twelve-day period and brought together recreation leaders from cooperatives in over 15 states, representing 6 regional and over 50 local cooperatives. These Schools were completely financed by tuitions paid by students.

The Society is made up of recreation leaders and workers who recognize the value of play as a means of developing social attitudes and organizing group life. The Board is elected each year by the students and staff. The Society encourages local and regional conferences of its membership.

Thirty people attended the Group Meeting at the Congress. The following questions were discussed:

1. What is cooperative recreation?
2. How can we start a recreation group?
3. What types of recreation should we use?
4. How can we keep a recreation group interested over a long period of time?
5. How can we get recreation groups to study cooperation?
6. What recreation is suitable for various age groups?
7. Is recreation a phase of education?

The group was reorganized into four small groups and the questions classified under general headings with each group taking two or three questions. At the end of the discussion period, which lasted from one to one and one-half hours, the groups came together and reported, with further discussion from the floor.

CAMPUS COOPERATIVES, William Moore, Chairman, National Committee on Student Cooperatives

Over 100,000 students, in nearly 400 separate campus co-ops, are saving themselves a million dollars a year on total purchases of over four millions, and at the same time are increasing the value of their education by cooperation.

Campus cooperatives are now so firmly rooted that they must be considered a permanent institution. Several universities have co-ops by the dozen— one school has over 30. Obvious advantages lead such individual co-ops to join into campus Cooperative Councils. There have also been held four regional meetings by the Pacific Coast League of Student Cooperatives, a Texas group, the Midwest Federation of Campus Co-ops, and a Central League of Campus Co-ops.

The meeting decided to ask affiliate membership in the Cooperative League of the United States, and to try to set up more satisfactory means whereby campus cooperators may graduate into the general movement.

William H. Moore, Hanover, Indiana, was re-elected Chairman, and Lee Poole of Pacific Coast League of Student Cooperatives, E. R. Brunner of the Midwest Federation of Campus Cooperatives, and Gerald Fiedler of the Central League of Campus Co-ops were chosen regional representatives.

LABOR AND COOPERATIVES, James Myers, Chairman, Committee on Organized Labor and Consumers Cooperatives

Your Committee has proceeded on the theory that the best way to help develop cooperatives among labor and industrial groups is to promote understanding and acquaintance between present cooperators, farmers and organized labor.

Fraternal delegates from the A. F. of L. and C.I.O. have spoken to this Congress and representatives of the League will attend the A. F. of L. and C.I.O. conventions as guests.

The major work of your Committee has been conducting in various parts of the country two-day Institutes for organized labor to study consumer cooperation. Perhaps the most significant thing is the number of conferences and the amount of activity of other groups acting on their own initiative which have conducted courses in cooperatives for workers' conferences of union members who are members of local cooperatives; local forums; exchange of speakers; and joint picnics.

Not only were official resolutions endorsing the consumer cooperative movement adopted by the National Conventions of the A. F. of L. and C.I.O. in 1939, but many State Federations of Labor, also many International Unions, have adopted resolutions.

A great many new labor-consumer cooperatives, buying clubs and credit unions have developed during the past two years and there are many instances where employees of cooperatives are now unionized with agreements as to wages and working conditions.

Significant also is the development of at least two joint labels.

Certain regions have led the way in considering labor conditions under which goods are made, which are to be purchased by the Wholesale.

Your Committee has in addition to promoting the sale of general cooperative literature among labor unions, published two special items on this subject: a four-page flier on Organized Labor—Organize as Consumers, and a new forty-page pamphlet, Organized Labor and Consumer Cooperation.

By all indications the field is ripe unto the harvest. It is merely a question of how much time and money can be devoted to promotion and education among labor groups. The Committee urgently needs a full-time paid secretary to meet adequately the rising tide of demand in this most vital field.

OTHER GROUP MEETINGS

Editor's Note: In addition to the group meetings reported above, there were several meetings for which reports were not available:

CHURCHES AND COOPERATIVES
Under the direction of the Federal Council Committee on Church and Cooperatives, Dr. J. Henry Carpenter, Chairman

SCHOOLS AND COOPERATIVES
Under the direction of the National Education Association Committee on Cooperatives, Dr. H. G. Lull, Chairman

CREDIT UNIONS AND COOPERATIVES
Under the direction of the Credit Union National Association, J. Orrin Shipe, Educational Director

Consumers' Cooperation

November-December, 1940
SUMMARY OF GROUP DISCUSSION ON OFFICERS' REPORTS AND RECOMMENDATIONS

Jack McLanahan, Summarizer

It was brought out clearly that the League should still further extend its activity to correlate activities of the Movement in the U.S. Feasibility of a Federal law on which all cooperatives might be chartered should be examined. Educational and business phases of cooperation should be brought more closely together. The League should gather materials and information about successful techniques, develop others, and act as a clearing house to make these known to cooperators throughout the country. Research should be more definitely organized, the magazine enlarged and its scope extended, with the possibility of a popular newspaper in the future. A supervisory service to help cooperatives get and stay on a sound basis would be especially timely.

Intensified Education

Education should be stressed more than ever. Emphasis should be placed on philosophy, history and participation in cooperative activities. Through general publicity, recreation, discussion groups, radio, literature and movies, the public and members should be drawn more closely into the cooperative orbit. Attention should be given to interest youth and women. Consumer and producer points of view should be considered and educational activities organized along both lines. Thought should be given to organization of more training centers and a cooperative college should be given serious consideration.

Finally, the League was urged to increase its income so that it might more adequately carry out the comprehensive program which lies before it. A suggestion was made that for the next two years the rate of payment should be increased from 5c. per member of a regional to 10c.

Consumers' Cooperation

CO-OP CONGRESS BROADCAST

Columbia's Country Journal: Broadcast over the Columbia Broadcasting System's network, Saturday, October 19, 1940; 11:00-11:30 A.M. Central Standard Time.

Charley Stookey
Hi there Neighbors! This is Charley Stookey, Columbia's Farm Reporter, bringing you the regular Columbia's Country Journal broadcast today from our Chicago studios in the Wrigley Building.

Our Headline Personalities today are three officials of regional cooperatives which are members of The Cooperative League of the United States representing over a half million dollars. Groceries and household supplies are the backbone of our Chicago studios in the Wrigley Building.

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We started with $1,000 of capital and store societies existed in Northern Minnesota, Wisconsin and Michigan at that time. These stores had been organized by Finnish immigrants, both farmers and miners, who were seeking to find security for themselves against the uncertainties of farming and mining. These cooperatives were discriminated against by private wholesalers; it was difficult to get supplies of satisfactory quality and at fair prices. So in July, 1917, a meeting was called in Superior, Wisconsin, which was attended by delegates from 15 cooperatives. Here the Central Cooperative Wholesale was organized, and a collection of $15.50 was made among those present to furnish the first capital for the new organization. Now, the number of affiliated associations is close to 200; the share capital is $250,000. Sales for the first year were $27,500. This year, 1940, they will total $3,750,000. Net savings during the twenty-three years have been over a half million dollars. Groceries and household supplies are the backbone of goods handled now, but farm supplies, clothing, petroleum products are becoming increasingly important.

Stookey
Mr. R. N. Benjamin, President, The Pennsylvania Farm Bureau.

Benjamin
The Pennsylvania Farm Bureau Cooperative Association was organized in 1935 after a rather unsuccessful attempt to organize a farm pressure group, or class organization, and was an earnest effort on the part of Pennsylvania farmers to find a solution to their economic ills. It now renders cooperative services to the entire state, urban and rural alike, on one commodity—insurance—and in rural Pennsylvania except in the northern tier counties—on most of the commodities consumed on the farm and in the farm home.

We started with $1,000 of capital and...
a small volume of business the first year. This volume has steadily increased each year and for 1940 will be over $2,000,000. The ownership and control of our association is completely in the hands of the members. We have only one reason for being in business—to render cooperatively such services as the members desire.

Mr. Howard A. Cowden, President, Consumers Cooperative Association, North Kansas City, Missouri.

The Consumers Cooperative Association began business in 1929, just as the great depression started. It began in a building in North Kansas City, Missouri, about the size of a two-car garage, with only $3,000 of initial capital. In the year ending August 31, this year, 12 years after its humble beginning, the cooperative wholesale handled more than $5,000,000 worth of business for 450 local cooperative associations in Missouri, Kansas, Oklahoma, Colorado, Utah, Wyoming, Nebraska, Iowa, and North and South Dakota. Back of these 450 retail companies are 120,000 individual consumers whose day-to-day purchases have made this volume possible.

Consumers have built themselves a plant for compounding their own lubricating oil, a factory for the manufacture of greases, and one for paint. Besides these, the North Kansas City co-op has built the first cooperative petroleum refinery in the United States at Phillipsburg, Kansas, and the first cooperative pipe line in the world. The pipe line connects the refinery to rich oil fields some 30 miles away. The refinery and pipe line represent an investment of $900,000 on the part of consumers.

Just a week ago these co-ops brought in the first oil ever drilled by a cooperative. A second well will be brought in next week, at least we expect it will.

Now suppose we take a few minutes to discuss cooperatives in general—what they're for—how they operate—what they accomplish—I have here a few key questions which I'd like to ask you men. I'll start with you Mr. Benjamin and ask this: Why are there or should there be cooperatives?

Benjamin

We believe Consumer Cooperatives are the most potent force at work today in finding a democratic, workable solution to our great paradoxical problem: Why so much want in the midst of great abundance? How to distribute to the masses money, raw materials, manufactured goods and food, which we, as a nation are blessed with in such great abundance.

Only when the people, through the medium of working together, acquire ownership and assume the responsibility of control of the institutions that render them services, may we expect a logical, democratic answer to this national problem.

Stookey

Thursday morning I heard Mr. Murray Hay, President of the Ohio Cooperatives state at a session of the Congress that in his opinion consumers cooperatives have been especially successful in solving certain economic problems for their members. I'd like to know why this is the case?

Benjamin

As producers we have goods or services to sell at a profit, if possible. The more goods available, the less chance we have of making a sale at a profit, hence a tendency to create a scarcity. As producers we are powerless to compel anyone to buy our goods. We may, through the medium of good salesmanship influence the buyer, but he, as a consumer, makes the final decision of whether to buy or not to buy.

As a consumer our primary interest is to get quality goods and services at as low a net cost as possible, after paying an adequate wage to labor as well as a fair price for raw materials and processing. As a consumer we are interested in having abundance rather than scarcity. As soon as we take the consumer as the common denominator of our vast complex problems, we begin to get the right answers.

Stookey

What Have Co-ops Done Toward Offering Quality to Their Consumer Buyers?

Whitney

Testing kitchens have been established by the Eastern Cooperative Wholesale at Brooklyn, New York, and by the Central Cooperative Wholesale at Superior, Wisconsin. These testing kitchens are headed by an expert food chemist and dietician. When our buyers are looking for a source of supply, our kitchen testers make a study of the samples that are offered, and goods are then bought on this basis. Standards of quality established by the Department of Agriculture are followed in determining the grade under which Co-op goods are sold.

Cowden

In our case, we have a laboratory at the wholesale in North Kansas City which is conducting tests in an effort to keep oils, greases, paints and other commodities at a high standard.

We have another laboratory at the refinery in Phillipsburg, Kansas, which is making tests all the time to keep co-op made refined fuels up to specifications which consumers have determined for themselves. We test and examine our own products, but we test and examine the products of our competitors.

Stookey

Now that we've had the opinions from these three men on key questions relating to cooperatives, suppose Wallace Campbell, Assistant Secretary of The League, summarize the Cooperative Congress which drew so much national attention during its sessions here last week!

Campbell

The Cooperative League Congress which closed last night bristled with reports of achievements of the American cooperatives during the last few years. One-sixth of all the farm supplies used by American farmers are purchased through consumer cooperatives. Gas and oil co-ops have become big business. Two thousand of them handled more than a hundred million dollars worth of petroleum products last year. They have worked together to set up their own wholesale, compounding plants, transports, refineries, pipe lines—and just one week ago oil started flowing from the first oil well in the world drilled by a consumer cooperative.

The congress received reports of the erection of a dozen factories, mills and oil refineries during the last two years in which cooperatives are producing the goods and services they need. Working together the co-ops have broken the bond of the commercial fertilizer trust—saving the farmers in Ohio alone $700,000 last spring. They have set up testing kitchens in their co-op stores to control the quality of the foodstuffs which go into co-op stores in farm and city areas; they have acted as a yardstick to bring down the prices of auto, fire and life insurance.

The Co-op Congress unanimously voted its approval of a plan to set up a national cooperative finance association to act as a clearing house for the funds of cooperatives and to give the cooperative movement greater financial self-support.

The Interfaith Conference on the Church and Consumer cooperatives which opened Co-op Week in Chicago Tuesday brought together a couple of hundred prominent churchmen from all parts of the country. Today labor and co-op leaders are meeting in an institute on Organized Labor and Consumer Cooperation. This afternoon students from a score of colleges will gather for a conference here to report on how they are cutting the costs of education by operating co-op dormitories, eating clubs, book stores, and buying clubs on their campuses. The Silver Anniversary of The Cooperative League gave evidence of the fact that cooperatives will soon serve their members from the cradle to the grave.

November-December, 1940
Resolutions

ADOPTED BY THE TWELFTH BIENNIAL CONGRESS AND SILVER ANNIVERSARY OF THE COOPERATIVE LEAGUE.

Appreciation

Be it resolved that this Congress express its appreciation to Mr. A. G. Rose, Chairman of the local arrangements committee and to the following members: Arthur J. Cavendar, Steven C. Spencer, Mrs. Grille Parent, Mr. E. C. McNear, Mrs. Verna Siegrist, Mrs. A. G. Rose and Mrs. S. R. Logan, and to all other committee members and employees who have contributed their time and effort toward making this Congress a splendid success.

Displays

Recognizing that the splendid exhibit of Co-op products and literature has played an important part in the success of this Congress, be it resolved that the establishment of such exhibits be a permanent part of all future Congresses.

Group Meetings

Recognizing that democratic participation by as many persons attending the Congress as possible is in accordance with the fundamental cooperative principles, be it resolved that the plan for holding group discussion meetings be endorsed and that this Congress further recommend that such group discussions become a part of future Congresses.

Co-op Congress News

Be it resolved that this Congress express its appreciation to George Tichenor and the entire staff which has made possible the daily presenting of the Co-op Congress News and be it further resolved that we recommend that future Congresses include the issuing of a similar daily paper.

Annual Congress

Whereas the importance of keeping the Cooperative Movement before the attention of the American public is particularly vital today, and
Whereas the Congress of the Cooperative League offers the best sounding board for national public opinion, and
Whereas the exchange of ideas and information on a national scale is of prime importance to a more rapid growth of our movement, and
Whereas the problems facing cooperators as a nationally organized group are bound to increase in complexity and frequency,
Therefore, be it resolved: That the Congress be made an annual event and the Board of Directors be urged to consider the possibility of several sectional Congresses sponsored by the League, and including more than one regional association and cutting across national boundaries as a means of engaging a larger number of cooperators in consideration of national and international cooperative problems.

Referred to the Board of Directors.

Organized Labor

Whereas: (1) The history of the Cooperative Movement in America as well as in the older countries has shown that all economic groups including farmers and labor, rural and urban people, industrial workers and office and professional groups have come together to their mutual advantage in consumers cooperation, and
Whereas: the Cooperative Movement recognizes the just values of labor resulting from harmonious and effective promotion of consumer cooperation in the wider ranks of labor
Be it resolved, that the delegates to the Congress of The Cooperative League of the U.S.A. reaffirm its previous declarations recognizing the principle of organization and collective bargaining for their employees, and call upon organized labor in turn to recognize the unique contribution of consumers cooperation to the well being of the workers, and further to recognize the indispensability of organized labor to assist in the growth of cooperatives by such measures as will not place cooperatives at a disadvantage with their private competitors but rather will accelerate their development and stability as an expression of economic democracy for the good of all.

(Implemented by Dr. Warbasse's suggestion that copies be sent to labor organizations)

Student Cooperatives

Be it resolved, that the Cooperative League of the United States of America institute a vigorous program for the eventual introduction and coordinating of student cooperative groups, especially in conjunction with the educational facilities of the national institutions.
The student cooperative offers a three-fold opportunity to the Cooperative Movement: (1) to contact and educate a group who will later settle in various parts of the country, carrying with them if they are well educated the consumers cooperative philosophy; (2) to serve as a point of organization of town groups; (3) to make some immediate financial saving for the student member.

Be it further resolved that since there are an increasing number of college men and women desirous of cooperative training and since the Cooperative Movement needs the leadership and service of this group, this Congress recommends that the Cooperative League operate, if at all feasible, a summer session of the Rochdale Institute designed to meet the needs of this group.

Teaching of Cooperation

Whereas, success in cooperation depends upon a clear understanding of the principles and problems of cooperation, and
Whereas, access to this knowledge is the sovereign right of all our citizens,

Therefore, be it resolved, that this Congress commend the N.E.A. for its establishment of a Committee to develop teaching material on Cooperation and be it further resolved that we vigorously condemn the interference by any pressure group with the right to teach cooperation in any educational institution.

Housing

Resolved that the Cooperative League of the U.S.A. shall urge and insist that the law creating the United States Housing Authority and which provides for loans by the federal government for the development of housing projects shall be amended so that housing cooperatives shall be eligible for such loans and under such conditions as favorable as those provided for any other associations or groups of persons, and
That the rate of interest on such loans by the U.S.H.A. to the cooperatives shall be as favorable as that granted to any other association of persons, but shall not exceed the amount at which the government borrows the money, plus the cost of administering the loan, so that no profit shall be made by the U.S.H.A. or any other government authority in the making of such loans.

Building Materials

Whereas, the building materials trade appears to be using the present alleged national emergency as an excuse for inexcusable increase in prices, be it resolved that the 12th Biennial Congress of The Cooperative League recommends to the American Citizens League that it ask our Senators and Representatives in Congress to investigate this matter to the end that the prices be returned to pre-war levels.

Chinese Industrial Cooperatives

This assembly of cooperatives gathered for the 12th Biennial Congress of The Cooperative League of the United States of America has heard with great interest the report on the Chinese Industrial Cooperatives, and are deeply concerned about the situation in China.
Therefore, the League wishes to express profound sympathy and appreciation for the work of the 2000 Chinese industrial cooperatives in meeting the crying needs of the Chinese people under the difficulties of war and devastation and in laying the foundations for a new society of peace and democracy, by applying and fostering cooperative principles; by producing clothing; medicine and other vitally essential necessities, by providing men, women and children with a means of livelihood, and by making possible the development of democracy, industry, and social welfare of its members and their dependents.

We consequently recommend that cooperative organizations and individual cooperatives assist and aid in every possible way the American Committee for Chinese Industrial Cooperatives by helping to publicize the aims and achievements of this movement and by extending to them moral and material aid, thus strengthening the international forces of democracy, constructive human endeavor and cooperation.

On the Committee's recommendation this resolution was referred to the League Board.

Spiritual Values

Whereas, the cooperative movement as a way of life distinctly embraces social, spiritual and humanitarian values as well as economic, and
Whereas, we believe the aims, the methods of cooperatives harmonize with those of religious institutions and leadership, and
Whereas, participation in cooperative activities affords a wholesome practical and effective way to give expression to spiritual and religious values, and
Whereas, the growth, stability and effectiveness of the cooperative way of life will depend in large measure upon enhancement of its social and spiritual values, and
Whereas, religious institutions, their professional and lay leadership and societies constitute powerful forces for education, stimulation and leadership of the cooperative philosophy and in its practical application, be it therefore

Resolved, that the Cooperative League lay all its talents and resources upon the further development and promotion of harmonious spirit and understanding and action on the part of religious leadership, institutions, conferences, synods, and societies to the end that the aims and purposes of the cooperative way of life may be more speedily achieved and permanently established.
Youth
Whereas, it was the unanimous opinion of youth, which met at this Congress, and plans to hold similar meetings at future Congresses, that it is generally conceded that youth must be attracted and trained in cooperative ideas and techniques in order that it may successively take over the direction of the future Cooperative Movement,

Therefore, be it resolved that this Congress urges the extension of cooperative youth organization and activities from which we believe an objective of civilized life, and without which the Cooperative Movement cannot exist.

Be it resolved: That this Congress expresses its abhorrence of the philosophy of totalitarian governments under which democracy is suppressed and cooperatives have lost their freedom and autonomy, and expresses its profound sorrow at the suffering of our fellow cooperators who have fallen victims of such governments throughout the world.

And be it Further Resolved: That this Congress urges all Cooperators to be vigilant in defending the free institutions of America against interference, and to maintain in the courts, courts of opinion, and court of human action, the established liberties and civil rights, and in promoting the vigorous expansion of democracy in America by building Cooperatives in the basic fields of economic and social action.

Employee Training
Resolved, that all Employee Organizations including Labor unions be urged to foster, promote and participate in Employee training in Consumers Cooperatives.

Finance
Resolved, that the Twelfth Biennial Congress of the Cooperative League of the U.S.A. urges the early organization and establishment of a cooperative finance organization on a national basis.

Tribute to Dr. Warbasse
Whereas, the Cooperative Movement in the U.S.A. has its beginnings twenty-five years ago through the idealism and soulful purpose of our President, Dr. James P. Warbasse, and whereas, his courageous inspirational and practical leadership has been an important expression of the spirit and purpose of the cooperative way of life, and whereas, he so substantively gave power and expression to his idealism and its practical attainment by many and substantial contributions of his personal resources, and whereas, he has contributed a wealth of inspiring and useful literature to the cooperative movement the world over, be it therefore

Resolved, that this Congress expresses its appreciation to Dr. Warbasse, its deep and abiding affection and its debt of gratitude for all that he has meant to the Cooperative Movement, and furthermore that we nourish the wish that his world wide influence on Congress held in Columbus, Ohio, in 1936. He was a kindly spirit, a tireless worker for Cooperation, a great internationalist.

FRED HALL

Professor Hall was head of the Cooperative College, Manchester, England, and for years was known as the dean of British cooperative authors. He is best known in America for his authorship of the "Handbook for Educational Committees" and for his joint authorship with W. F. Watkins of the standard textbook, "Cooperation."

FREDERICK C. HOWE

Frederic Howe for many years had been identified in spirit with the Cooperative movement. As first Consumers' Counsel of the Agricultural Adjustment Administration, he did a great deal to publicize the Consumers' Cooperative Movement. He is well known to many as author of the book, "Defeat the Cooperative Way." Mr. Howe was the principal guest speaker at our Congress of 1932 held in New York City.

GEORGE COOLEY

"Uncle" George Cooley, as he was affectionately known to thousands of farmers throughout the nation, was the founder of the Ohio Farm Bureau Movement in Ohio. His zeal and enthusiasm was expressed not only in the initial organization of the Ohio Farm Bureau but was actively continued to the time of his death in March, 1939. For many years he served on the board of trustees of the Ohio Farm Bureau Federation and the Ohio Farm Bureau Cooperative Association and the Ohio Farm Bureau Credit Corporation. He was president of the Farm Bureau Federation.

MORRIS ERICKSON

A young man, taken in his prime, Morris Erickson of Jamestown, North Dakota, bade fair to become a leader in national cooperative circles. He served as Secretary of the North Dakota Farmers Union and as a member of the board of the National Farmers Union. At the time of his death, he was bringing to fruition a period of pioneering work in cooperative insurance in North Dakota.
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- 1933, embodied in Section 537, Postal Laws and Regulations of the United States, as amended (October 28, 1940). The Consumer, a monthly magazine published by the Cooperative League of the U.S.A., is sent to active members of the League for $1.50 per year. The Cooperative Promise of Peace and Plenty, E. R. Bowen. 4. 1932. a practical study of the various cooperative methods employed in the Soviet Union and other countries.

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