WE NEED FIFTY THOUSAND ONE DOLLAR A YEAR MEN

ABOVE is an illustration of the stamps to be used in the Co-op Radio Fund Drive. The first million stamps have been printed and are now available.

The stamps, postage size, green and white, are printed one hundred to a sheet and sell for a dollar per sheet.

Each person contributing a dollar will receive a hundred stamps in return, and it is urged that the stamps be used on all correspondence during the coming months to tell America about cooperatives.

BUY CO-OP RADIO FUND STAMPS AND HELP PUT THE CO-OPS ON THE "AIR."

Organize a radio committee in your local co-op. See that every one has an opportunity to tell his neighbors about cooperatives by contributing to the radio fund.

Stamps and posters, 19” x 28”, using the same design as the stamps, may be obtained from:

NATIONAL CO-OP RADIO FUND
THE COOPERATIVE LEAGUE
167 West 12th Street
New York City
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CONSUMER CO-OP PROGRESS IN 1941

MIDLAND DISTRICT SIX DRIVES ON! Davis Douthit

AMERICA REACHES THE CROSSROADS Editorial

SCENES FROM "HERE IS TOMORROW"

A NATIONAL MAGAZINE FOR COOPERATIVE LEADERS

Scottsbluff Co-op Refinery: A Highlight of Co-op Progress in 1941
"LET’S TELL AMERICA ABOUT COOPERATIVES!!"

The three-month drive to raise $50,000 for a National Co-op Radio Fund to "awaken America to the advantages of consumer cooperation" opened January 1. Before the Drive officially got under way, there was over $700 in the National Drive treasury. Two million Co-op Radio Fund Stamps have been printed and are being distributed to local cooperatives in all sections of the country. Plans call for the $50,000 to be collected in time for a spring radio program.

One of the unique features about the cooperative movement is that it doesn't believe in high pressure salesmanship. The purchase of Co-op Radio Fund stamps should be looked upon as an opportunity, not a duty. But we are sure that there are hundreds of thousands of cooperators who want to help awaken America to the advantages of consumer cooperation through making a contribution to the Radio Drive.

Send your contributions to:

NATIONAL CO-OP RADIO FUND
167 West 12th Street
New York, N.Y.

THE COOPERATIVE LEAGUE
608 South Dearborn, Chicago

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Associated Cooperatives, N. Cal.
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Central Cooperative Wholesale
Central States Cooperatives, Inc.
Consumers Cooperative Association
Consumers' Cooperatives Ass. of the World
Consumers' Cooperative Wholesale
Cooperative Distributors
Cooperative Recreation Service
Eastern Cooperative League
Eastern Cooperative Wholesale
Farm Bureau Cooperative Ass'n
Farm Bureau Mutual Auto Insurance Co.
Farm Bureau Services
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Madison, Wisconsin

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New Age Living
Cooperative Builder
The Round Table
Cooperative Consumer
The Producer-Consumer
Consumers Defender
The Recreation Kit
The Producer
The Round Cube
Ohio Cooperative
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Grange Cooperative News
Hustler Farmer
Midland Cooperite

OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

COOPERATION NEEDED BETWEEN COOPERATIVE LEADERS

In a conversation with a prominent cooperative leader about the next steps ahead, he expressed himself something like this, "Cooperation means cooperation between leaders as well as among members." And then, in humility, elaborating upon why such cooperation between leaders does not always take place, he added: "We all unconsciously endeavor to build individual greatness—rather than to build cooperative greatness."

And who, among cooperative leaders, would do otherwise than to confess, "Guilty! Guilty! Guilty!" Not in justification, but only in explanation, it should be added that conversion from competition to cooperation is not completed overnight when one becomes an employee of a cooperative. The spirit of competition, in which everyone has been trained, persists, as well as competitive habits of action. It is not easy to learn that to lose one's selfishness is to find one's personality as a member of a cooperative society.

But, granting the personal difficulties of becoming full-fledged cooperators, and with due patience in the evolutionary process, the Cooperative Movement cannot permit any failure of its leaders to embody within themselves the spirit of the Movement preventing its fulfilling its great purpose. The Cooperative Movement rightfully demands that differences of personalities be minimized, that destructive criticism be stifled, that everyone who is chosen to a position of leadership be humble over the great responsibility which is theirs, and that no personal position or organizational structure be allowed to interfere with whatever future steps may be necessary to BUILD COOPERATIVES STRONGER AND FASTER.

This, we offer, as a general cooperative movement and cooperative leaders' resolve for 1942.

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.

AMERICA REACHES THE CROSSROADS

FOR some three thousand years, mankind struggled upward through Slavery. Then for fifteen hundred years through Serfdom. Finally, we have been struggling upward through more than three hundred years of the Competitive Profit system. The end of the dominance of the profit system has finally been reached in America with the second world war, as the first world war ended it in Russia and Germany. A profit system cannot be depended upon to build a world of peace and plenty after the war. It had its chance after the last war and failed.

We have been endeavoring to describe the coming crises for the past several years by the use of a crossroad chart. The crossroad has now been reached by America. The Managerial Revolution, as described by James Burnham, is on. William Morris wrote during the latter part of the 19th century that when we threw off our shoulders the chains of the profit system, "we would be free indeed." But President Hutchins of The University of Chicago was more nearly right in saying that when mankind has thrown off each form of slavery, it has thought itself free, only to find itself in a new but larger prison house.

The world is now entering into the period of Statism which prophetic writers such as Gide, Belloc, Russell, Warbasse and others have warned against for the past quarter of a century. The pendulum of society has swung from laissez-faire liberty to state solidarity. How long we will remain in the Statism period of history, no one can accurately foretell. But it will be far shorter than previous economic periods. Time moves far faster with each succeeding system.

It is our hope that this period will be, for nations which have been trained in religious, educational and political democracy, a better period than that of the profit system. It was based on the false premise of competition for profits. It reached its predestined goal of monopoly with the majority of the people becoming tenants, poverty-stricken, and increasingly unemployed, and with the world full of disease, crime and war. It cannot be blamed. This was its natural end. Having lived through the period of monopoly in profit business, we look forward to something better, rather than worse, lacking as it will be compared with the cooperative ideal. We do not expect America to turn either to the left or right as Russia and Germany have done and adopt the extreme of state dictatorship, but to progress straight ahead along the middle way of state-regulation to the goal of Cooperation. The people have temporarily turned to the State for relief from intolerable economic conditions by indirect political means, because they have not educated and organized themselves for direct ownership and control of the economic system.

The reason we are entering a period of Statism, rather than Cooperation, is simple. It has been clearly stated by philosophers. No new system is ever born until it has been sufficiently incubated in the shell of the old. Cooperation is still too new a system, and the seeds have not yet germinated to a sufficient degree to immediately replace the profit system. The breakdown of the profit system has required the State to take over for the time being to restore order, which is the duty of the State in a time of chaos.

But we should never forget that "the consumer incarnates the public welfare in economic organization—not the citizen." Consumers cooperatives must become the common denominator of producer groups—not the political government. The use of the political state to regulate an economic system is external and unnatural and, accordingly, dictatorial. Only an internal consumer-producer cooperative economy can be self-regulating and democratic.

It is toward that ultimate economic system we Cooperators strive—a democratic cooperative economy—an economy of freedom and abundance. An economy not only for the people but also of the people and by the people. An economy which will provide everyone with the three economic rights of ownership of productive property, employment and equitable incomes. An economy where the inalienable right of Property will be realized as well as Life and Liberty, as expounded by John Locke, Samuel Adams, James Madison and others. With our natural resources and power production, we can almost reach out our hands and touch it—almost but not quite. We must develop still further the spirit of brotherhood and the necessary cooperative organizations. When mankind is willing to cooperate and when we learn how to organize cooperatively—then we will achieve the goal. This is the star that leads us on.

Our job as cooperators is to redouble our efforts and sow the seeds of cooperation more widely. The soil is being plowed deeper for cooperative seed with the coming of the second world war. If we sow enough seed well, it will eventually bring forth an abundant harvest of plenty for all and peace on earth. BUILD COOPERATIVES STRONGER AND FASTER NOW! The time is riper than ever before.

January, 1942
HERE IS TOMORROW

At long last "Here Is Tomorrow."

For the last five years, the first sound motion picture of the American Consumer Cooperative Movement has been "under consideration," "under discussion" or "in production." Today it is a reality. And those who have seen it have been unanimous in their conclusion that it was well worth waiting for.

"Here Is Tomorrow" was produced by Documentary Film Productions, Inc. under the direction of Herbert Kerkow and Willard Van Dyke and is a dramatic story of common people who have met bitter economic problems and solved them. Congressman Jerry Voorhis said: "I only wish everyone in America could see 'Here Is Tomorrow' for it would give them renewed and substantial hope for the future."

"Here Is Tomorrow" may be secured for rental or purchase on life time lease from The Cooperative League. See the back cover of this issue of Consumers' Cooperation for more complete details.
The Co-op Drive show at Mora, Minn. (pop. 1500), was scheduled to get under way in the Co-op Creamery hall at 8 o’clock that evening.

By 7:30 every chair was occupied. They began moving in all the extras they could scare up.

By 7:45 the hall’s seating capacity of 700 had been passed. They began wheeling in all the extras they could. By 8 o’clock people were standing in the aisles, on window sills, and all over the stage; some climbed on the roof of an adjoining building.

There were easily a thousand persons in the jam-packed creamery building. You couldn’t have possibly said into the comers, unable to get within yards of the doors, could be seen streaming away.

All Folks and People

Inside hardly an inch of floor space was visible. It was all Kanabec County folks and people, squeezed together like lovers going through a tunnel. Space had to be cleared on the stage to give the singers, and people, squeezed together like lovers.

Ade, 300 goodnatured pounds of the WDGY radio singing team, Pearl and Ade, could make no headway through the crowd out front, so he approached the stage from the rear. Even so he had to be hauled up by ropes. And Gwen Goodrich had to stand up to play the piano for the singing. The piano stool was occupied by several other persons.

After it was all over, Max Ott, secretary of the Farmer-Cooperative-Labor Council of Minnesota, mopped his brow and opined:

“Well, sir, I’ve never seen a Co-op meeting like THAT one before. Why, say, it was an inspiration just to see three or four hundred people turned away from a Co-op meeting.”

And so it was.

Just One of Twenty

But this Mora show was just one of a series of twenty Co-op Drive meetings held from November 1 to December 15 in the 6,000 square mile area known as Midland Cooperative Wholesale’s District VI. And every one of them told much the same story. In community after community meeting halls gave at the seams, unable to hold all the people who wanted to see this Co-op program. Many places had the biggest crowds in their history. Cambridge, 1,200; Princeton, 1,000; Foreston, 450; Lindstrom, 450; Onamia, 600; Pine City, 600; and so on. Many meetings could boast of an attendance larger as the population of the town in which they were held.

Altogether, 11,000 persons came to the twenty District VI meetings, not counting those turned away.

Only Lesser Half Of It

This, however, was only the spectacular mass production phase of the Drive. It had another, less spectacular, but far more important, handmade phase. Listen to the advantage of their Co-op opportunities:

Eight hundred rank and file members (‘Minute Men’) from some 35 Cooperatives made 15,000 calls on families in their communities to invite them to take advantage of their Co-op opportunities.

When, down every rural highway and every town and village street, that many ordinary Co-op members go door-knocking at that many houses, brother, that something, is the way of membership participation.

It all started, of course, as a part of the current Nationwide Co-op Drive. At two meetings in Cambridge, Minn., in October, representatives of 35 cooperatives in the District VI area unanimously decided to set their part of the world on fire for co-ops. Taking part in the drive were not only Midland-affiliated oil and grocery associations, but also Credit Unions, Co-op Clubs, American Farmers Mutual Auto Insurance Company, Co-operators Life (Insurance) Association, Co-op Health Mutual and the United Cooperative Burial Association.

Objective Is Calls

Objectives of the Drive were talked of first in terms of percentage increases in members, capital and sales volume. But it was realized that it would be difficult to judge results in dollars-and-cents. It was felt that if only a sufficient number of people were told about cooperatives and their activities, and if these people were given sufficient inducement, the dollars-and-cents results would follow.

So the major objective of the Drive was fixed in terms of CALLS, with each community having a quota, and the success of the Drive rested, finally, on the shoulders of the Minute Men callers (Minute Men because they were volunteers from the ranks ready to notify their neighbors at a minute’s notice of the benefits of cooperation).

Planning and promoting the Drive was a district campaign committee of one person from each community and a district publicity committee similarly made up. Steering the Drive was an executive committee headed by Werner Johnsen, Chisago City, and five others: Dr. Arthur E. Morgan, Cambridge; Alvin Becklin, Art Magnuson, Dick Leekley, Andrew Jensen and Jack McLanahan.

The Drive was touched off with some big, all-day publicity centered around two mass meetings in different parts of the district addressed by Dr. Arthur E. Morgan, former TVA chairman, former president of Antioch College, and now president of Community Service, Inc., at Yellow Springs, O. Dr. Morgan and his views on the part co-ops can play in developing community democracy rated plenty of space in Twin City newspapers as well as in the small town press.

Consumers’ Cooperation

The Serious Side

In the more serious (and briefer) part of the program the Co-op, “The Co-ops Are Comin’...” was shown and McLanahan told the crowd what the Co-op Drive is all about, urging the people to do something through cooperatives to help save their communities and their country from the flames of Apathy, Ignorance, Poverty and Selfishness. This was the place, too, where the call for Minute Men came in.

Next came the series of Co-op Drive shows, the program that really shoehorned ‘em in. This program, well-publicized by posters and newspaper ads and stories, was staged in each community as a send-off for the local part of the drive. At this rally the Minute Men volunteers were called for and these ladies and gentlemen, for the next two weeks, would roam the highways and byways with their wares. But first, those shows.

They were headlined by the radio songsters, Pearl and Ade, who are highly popular in this part of the state. The program was labeled “Take The Cow Away, Father, For I Cannot Milk To-night”, usually brought the house down.

Another star of the program was Irving (Man With the Face) Tingley, University of Minnesota coper king, who was equally adept at leading group singing or doing impromptu mimicking and clowning in the big Medical Show.

This Medicine Show, presented by a cast headed by Pearl and Ade and Tingley, was usually the high point of the evening. It was thought up late one night by Gwen Goodrich, the district’s recreational leader. In the Medicine Show, Ade and Tingley sell to an open-mouthed audience bottle after bottle of a beverage labeled “Spirits of Cooperation”—cures everything that ails you, from bills to boils — take internally, externally, or eternally.

In addition, local talent in the musical field was worked in as part of the Medicine Show.

shows Shoehorn ‘Em In

January, 1942
The Minute Men, who worked in pairs, were equipped with a specially prepared illustrated pamphlet, "Would You Really Like To Get The Things You've Dreamed About?" telling of co-op activities and achievements in the district and outlining what goes on cooperatively in each community. They also had books of coupons, "interest survey" cards and a brief printed explanation of the Drive. The Minute Men made no attempt to get into much of a conversation with the family called upon. They would simply say hello, leave their literature and coupons and be on their way to the next house. They called on members and non-members alike. Daily reports were made in each community so that "call progress" could be shown on a big map of the area.

Upon filling out the interest card and taking it in to one of their local co-ops, the family called upon could "cash" each coupon (ten to a book) for 25 cents on a $1.00 purchase or for so much on grocery purchases, or for part payment on a membership in the Credit Union or the Burial co-op or on a policy in one of the participating insurance cooperatives.

"Don't Hesitate; Cooperate"

Supporting the Minute Men was a barrage of ads and news stories in the local papers, supplied through the campaign publicity committee representatives. Posters and handbills were also distributed profusely. Auto bumper slogans read: "Co-ops Are Goin' Places; Join Now." Buttons on Co-op employees urged:

"Don't Hesitate; Cooperate."

Well, and did it work? Was the Drive a success?

The answer is yes. For District VI didn't make the mistake of taking the "Spirits of Cooperation" straight. Instead it spiced them with fun and entertainment and while the people were laughing and singing and having a good time, they were also absorbing some serious cooperation. Another thing, member participation was made fairly easy and simple. The Minute Men needed only to make the calls and hurry on. Their work was simply to pave the way for more intensive cooperative education at the local co-op.

The Drive cost altogether about $1,800. Most of the local co-ops contributed literally to the Drive fund on the basis of four cents a member. The central organizations, such as American Farmers and Midland, also chipped in. Collected papers were taken at the meetings. And although expenses exceeded income by around $450, this is causing no worry. The deficit it is expected, will be erased without much difficulty, for it would be mighty hard to find anyone in the district who doesn't think that every cent spent on the Drive will come back to his Co-op a hundredfold.

Just Ask Any Manager

Go up to most any manager in the district and ask him what he thinks of the Drive. He'll start grinning ear to ear and make excited-like gestures to convey the idea of business booming and finally come out with "Fine, swell!" or maybe Scandinavian multiples thereof.

Soon he'll calm down a bit and start reeling off story after story about how Old Man Such-and-Such, who hadn't been seen at the Co-op since Hector was a pup, came in the other day to get a fill-up and about how the Smithers, who live about a few miles out of town, came in, admitted they'd maybe strayed from the Co-op path a bit, but that, by gosh, after hearing that Midland feller, Jack McLachlan, talk at that meeting the other night, they were going to be one hundred per cent co-operators from now on. 'S'help me!' he'll say.

And one manager will tell you about a fellow who came in and confessed he was a backslider and he was so ashamed of it he said he wouldn't even cash the coupon he'd been given on a purchase of gasoline.

"Aw, shucks," he said, "those coupons are only for people who don't believe in cooperation."

Well, that gives you some idea.

CONSUMER CO-OP PROGRESS IN 1941

CO-OP ORGANIZATION

(1) Two new members were added to the Cooperative League roll in 1941—Pacific Supply Cooperative of Walla Walla, Wash., and the American Farmers Mutual Auto Insurance Company of St. Paul, Minn. The name of the Southwestern Cooperative Education Association was changed during the year to Southwestern Cooperative League, and a field man hired as a result of a grant from the Julius Rosenwald Fund.

(2) Two new members were added to National Cooperative roll in 1941—the Farmers Cooperative Exchange of Raleigh, N.C., and the Associated Cooperatives of Northern California of Oakland. The latter has developed from the Northern Division of the California Cooperative Association, initially sponsored by The Cooperative League as an educational organization.

(3) As a result of a presentation made to the board of directors of The Cooperative League on the subject of "The National Organization of the Consumers Cooperative Movement," an invitation was extended by the directors of the League and accepted by the directors of National Cooperatives and United Cooperatives to hold a joint meeting of the three boards. This meeting took place in October in Indianapolis, Ind., at the invitation of the Indiana Farm Bureau Cooperative Association. The late Frank Osborne, former secretary of Midland Cooperative Wholesale, used to say that such meetings result in knocking off a few barns and cause everyone to realize we are all cooperators.

(4) Inter-regional cooperation in 1941 resulted in Midland Cooperative Wholesale of Minneapolis, Minn., and Central Cooperative Wholesale of Superior, Wis., drawing commodity territory lines. It further resulted in the same two wholesale setting up a joint organization—Cooperative Insurance Services—for the management and distribution of various types of cooperative insurance in the states of Minn. and Wis. During the year, the Ohio Farm Bureau Cooperative Association of Columbus, the Penna. Farm Bureau Cooperative Association of Harrisburg and the Southern States Cooperatives of Richmond, jointly contracted to build a 100,000 ton cooperative mill at Reading, Ohio. During the year, the Producer-Consumer Cooperative Association of Dallas, Texas, and Consumers Cooperatives Associated of Amarillo, joined together in one organization, taking the name formerly used by Amarillo.

(5) As a result of invitations sent to all farmers cooperative purchasing associations, the National Farmers Cooperative Defense Committee was set up to deal with government in matters of priorities, etc.; and the National Council of Farmer Cooperatives was selected as the agency through which the committee would act.

CO-OP FINANCE

(1) At the instigation of The Cooperative League, the National Society of Cooperative Accountants recommended five financial and accounting policies for cooperatives to follow, which after revision by the directors were adopted.

(2) Further progress was made during the year in regional cooperative associations going on a cash basis. Consumers Cooperative Association of North Kansas City, which had the way, ended their fiscal year with only 95% of their assets in receivables. The Pennsylvania Farm Bureau Cooperative Association's latest report shows only 10% of their assets in receivables. Central Cooperative Wholesale of Superior ended their 1940 fiscal year with only 10% of their assets in receivables, it is presumed their 1941 financial statement will show similar results. On January 1, 1942, Midland Cooperative Wholesale, after a lengthy educational program, also went on a cash basis.

January, 1942
(3) During the year, a large number of local cooperatives affiliated with the Ohio Farm Bureau Cooperative Association were put on a cash basis, which resulted in the release of over $100,000 of funds which had formerly been tied up in receivables. An increasing number of local cooperatives affiliated with Consumers Cooperative Association of North Kansas City followed the lead of their central organization in going on a cash basis.

(4) The capital structures of various regional cooperative associations were strengthened during the year. At their annual meeting, the delegates of Midland Co-operative Wholesale voted to leave to the directors the decision as to whether savings should be distributed or retained. The Indiana Farm Bureau Cooperative Association completed the sale of an issue of $300,000 of preferred stock during the year. Co-ops in Eastern Co-op Wholesale territory voted to double their quota of capital investments in their wholesale and authorized the floating of a bond issue for additional capital to meet the need for larger inventories.

(5) The Saskatchewan Cooperative Credit Society, Ltd., was incorporated with headquarters at Regina, Sask., as a clearing house for surplus funds of cooperatives and credit unions. The Farm Bureau Agricultural Credit Corporation of Columbus, O., began issuing investment certificates which enable cooperators to invest surplus resources cooperatively.

(6) 1941 was a record year as far as cooperative insurance was concerned. The Farm Bureau Mutual Auto Insurance Company reported an increase of 179,000 coverages in the first eleven months of 1941, or a gain of 40.4%. Farm Bureau Life showed a gain of $188,866,000 in new writings, or a gain of 56.6%. Farm Bureau Mutual Fire Insurance reported an increase of $338,000, or a gain of 49.3%. A general liability insurance of Farm Bureau Mutual jumped 129% ahead of the previous year.

American Farmers Mutual Automobile Insurance Company, which joined The Cooperative League during the year, reported its greatest progress to date and several new steps were taken in the coordination of cooperative insurance in Minnesota and Wisconsin. Midland Co-operative Wholesale and Central Cooperative Wholesale working with regional cooperatives set up Cooperative Insurance Services to stimulate cooperative insurance business and to coordinate the services of Cooperators Life (Minnesota) and Cooperators Life Mutual (Wisconsin) and Cooperative Insurance Mutual (Wisconsin).

(7) At the close of the year more than 9,500 credit unions were in operation, serving nearly 3,000,000 credit union members.

Regional cooperative organizations are new beginning to supplement this training course with week-end or full week courses. Two schools, varying in length from one week to ten days were held in the Midland Cooperative Wholesale territory last summer. Central Cooperative Wholesale, working with the Northern States Cooperative Youth League and the Women's Guild, has sponsored week-end recreation training conferences. The Pennsylvania Farm Bureau Cooperative Association and the Eastern Cooperative League co-sponsored a full week training school in August at West Park, New York, which was attended by thirty-five students in the eastern area. The Youth Camps, set up each summer by the Ohio Farm Bureau Cooperative Association, combine training in recreation leadership with discussions of cooperative history and principles. Cooperators in the Central States Cooperative area took advantage of the new opportunities this year. The Cooperative Youth Camps set up each summer by the Ohio Farm Bureau Cooperative Association, combine training in recreation leadership with discussions of cooperative history and principles. Cooperators in the Central States Cooperative area took advantage of the new opportunities this year. The Cooperative Youth Camp. The Cooperative Youth Camp in July and also the two one-week recreation-education conferences co-sponsored by Midland and CSC.

RECREATION

"If we as cooperators are interested in recreation, we are going to have to make better use of leisure time. We should not look on recreation as a relief from the toil of living but as a definite social value." Thus challenged Carl Hutchinson, Ohio Farm Bureau Cooperative Association, at the National Cooperative Recreation School last summer. And cooperators in all sections of the country have accepted this challenge. 1941 saw more groups than ever before getting to know their Cooperative, organizing cooperatives to provide their own recreation, ending a business meeting or discussion with a period of games, singing or dancing, and training themselves for recreation leadership.

Recognizing that the quality of recreation "goods" depends so much on the capacity, insight and interpretation of leaders, the cooperatives have during the past year concentrated on providing leadership training. Ninety students from eighteen states, the District of Columbia and Canada took advantage of the two week training course given at the National Cooperative Recreation School, which is sponsored by The Cooperative League, at Ames, Iowa, in June. This was the sixth year such a school has been conducted.

The Saskatchewan Cooperative Credit Society, Ltd., was incorporated with headquarters at Regina, Sask., as a clearing house for surplus funds of cooperatives and credit unions. The Farm Bureau Agricultural Credit Corporation of Columbus, O., began issuing investment certificates which enable cooperators to invest surplus resources cooperatively.

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Consumers’ Cooperation

the number of groups which have been organized during the past year to provide recreation for themselves on a cooperative basis, but they have been springing up in all parts of the country. Thinking of recreation as a commodity for which American people spend sixteen billion dollars a year, cooperators quite naturally inquire "what do we get for our recreation dollar?" They are quite familiar with the fact that only when they organize as consumers to control production do they have an effective voice in determining price, quality and service. And they are applying this to the recreation field. In New York City; Washington, D. C.; Madison, Wisconsin; Germanont, Penn., to name a few, recreation co-ops have been organized. The patterns may differ in each locality but the idea and philosophy are the same. Consumers get together, decide what leisure time activities they would like to participate in, develop their leadership, charge themselves for expenses incurred, determine their own policies—all on a cooperative basis.

The growing acceptance of recreation as an important part of our education program in the cooperative movement, and the organization of recreation co-ops stand out in 1941 as high spots in the year's record.

COOPERATIVE BUSINESS

Business activities reported big gains in 1941 surpassing in volume of business, membership and new services any previous year in cooperative history. Hundreds of stores and service stations throughout the country were streamlined. New stores and headquarters buildings, warehouses and productive units were built. New sales records were established in retailing, wholesaling and production.

The most dramatic steps were in production where the cooperatives purchased a $750,000 refinery and inventory at Scottsbluff, Nebraska. This supplements the co-op refineries at Phillipsburg, Kansas and Mt. Vernon, Indiana and Regina, Saskatchewan. All of these production
units showed phenomenal earnings. One of the refineries saved consumers its entire cost during the course of the year.

Other productive units built or in the process of construction include feed mills at Superior, Wisconsin and Reading, Ohio; fertilizer factories in Ohio and Indiana; additions to the co-op paint and grease factories in Kansas City; a compounding plant at Amarillo; a $100,000 addition to the Farmers Union Central Exchange, St. Paul; two new warehouses for Pacific Supply Cooperative at Walla Walla, Washington; and new headquarters for Saskatchewan Co-op Wholesale, Saskatoon.

Eight co-op oil wells in Kansas are feeding the co-op refinery there. The first co-op well in Indiana "came in" late in November.

The process of streamlining grocery stores and gasoline stations got under way in 1940.

The results achieved were so effective that scores of co-op stores and service stations from Massachusetts to California followed suit during 1941. Co-op super-markets have been built in Maynard, Mass., Waukegan and North Chicago, Ill., Winfield, Kansas and Berkeley, California. And a national committee on cooperative architecture and design has created uniform color schemes and designs for new co-op stores.

Cooperatives which pioneered with government grade labelling for two years before the major chains followed suit, added a system of 1, 2, 3 grading for lower income families. In co-op stores from coast to coast the red CO-OP label stands for the highest quality, with blue designating second and green label third grade.

Fifteen regional cooperative wholesales affiliated with National Cooperatives distributed $58,821,000 worth of commodities during 1940. Sales during 1941 indicate a substantial increase over that figure. The Consumers Cooperative Association in North Kansas City, Missouri, for example, increased its volume from $6,200,000 to $7,200,000 during the fiscal year. Ohio Farm Bureau Cooperatives boosted sales from $7,300,000 to over $9,500,000. The Farmers Union Central Exchange, St. Paul, Minn. sales jumped from $5,250,000 to $7,000,000. Midland Cooperative Wholesale, Minneapolis, reported its biggest year with sales of over $5,500,000 as against $4,400,000 in 1940. Eastern Cooperative Wholesale, New York, has had sales estimated at $5,110,000 as against $3,500,000 in 1940. Central Cooperative Wholesale, Superior, Wisconsin, passed the $4,800,000 mark. Indiana Farm Bureau Cooperative Association exceeded $7,000,000, with Pennsylvania Farm Bureau Cooperatives expected to pass the $3,000,000 mark this year. Consumers Cooperative Association, Amarillo, Texas, expects sales of $1,000,000—five times the 1940 volume. The other regional cooperatives affiliated with The Cooperative League of the USA, national education federation, expected to have similar business increases, though complete reports are not yet in.

Farm Bureau Cooperative Insurance Services in the first 11 months of 1941 reported increases of 40.4% in auto insurance, 56.8% in life insurance, 129% in general liability and 49.3% in fire insurance coverages.

Cooperative Services

Cooperative housing projects in Minneapolis and St. Paul were completed during the year and additional houses were built by the Wisconsin Cooperative Housing Association on the outskirts of Madison. In Detroit plans were made by members of the United Auto Workers under the guidance of cooperators in the area for a cooperative housing project thirteen miles outside of Detroit. The site for the project was purchased and Frank Lloyd Wright, famous architect, has consented to lay out further plans for the project.

Group Health Mutual reported very rapid growth during the year, while other cooperative medical projects continued operation. The Farmers Union Cooperative Hospital at Elk City, Oklahoma announced a new addition and a new membership policy at the close of the year.

By the end of 1941 nearly 700 farm homes were provided with electric light and power by cooperatives associated with the Rural Electrification Administration. With the energizing of many new lines came the construction of small processing plants in many areas and considerable increase in output of production of farms.

PUBLICITY AND EDUCATION

Architecture

The first national meeting of the National Architectural Committee held at Ames, Iowa in June resulted in the adoption of uniform colors for co-op grocery stores and several steps toward coordination of cooperative design. The results of the modernization program through the year were very striking.

Personnel

Management and employee training schools were conducted by several of the regional cooperative associations. In addition four regionals got together to organize the Midwest Cooperative Management Institute which got under way early in 1942. Rechdale Institute and the Council for Cooperative Business Training conducted several courses during the year, but were able to meet only part of the demand for well-trained, competent personnel.

Relationships

The Committee on the Church and Cooperatives of the Federal Council of Churches sponsored several interfaith conferences on the Church and Cooperatives during the year and published a pamphlet on The Church and Credit Unions.

The National Catholic Rural Life Conference devoted several important sessions of its annual meeting to the discussion of cooperatives. The National Education Association published a report on cooperatives by its Committee on Cooperative Education and a special sectional meeting on cooperatives was held at the annual convention of the Progressive Education Association.

Outstanding in the field of relations with organized labor were conferences of labor, farmer and cooperative representatives in Wisconsin, labor and co-op conferences at New Haven and Schenectady, a telegram by Senator Norris and Congressman Voorhis addressed to the three labor groups which brought a very encouraging response from the heads of all three organizations. The Railway Brotherhoods took the first concrete step in response by asking Murray D. Lincoln, president of The Cooperative League, to address the executives of the Railway Brotherhoods.

Study Groups

In the State of Ohio the development of Cooperative Advisory Councils continued. By the end of the year almost a thousand of these discussion groups were meeting regularly to continue their programs of education for action. Other work in connection with study groups was being carried on by Eastern Cooperative League, Central Cooperative Wholesale, Midland Cooperative Wholesale and Consumers Cooperative Association. The Michigan cooperatives launched a similar program called "Cooperative Clinics" and the California cooperators carried on their fireside forums.

Radio

Among the outstanding cooperative publicity in 1941 were the following nationwide broadcasts on the major networks: a broadcast of the occasion of the 25th Anniversary of The Cooperative League of the USA by Dr. James P. Warbasse, NBC, Blue Network, March 20; The People's Lobby, Columbia Net-
work from Washington, D. C., May 17 by Congressman Jerry Voorhis and Walter J. Campbell; The People's Platform: CBS, three broadcasts in which the consumer cooperative movement was mentioned by participating in the discussions—Jerry Voorhis, Alfred Bingham, editor of COMMON SENSE, and Mary Jo Uphoff of the Farmers Union; America's Town Meeting of the Air, April 10, NBC Blue network—Dr. Warbasse, special guest speaker, spoke for three minutes on "How Cooperatives Can Prevent the Rising Cost of Living"; NBC Red network, July 18, Congressman Jerry Voorhis, "Young Man, Young Woman, You're Hired"; Columbia network, November 29—Senator George D. Aiken, Congressman Voorhis and Murray D. Lincoln, "Building for a Saner World." Rochdale Day broadcast by short-wave from BBC, London, December 29.

These radio programs were supplemented by a large number of local broadcasts including a series of nine broadcasts made by Joshua K. Bolles during his swing around the country last summer. Commercial broadcasts sponsored by the Pennsylvania Farm Bureau Cooperative Association, Central Cooperative Wholesale and Consumers Cooperative Association rounded out the co-op year in radio.

Movies

The Harmon Foundation produced a splendid two and a half reel color motion picture, "The Co-ops Are Comin'" in connection with the tour of American cooperatives. Already seventeen prints of the movie are being used in various sections of the country and the movie has been very enthusiastically received.

The cooperative movement's first sound motion picture, "Here Is Tomorrow," was completed during the year and released for distribution January 1, 1942. The picture was produced by Documentary Film Productions, Inc., for The Cooperative League. The camera crew travelled 6,000 miles shooting cooperatives in action as the basis for the movie.

Tour

The First All-American Cooperative Tour, July 7 - July 19, attracted forty educators, churchmen, journalists and cooperation leaders throughout the country who visited all types of cooperatives in a 2,600 mile swing from Columbus, Ohio through Superior, Wisconsin and Phillipsburg, Kansas and closing at Kansas City.

The tour brought the movement unprecedented publicity. The major news papers in each of the cities through which the tour passed devoted several stories to the cooperative movement and the tour. The St. Louis Post Dispatch assigned a special reporter to travel with the tour. This resulted in a series of two-column stories on the major cooperatives visited and a full column picture-story in its Sunday Magazine Section. Agnes McPhail, columnist for the Toronto Globe and Mail, accompanied the tour party and wrote a series of daily articles describing the cooperatives she visited during the tour. Such papers as the New York Times, Christian Science Monitor and PM carried special stories in this connection.

Magazine Articles

Among the important magazine articles during the year were the following:

**America**, February 15, 1941, "A Fair Deal to All through the Cooperatives," John C. Rowe, S.J.


**Commonweal**, September 20, "Co-op Ad Drive."

**Commonweal**, December, 1941, "Co-operators under the Blitz," by Edward Topham.


**Commonweal**, December 25, 1941, "American Co-ops on the March," (editorial)

**Coronet**, February, 1941, "Beating the High Cost of Living," Michael Evans.

**Editor and Publisher**, August 16, 1941, "Cooperatives Now Doing $600,000,000 Business," Joshua K. Bolles.


**Inland Waterways**, April, 1941, "There Are Jobs in the Co-op," Wallace J. Campbell.


**Lake Today**, July, 1941, "Heritage of Rochdale."

**October, 1941, "The Cooperative Movement Makes More.""


**October, 1941, "Five Hundred Can't Be Wrong: Education the Co-op Way," William Moore (this issue of Nation was devoted largely to co-ops).


**PM**, June 30-July 8, A series of articles on cooperatives in New York City, later reprinted in pamphlet form.

**Sept. 11, 14, 15 and 19, A series of articles on cooperatives in the Midwest, bySuppressLint Masters.


**Readers' Digest**, May 8, 1941, "Consumer Co-op Goes to Columbus."


**Saturday Graphic**, December, 1941, "Cooperatives in the Crisis," Danner Masters.

NEW BOOKS


"Cooperative Plenty," Rev. J. Elliott Ross, B. Herdt, Co-ops, St. Louis.

"Cooperative Education," abstracts of 600 books and articles on cooperative education, edited by Dr. V. J. Terenbosch, The Cooperative Project, Works Progress Administration.


"Constructive Force," Gerald L. Fiedler.


Nationale Co-Op Drive

The most important feature of the cooperative publicity campaign of the year was the launching of the Nationwide Co-Op Drive designed to strengthen cooperatives internally and to awaken America to the advantages of consumer cooperation. The Drive got under way October 1 with special regional drives in several territories coordinated into a nationwide program. The Drive is to continue with a great number of features until the Cooperative League Congress in October, 1942.

As the new year opened, the cooperatives began a campaign to raise $50,000 for a National Co-Op Radio Fund. This is designed to carry the story of cooperation to America on a broader scale than ever before.

1941 ON THE LEGISLATIVE FRONT

"Little by little" to quote a phrase Jefferson liked so much, the Cooperative League of the U.S.A. moved on to establish this year the opportunity and the right of consumer cooperative organizations to be free from unsocial and undemocratic restraints of government. Some time soon, let us hope, we may add to the phrase: "little by little" Jefferson's other phrase, "and then much by much."

The Right to Engage in Business

The struggle to establish for consumer cooperatives the right to engage in the business of distributing bituminous coal finally reached the courts on appeal from the decision of the Coal Division
Administrator in the Midland Cooperative Wholesale's case. Daniel C. Rogers, attorney for Consumers Cooperative Association of Kansas City argued Midland's case in the Federal Courts in St. Louis. At this writing the decision has not been made. If this decision is favorable, no further legislative efforts need be made. If it is not, the fight to get specific legislative recognition of the consumer cooperatives will be renewed, immediately. The legislation is now pending in the Senate.

Education Must Precede Legislation

This effort to wipe out of the Coal Act—and incidentally of any other legislation—any barriers to free commerce by and of and for consumers emphasizes again how slow the processes of legislation are, and also why they are so slow.

Honorable, and therefore sound, legislative efforts always must depend on education and understanding. That is true even where the legislation is in support of a selfish profit system and interest, true even though the records show that much of our legislation is merely surgery forced upon legislators by an economic crisis. But the processes of education are terribly slow when they must move against the redoubts of special privilege already established in law, and that is what consumer cooperative educators are doing.

The League has asked no committee of Congress and no individual member of Congress for any special privilege, or for any subsidy. The League representative thus carried out the instructions given to him—that he was only to ask for, and then insist upon consideration which would be "in the public interest" and therefore in the interest of consumer cooperatives which express "the public interest." That attitude has surprised Senators and Congressmen and committees, surprised them so much that official faces often expressed doubt and even suspicion. But repetition, by day and by week, had its educational effect until now it can be said that little groups within the House and within the Senate are not only listening to the cooperative story, but are getting encouragement from the support for the public interest which, at long last, has been given to sincere legislators by a powerful group of consumers.

The Voorhis-Wagner Bill

The Voorhis-Wagner bill is another example of the processes of education. When the great religious organizations sponsored this legislation to establish a post war economic commission, they invited the League's representative to assist them in preparing the legislation. For the first time in the memory of legislators, consumer cooperatives were specifically mentioned in the legislation, and were assured of a place on the Commission.

The legislation got wide and very emphatic support from representatives of all classes of profit industry, from organized labor, from religious groups, from educational groups. It suffered opposition only from some government forces in the executive departments where there was some obvious concern that some present jobholders might be forced to justify their jobs and salaries, or retire. That opposition has been strong enough, in a war situation, to delay action on the resolution, however. If there is any other reason for the delay no one has been able to discover it.

But the constant educational effort for the resolution has, at last, begun to influence a real demand from within Congress and from the country, for passage of the bill. There is good reason now to believe the resolution will be passed in this Congress and that a consumer cooperative representative, as a member of the Commission, will have the opportunity to carry the cooperative message of hope to the world through an official body of government.
HAVE YOU HELPED TO PUT CO-OPS ON THE AIR COAST TO COAST?

Here is your opportunity to help awaken America to the advantages of consumer cooperation. The purchase of Radio Fund Stamps ($1 for a sheet of 100 stamps) helps swell the fund. The goal is $50,000. Purchase your stamps (postage stamp size) today from your local cooperative or

NATIONAL CO-OP RADIO FUND
167 West 12th Street
New York City

THE COOPERATIVE LEAGUE
608 South Dearborn, Chicago
167 West 12th Street, New York City
726 Jackson Place N.W., Washington, D. C.

DIVISIONS:
Auditing Bureau, 167 West 12 St., N. Y. C. Medical Bureau, 1790 Broadway, N. Y. C.
Design Service, 167 West 12 St., N. Y. C. Rochdale Institute, 167 West 12 St., N. Y. C.

AFFILIATED REGIONAL AND NATIONAl COOPERATIVES

Name Address Publication

Associated Co-operatives, N. Y. C. 27 Coe Avenue, Brooklyn The Cooperative

Consumers Credit Union, 150 West 58th St., N. Y. Consumers Cooperative

Consumers Credit Union, 1790 Broadway, N. Y. Consumers Cooperative

Consumers' Cooperative Wholesale, 150 West 58th St., N. Y. Consumers Cooperative

Cooperative Distributors Cooperative Distributors Cooperative Distributors Cooperative Distributors

Cooperative Recreation Service Cooperative Recreation Service Cooperative Recreation Service Cooperative Recreation Service

Eastern Cooperative League Eastern Cooperative League Eastern Cooperative League Eastern Cooperative League

Farm Bureau Cooperative Ass'n Farm Bureau Cooperative Ass'n Farm Bureau Cooperative Ass'n Farm Bureau Cooperative Ass'n


Farm Bureau Services Farm Bureau Services Farm Bureau Services Farm Bureau Services

Farmers' Union Central Exchange Farmers' Union Central Exchange Farmers' Union Central Exchange Farmers' Union Central Exchange

Grange Cooperative Wholesale Grange Cooperative Wholesale Grange Cooperative Wholesale Grange Cooperative Wholesale

Indiana Farm Bureau Cooperative, Inc. Indiana Farm Bureau Cooperative, Inc. Indiana Farm Bureau Cooperative, Inc. Indiana Farm Bureau Cooperative, Inc.

Midland Cooperative Wholesale Midland Cooperative Wholesale Midland Cooperative Wholesale Midland Cooperative Wholesale


Pacific Coast Student Co-op League Pacific Coast Student Co-op League Pacific Coast Student Co-op League Pacific Coast Student Co-op League

Pacific Supply Cooperative Pacific Supply Cooperative Pacific Supply Cooperative Pacific Supply Cooperative

Pennsylvania Farm Bureau Cooperative Cooperative Cooperative Cooperative

Southeastern Cooperative League Southeastern Cooperative League Southeastern Cooperative League Southeastern Cooperative League


FRATERNAL MEMBERS

Credit Union National Association Madison, Wisconsin The Bridge

The following news release was issued by The American Institute of Cooperation, after a meeting held at Atlanta, Ga., on Sunday, Jan. 11, 1942, which was described in these words: "There has never been such a group drawn together in all history."

A t an informal conference of cooperative association executives and leaders, held here in connection with a seminar of executives, preceding the opening today of the American Institute of Cooperation sessions, conditions surrounding present day national and world affairs were thoroughly discussed. Out of the exchange of views came a declaration of conclusions including the "belief in the right, ability and necessity of common people to work out their own destiny on a voluntary basis."

The statement representing the united viewpoints of the conference, who represented consumer and producer groups, urban and rural groups, is not presented as the official declaration of any of the organizations represented in the conference, especially the American Institute of Cooperation, which has "the passing of no resolutions" as one of its cardinal principles.

The statement authorized by the conference, at which H. E. Babcock was chairman, is as follows:

"After a general discussion, entered into by representatives of many different interests and organizations, the following conclusions were reached:

1. That the group believe in the right, ability, duty, and necessity of common people to work out their destiny on a voluntary basis.

2. This premise calls for the increased use of the mechanism of cooperative action.

3. Cooperative corporations should be available to all who desire to use them (both producer and consumer).

4. The only difference between consumer and producer cooperatives is the difference in point of interest of members.

5. Meeting adjourned with the recognition that producer and consumer cooperatives have many interests in common and that cooperation is an effective instrumentality available to both."

February, 1942

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THE COOPERATIVE PURPOSE

Guest Editorial, from The Western Producer
Saskatoon, Canada

Recently a speaker at a gathering of cooperators "somewhere" on this continent blandly assured his audience that the cooperative movement was not opposed to but was definitely a part of a capitalist competitive economy and that its most important function was to check the tendency in such an economy to create monopolies and to prevent the free operation of "economic laws." The idea is not new within the movement; of the millions of members throughout the world the great majority belong primarily for the pecuniary benefit their membership brings to them; that the movement has a definitely social purpose is either not known to them or awakes in them little or no interest. It is not only on this continent that the social purpose of cooperation tends to be forgotten or pushed into the background. An English cooperator a few weeks ago in the course of an address on "Cooperation in Action and Endeavor," made the remarkable statement that "Cooperation touches no man’s future and does not disturb society.

That is enough to make the Rochdale and all other pioneers of the cooperative movement turn in their graves. If the movement today were one which touched no man’s future and did not disturb society then it could positively be said that it had definitely failed to live up to its original promise and had failed in its social mission. The authors of a recent valuable study on Consumers’ Cooperation in Great Britain have said: "The need for a clear perception of aims has become urgent in view of the changed character of the movement." The facts seem to support the admonition and not only for Great Britain. Pecuniary aims are overshadowing the social ideals of the movement practically everywhere, and what started out as a conception of a new, a more just, a better order of society is dwindling into simply another way of doing business, a better way perhaps, but still not what was envisaged by the pioneers.

A few years ago, before Europe was engulfed in another orgy of destruction and the cooperative movement destroyed by the Nazi hordes, the International Cooperative Alliance issued a declaration of the aims and purposes of the movement, which included the following clauses:

"Cooperation substitutes the service of the community for the profit of the individual; establishes a genuine interdependence between its members throughout the world and a means, through international association, of achieving equilibrium in the economic sphere between the needs of the people and world resources.

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

Nothing in that declaration makes the cooperative movement part and parcel of a capitalist, profit-making, competitive economy; it gives no consolation to the privileged classes in the form of an assurance that they are not going to be disturbed; it does touch man’s future by the assurance that it aims at the creation of an order in which the bounties of man’s labor and nature will be brought into the service of all humanity.

As the Rochdale pioneers would put it: Let it be understood that the purpose of cooperation is to "arrange the powers of production, distribution, education and government" so as to bring in an order of social justice; an order in which there will be no involuntary unemployment, no extremes of wealth and poverty, no humanly avoidable misery and distress, no hindrances to the acquisition of a good education, no bar to the fullest utilization of knowledge and nature in their own right of free and abundant. The achievement of this purpose is certainly going to touch man’s future and what it is going to do in the way of disturbing society can easily be realized by looking at the world as it is now and how cooperators hope to transform it.

WHY AM I SO DEEPLY INTERESTED IN COOPERATIVES?

Congressman Jerry Voorhis

Why am I so deeply interested in Cooperatives? Because I know the economic problems that have been destroying democracy and freedom must be solved. Because I know free governments cannot live where there are no free farmers. Because I know that the unemployment problem has not been solved and that it must be solved before constitutional democracy as a form of government will be safe. Because I know that men, in an age that they know could be an age of plenty, are not for long going to endure the misery and humiliation of joblessness again—especially not when they have just returned from defending their nation in the front lines of war. Because I know that private monopoly in industry and especially in finance means the end of free enterprise and has been the very basis upon which Nazi and Fascist dictatorships have been built in other countries. Because I know that the solution of all evil things must ultimately be found in methods that are good, in methods that partake to a considerable extent at least of eternal laws of God.

I believe in cooperatives because they can and they have restored to farmers in this country and in many other countries the control over their own economic destiny. I believe in them because they offer a way to make the dollar of the working man buy more of the products he and his fellows produce. I believe in them because they can and they have met more than one entrenched monopoly on its own ground and beaten it.

I believe in them because the more business they do the better they profit, because never can they be successful by a restriction of production or distribution or exchange. I believe in them because they are the only means I know of whereby these problems, which must be worked out if democracy is to live, can be solved without a vast control over the lives of men by government.

I believe in them because they can only succeed as they improve the welfare of others beside themselves or their own members—because the success of a cooperative therefore accords perfectly with the eternal principle of the Golden Rule.

I believe in Cooperatives because they are the one means that I know of whereby I am sure our problem of poverty in the midst of plenty can be solved—and, what is more, solved without resort to governmental dictatorship or to the development of a dependence of millions of people upon governmental support. Cooperatives are true democracy in the practical field of economic life because each member has one vote whether his financial contribution be large or small. If we believe in democracy sincerely we just have to believe in Cooperatives.

And last of all I believe in them because they offer to the common people something they can do for themselves now with their small resources, a great and sound idea, a willingness to study and to work, and a deep and abiding loyalty. These resources every group of people in all the world possess. And therefore the message of the Cooperatives to a distressed world is more fundamentally a message of hope than any other message I know.

February, 1942
THE TAPROOT OF PERMANENT PEACE

The Good Book warns us against thinking "peace where there is no peace." An important Catholic magazine says that "something men will call 'peace' must be established some day."

Our great difficulty is that we do not think in terms of permanent peace, but only in terms of temporary truces in a permanent war. Dr. Horace M. Kallen rightly says that what we call peace is a state of internal conflict, while what we call war is a state of external conflict. Both peace and war are today states of conflict.

We called the decades of the 1920's and 1930's years of peace. They were, in reality, only decades of internal conflict as preludes to external conflict. War is primarily an external extension of the internal dissension between competing producer economic groups. The primary reason we have external war between nations is because we have not learned how to prevent internal war within nations. We have not yet cut the economic roots of wars and grown the taproot of permanent peace.

The Seeds of War

In an article in the January number of The Atlantic Monthly, Vice-President Henry A. Wallace says: "Actually, the seeds of the present world upheaval were sown in the faulty economic decisions that followed the war of a generation ago." He lists as some of those seeds: German reparations; Allied war debts; international tariffs; nationalistic self-sufficiency policies.

To establish "sound relationships," he says that certain basic facts cannot be ignored and lists seven such facts: access to raw materials, indispensability of markets, tariff barriers, gold based currencies, international trade credits, the relationships between currencies, and exchange of goods and services.

The Taproot of Permanent Peace

In addition to the above six facts, he then adds a seventh which he describes as the "most important of all," namely, "the essential role of adequate purchasing power within the various countries that are trading with each other—for full employment within nations makes broad trade possible with other nations." Note carefully that he lists as "the most important" economic problem of all the distribution of adequate purchasing power and thereby the solution of unemployment within nations.

"The real problems of war," warns the National Resources Planning Board, "never arise until after a war is over. When this war is won we can lose everything we are arming to defend, if, in the transition to peace, we slip back to a low national income with its inevitable unemployment, suffering, chaos and loss of freedom. To discover ways and to work out the plans for shifting from full employment for war to full employment for peace is a matter of outstanding public concern."

The equitable distribution of adequate purchasing power to all the people has not yet been solved by any large nation. On the distribution of such purchasing or consuming power to all depends the achievement of steady employment by all able workers or producers.

And both of these problems of equitable and adequate purchasing power and full and steady employment are based on the primary economic requirement of ownership of productive property by all the people. John Locke clearly enunciated the three inalienable rights of men 250 years ago as "Life, Liberty and Property." This is the unrealized primary economic right of every man—ownership of property. On ownership is based the solution of poverty and unemployment. They are only the symptoms of the chronic disease of tenancy.

Professor A. B. MacDonald of Nova Scotia says: "People who own, control, and when wealth is in the hands of few, democracy dies. The common people will never have an effective voice in national affairs until they get their share in the ownership of business."

The taproot of permanent peace is ownership of productive property. Until this vulnerable right is realized by everyone there will be no permanent peace.

The seeds from which will grow the taproot of permanent peace—ownership by all—must be sown within every community by cooperative non-profit organization. Cooperators know how to build permanent peace, when mankind is willing. Build Cooperatives Stronger and Faster.

RADIO FUND DRIVE UNDER WAY

Members of the Committee: reading left to right: Wallace J. Campbell, assistant secretary of The Cooperative League; R. N. Benjamin, Exec. secretary, Penna. Farm Bureau Coop. Ass'n; George Tichenor, editor, The Cooperator; Mary MacMillian, The Cooperative League; Herbert Evans, vice-president, Consumer Distribution Corp.; Esther Covey, The Cooperative League; Robert L. Smith, educational director, Eastern Cooperative League.

The National Co-op Radio Fund Committee met early in February to make further plans to add impetus to the Co-op Radio Fund Drive. As the drive swung into its seventh week, $2,302 has actually been turned in to the committee. This is in small proportion to the goal of $50,000, but reports coming in indicate that the regions are gearing themselves for an intensive campaign and are confident of reaching the goal of $50,000 by March 31st, to "put Co-ops on the Air Coast-to-Coast."

Three regional organizations, Central Cooperative Wholesale, Midland Co-op Wholesale and Eastern Cooperative Wholesale are making an "all out" drive to achieve their goals totaling $17,000. No announced goals have been set in other regions to date, but they have given assurance that the next two months will see striking progress in their areas.
The Intervention of the State a Present Necessity

However, says Dr. Ruf: "... the free play of 'natural laws', from which liberalism expected the common good, has led the world into the worst of chaos, and through this to a policy of State intervention which cannot without injustice be made a complaint against the State. Is it not incumbent upon the State to restore order?" The State is attempting to palliate the deficiencies of the private-profit system. It has become the receiver for a bankrupt economy, and must do the best it can to liquidate it.

But, says Mr. Groschupf: "... there are far too many people in Switzerland today (and it could be added everywhere) who, at the first signs of an emergency, call for State assistance. Such calls are not directed to any person in particular because of his experiences or special qualifications, but simply to the State. But, when calling upon the State, one also calls upon civil servants who, although they are admittedly good administrators, lack the necessary sense for initiative in emergencies."

An assuring note is expressed by Eric Descoeudres that . . . "intervention by the public authorities in economic affairs is only tolerated here in Switzerland on an exceptional measure. While in other countries, the State, as a rule, intervening in emergencies, is only tolerated here in Switzerland on an exceptional measure. While in other countries, the State, as a rule, is the social organization that serves the economic public welfare. We, in the United States, are also beginning to realize that while the citizen represents "the public welfare" in government, as do the laity in the church and the student in the school, so the consumer represents the public welfare in economics, and the consumer's desires and needs must and will eventually be served. Consumers Cooperation is the social organization that serves the economic public welfare."

Problems Can Only Be Solved by Cooperation

On principle, however," says Mr. Groschupf, "difficulties and problems should be solved by voluntary, non-bureaucratic means and independently of the State. Such voluntary action should be based on the noble motive of service which the individual owes to the community as a whole."

"Without the Cooperative Movement," emphasizes Dr. Ruf, "there would be no order but disorder by the accumulation of power, in other words, the eternal jungle, more or less policed."

In positive as well as negative, terms he declares: "Our idea of order is expressed in Cooperation, which alone, in our opinion, reflects the general interest. For it is created precisely as a result of the need for true order which aims at creating for all, without restriction or injustice, the satisfaction of legitimate requirements. By its action it alone provides the concrete proof that it knows how to harmonize private with social aims while serving both." In other words, as Dr. Goetz Brätts says, it integrates self-interest and social responsibility. Or, as George W. Russell said, it reconciles the opposites, and combines essential freedom with organic unity.

"The public well-being is incarnated in the consumer" powerfully sums up the Swiss position on Liberalism, Statism and Cooperation. We, in the United States, are also beginning to realize that while the citizen represents "the public welfare" in government, as do the laity in the church and the student in the school, so the consumer represents the public welfare in economics, and the consumer's desires and needs must and will eventually be served. Consumers Cooperation is the social organization that serves the economic public welfare.

ARE WE COOPERATORS OR COPYERS?

( Editor's request: Your comments on the above article will be passed on to the National Cooperatives' Grocery Committee for their consideration.)

THROUGH our publicity we hear much about building that "brave new world," but seldom if ever are we told specifically how to go about it. Our publicity is stirring the imagination of large numbers of people, but have we given enough thought and time to how these people are going to function in a cooperative way of life? Might not this very process cause that "brave new world" sooner or later to crumble around us? Are we building a movement with human material, or are we building just more business? Are we being unconsciously totalitarian in our approach by making the competitive system the "Fuehrer" to be imitated and copied?

February, 1942

Werner E. Regli, Director
Cooperative League Accounting Bureau

Or are we ready to discover methods and patterns of distribution unique and suited to cooperative thinking? Are we ready to experiment and take the risks that go with experimentation?

Let me make clear that I am primarily talking about the cooperative groups only recently started, or about to get launched. Our older societies went through the mill of experience on a parallel with the private profit system and I believe that their present solidity is due to the fact that they had to do their own thinking and make it possible for them to survive. But even in the older groups, the tendency to copy from the private profit system is increasing.

There is a unique pattern of cooperative distribution which we have evolved and this is the cooperative buying club. I refer to the type of club where neighbors pool orders for certain commodities;
where there are no sales but only members' purchases; where no inventory is carried and therefore a total turnover of merchandise exists; where rent is eliminated by the use of a member's basement or garage; where labor is contributed by the members participating in the club; where hours do not conform to those of privately owned business; where cooperative education is direct and continuous; where neighbors learn by doing. In this pattern we marshall all the factors which differentiate us from the private profit system and we copy none of its techniques.

Purchases or Sales

But what do we do today after our club has grown to a volume of three or four hundred dollars? We encourage the urge to expand into a store, which, in a way, is a private profit store operated by cooperators on Rochdale principles. We do live up to, or seriously attempt to live by Rochdale principles; but we cannot change from our club technique and begin to copy and imitate the competitive system. For example, we shift from thinking in terms of members' purchases to sales to members and customers. We locate ourselves on Main Street and thus speculate for an increase of the store's volume, through transient trade. Our inventory no longer can be representative of the desires of the members, but must be planned in such a fashion as to represent the management's version of the demands of non-members as well. We must handle a wide variety of goods, since profitability of the store's volume through transient trade. The gross margin which we could fix under the cooperative club pattern is now determined by competition. Labor's usefulness represents the copied version of the private profit establishment. Cooperative education becomes less and less direct, dealing more with generalities, less related to actual operations. If you will think back over the last 20 years, you will recall what a change has taken place in the methods of retail distribution. In the well-remembered store around the corner, individual initiative determined success or failure, both in the cooperative and in the private field. The more competent private owner found that he could manage a number of stores just as well as a single one, and in doing so he could reduce prices. This also reduced profits, but even so he was ahead of the game because the reduced profits of four or five stores were still larger than the profits of his single venture. So the chain store came into being. About that same time, we cooperators began to make more intensive efforts at federation. We used cooperative techniques in meeting chain store competition. Through joint buying and various joint services, we were able to cut costs and pass on the savings to ourselves.

Then came the big battle of "loss leader" sales. I remember our spending the larger portion of a day at one of our conventions, or district meetings, in discussing this question. The meeting went on record—I believe with the exception of one voice—as condemning "loss leader" practices as a means of deceiving the consumer, and so we would have none of it. In retrospect, it appears that at that meeting, although our decision was correct, we did not go far enough. We gave our judgment on the consumer problem confronting us, but we did not develop and think through a cooperative technique which would do for us in a positive way what the chains were attempting to do for themselves by a devious method. And to think through a plan of marshalling our very real advantages as consumer cooperatives, and of abandoning those methods which are advantageous to the private profit system because of its setup, but that are disadvantageous to us. We can take the lead; are we willing to plan it? The private profit system has no monopoly on initiative and imagination.

Wasting Our Buying Power?

We talk much about the advantages of organized buying power, of quantity purchases. Have we as consumers ever considered organizing the buying power of the individual? Do we not squander it by a dollar purchase here and a dollar purchase there? Can't we recognize that the cost to our organizations of handling a $1.00 purchase is nearly as expensive as if we made a $5.00 one? Couldn't we store handle a much larger volume without an increase in overhead; if each one of us would plan our requirements so as to buy for a whole month in advance, as far as staples are concerned? Could we not, as consumers, distribute our purchases so that they would equalize more or less over the days of the week? I have made an analysis of one of our stores, attempting to give daily profit and loss statements. Why, as consumers, should we not think in daily, or even hourly, profit and loss analysis?

Five Years Too Late

The competition went on and the war of chain against chain evolved new patterns, all familiar to us—self-service, cash and carry, the super market—and it seems that we are swallowing this newness hook, line and sinker. Somehow, we feel we have to keep up with the rapid changes and we find little time to evolve and think through patterns of our own which were to build that "brave new world." At that, we generally were from one to five years late with our imitations. True, we often were not much later than some of the chains competing with each other. But let's remember that, with a head start of say, five years, the leadership in the new way of merchandising had already been able to charge the customers for about one-half of the experimentation in new fixtures, displays and expensive locations, and that it was continuing to develop and visualize further changes. Every time these changes came, we found that we could not immediately follow because we still had the millstone of our recent imitations, as represented in dollar expenditures, hanging around our necks. Let us remember that planning new ways of retail distribution is going on at this very moment, but that we, in our retail societies, at any rate, have little part in it. The present trend would indicate that economy in distribution methods will be the password for the next development. Farm prices are being artificially kept at a high level by the Government. Consumer prices are more and more coming under the control of the Government. The margin between these two extremes is narrowing. Labor is being encouraged to ask for a higher price for its services. What is going to happen to gross margins which even today we find all too narrow?

This is a gloomy picture; yet I believe that the sense of gloom and depression that at times gets a hold of us is only a reaction to the fact that seldom, in recent years, have we in the field of retail grocery distribution, thoroughly thought through a plan of marshalling our very real advantages as consumer cooperatives, and of abandoning those methods which are advantageous to the private profit system because of its setup, but that are disadvantageous to us. We can take the lead; are we willing to plan it? The private profit system has no monopoly on initiative and imagination.

Suppose we take a daily volume of $350 as a fair indication of what this particular store could comfortably handle at $2,100 per week. We find that a gross margin of 10%, or $210 in lieu of the 16.5% now necessary would carry operating costs. A 40% saving in the gross gain could be achieved, or nearly $6c. on every consumer's dollar.

Of course, you may say this sounds
good on paper, but basic buying habits of the public are such as to make this impossible. I should like to challenge this assumption. I would define basic buying habits of consumers as a want for "conveniently located goods available at the lowest price possible." It is true that this basic habit has been super-imposed upon by other habits which we are assuming to be our own but which in reality were imposed on the consumer by the retail merchant. I recognize that the problem of changing buying habits would be a job, but we have the direct approach to ourselves. We can discuss our common aims and needs as consumers. Here exists an advantage, big and broad, one that the private profit system has no access to. With this advantage alone, there can be born, through our joint imagination, a new and specifically cooperative way of retail distribution.

Sales under the private profit system are a question of price, of display, of service, of location. We have discussed our common aims and needs as consumers. Here exists an advantage, big and broad, one that the private profit system has no access to. With this advantage alone, there can be born, through our joint imagination, a new and specifically cooperative way of retail distribution.

Comfort vs. Chromium

How about display? A lot of enamel, fancy linoleum, or chromium, probably does give an illusion of sanitation, but certainly there are sounder and less expensive means of achieving sanitation and beauty to boot. A fair sized bookshelf or cabinet would hold the 800 odd items which we usually carry, and I am not too sure that so many items are necessary to cover average needs. I would much prefer to walk into a comfortable reception room in my store, fitted with comfortable chairs, books, games, or what have you, where I could make up my order at leisure, if it had not already been made at home with other members of my family, and send it to the back, to an efficiently operated warehouse where it could be properly taken care of. I would have a chance to talk with my neighbors while waiting. In place of the apparent urge and pleasure to shop, which housewives seem to have, ways to compensate this could be found. The people working for us would probably receive better pay because the cooperative distribution center, as I visualize it, would be less wasteful of their services. When not filling orders, our employees could probably prepackage orders. If we could buy only in units of three of this or six of that, these units could be assembled in advance so as to expedite the service to us when we visit the store. The warehouse in the back could be efficiently arranged, since we would not have to take into consideration the question of displaying and arranging the merchandise in such a fashion as to make us buy more. No selling would be practiced; it would be a question of purchasing goods and of receiving service. If delivery should be an important feature, to this or that cooperative distribution center, a delivery system could be inaugurated and charged for at so much a parcel. If accommodation credit should be an advantage, a small cooperative bank could be run in connection with the store. The reception room could very well be used as banking headquarters after hours. A "Deposit in Advance" system would be quite possible.

For the seventh summer the National Cooperative Recreation School will offer training for recreational leadership. The school will be held on the campus of Mission House College, Plymouth, Wisconsin, June 13 to June 26. Many who have participated in previous schools have been or have become active leaders in the recreational life of their cooperatives, their churches and schools, farm organizations, youth groups, labor unions and community and civic organizations.

The School, which is a cooperative undertaking, financed and controlled by the students, is conducted by the Cooperative Society for Recreational Education and sponsored by The Cooperative League. The curriculum for each successive year is set up on the basis of requests by the students of the previous year and the recommendations of the previous year's faculty.

The staff of the School is drawn from recognized authorities in the various fields of recreation. For the seventh year Miss Neva Boyd, former assistant professor, Department of Sociology and Division of Social Work, Northwestern University, will lecture on the social private profit system. Only a dynamic movement doing its own thinking and planning can fulfill its promise to help in saving the kind of life we cherish and visualize for the future.

Elvin Edwards

Values of play activities and methods and techniques of teaching and leadership, and teach classes in folk dancing and story telling. Alice Schweibert, graduate courses in group work and recreation, Northwestern University, will assist in folk dancing and teach non-musical games. Play party games from the Middlewest and South will be taught by Darwin Bryan, Education Department, Ohio Farm Bureau Cooperative Association. Group singing and instrumental music will be under the direction of Dan Vornholt, Music Specialist, Extension Department, University of Wisconsin. Courses in simple forms of dramas such as charades, pantomimes, sketches, etc., and fundamentals of acting and directing will be conducted by Ruth Chorpiony, professional actress, New York. James Norris, professional dramatic producer, New York, will conduct advanced courses in acting and directing. Courses in experimental design, introduced for the first time last year, will again be taught by John Stein Bugler, industrial designer. Mrs. Lydia Zmrhal, Art Institute, Chicago, will give classes in painting and drawing. Work in making and manipulating fest puppets will be conducted by Wilmer Vess, Northwestern University.

Emphasis, as in previous years, is on those types of recreation in which everyone participates—the kind of recreation which will help build strong social bonds. "As communities and neighborhood and in all our social groups, we need recreation that will unite us as one people and dispel the suspicions and distrusts that spring up like mushrooms in the crisis of war-time," Merlin Miller, educational director of Consumers Coop.

February, 1942
Co-op Recreation Workshops

In New York City and Minneapolis, Co-op Recreation Workshops have been set up to train recreation leaders in local cooperatives and other groups. In Minneapolis about forty people have registered for the course in handicrafts, folk dancing, group games, dramatics, puppetry and music which is being held at the Wesley Foundation. Diane Weidner, of the Co-op Youth League and former National Cooperative Recreation School student, is workshop director.

A fifteen-week course is planned by the New York Co-op Recreation Workshop with sessions in folk dancing, games, group singing, dramatics and design. Classes which are three hours in length are held weekly at the Co-op Cafeteria on East 25th Street. Sixteen students from co-ops, unions, settlements and church groups are enrolled for the course which is being conducted by Ruth Choppen and James Norris, staff members of the National Cooperative Recreation School.

Co-op Recreation Conference

The third Co-op Recreation School to be conducted by the Northern States Cooperative Youth League will be held February 27 to March 1 at the Co-op Center, Virginia, Minnesota. The school program includes party game parties, charades and simple dramatics, group singing, craft work, poster making and folk dancing. Hans J. Schmidt, former di-rector of the Cooperative Theatre of Ladysmith, Wisconsin and present educational and recreational fieldman for the Range Cooperative Federation, and Murray Lewis, craft specialist, Midland Cooperative Wholesale, will head the staff. The age limit has been extended from the former 16 to 80 to new limits of 15 to 90!

Fifty-five persons attended full or part time the Educational and Recreational Leaders Conference which was sponsored by Midland Cooperative Wholesale, Districts 9 and 10 at Fond du Lac, Wisconsin. Janet L. Ewbank, of the Department of Speech, University of Wisconsin, led discussions on the effect of the defense program on the consumer. Charades, and folk dancing were under the direction of Serena Schmit, Elaine Schroeder and Elda Shrader, former National Cooperative Recreation School students. A similar conference is planned for April 17 to 19 at Green Bay, Wisconsin.

Co-op Recreation Service

A unique venture in cooperative recreation was started by a group of young people in the Antigo, Wisconsin, community last fall, the Midland Cooperative reports. It is called Co-op Recreation Service and is just that—a recreation service on a cooperative basis. It has a board of directors, a manager, articles and by-laws and membership shares of 25c. each.

The idea was started last September by a group of people, some of whom had been to the National Cooperative Recreation School and others to regional or local schools, camps and conferences and all of whom wanted to see organized recreation of a cooperative nature. They called a meeting of all people interested at which officers were elected and a number of committees appointed. Monthly meetings are held with folk dancing and folk games predominating.

Consumers' Cooperation

WASHINGTON, D. C.—Methinks the story of Washington today and of the conflicting social philosophies which are at work could be written around the problem of sugar supplies.

There is a sugar shortage. And there is going to be sugar rationing through a system of cards or books and stamps and with rationing committees operating in every community. The cards or books, in preliminary form, have already been printed.

Thus, in this war situation, government is compelled to, or feels it advisable to, reach out its strong arm to police the sale and distribution of sugar.

During the last war period, the consumers were urged to have "sugarless days" and this appeal for self-government got a very encouraging response, according to the belief of the Food Administration. It is true, no doubt, that greater sacrifices were made in the "sugarless days" by the less fortunate consumers and it is true also, no doubt, that through a policed rationing system, more equity between consumers may be enforced. But even some of the most vigorous supporters of rationing are now wrinkling their brows over the burdens to society which will exist as the rationing committee or "little bureaus" spring up in every community.

Government from the Top Down

In what was once called OPM and now is called WPB, the sugar problem was first attacked through adoption of a "quota system." Sugar distributors were allowed a percentage of the amounts of sugar they handled more than a year ago. Within a few days after this plan was announced protests poured in so rapidly that the sugar authorities in OPM took refuge by just refusing to be present when they were sought.

It is difficult to read the minds of men but it is well known that in OPM the government gathered those who knew the ways and the desires of industry. What the Truman committee of the Senate reported about OPM being stacked with selfish friends of industry was long apparent here—and unfortunately it is still apparent—but perhaps Donald Nelson, the new boss of WPB may clean up the mess. Now, and heretofore, the philosophy of government in OPM is and was little different from the philosophy of government which would be written by the United States Chamber of Commerce. This is said without questioning the integrity of any person, although the Truman committee did utter some questions.

The OPM administrators turned, naturally, to the powers that existed in sugar distribution and tried to impose a quota system which would be filtered down from the top. The consumer just had to bow his head or close his mouth. Outside the doors of the grocery division of OPM every day the agents of the profit industry waited for "conferences" and the opportunity to present their particular problems and to ask for relief, and usually they got very friendly consideration.

Cooperatives, whose growing business was stifled and for the benefit of the profit industry—although I must confess I could not prove there was deliberate design to hurt cooperatives—got a pleasant reception from the government administrators and assurances of relief and in a few instances, got relief. I faintly suspected, as a result of my experience, that the relief was granted, however, after a bit of force was displayed.

There is the "government from the top down."
Over in OPA or the Office of Price Administration, some real friends of consumers got their hands into the sugar problem. There are some real friends of consumers quartered in this organization, although not all of Leon Henderson's subordinates can be suspected of worrying about consumers.

Henderson's subordinates began to insist on administration of the sugar rationing system "from the bottom up." Something of a tug of war resulted between OPM and OPA as OPA insisted that once rationing books were distributed and used, the supply of sugar for distributors should be measured according to the actual sales made under the rationing system. In OPM, it was contended that a quota system could still be used and sugar could be distributed according to consumption of a year ago, or some other period, and then consumers could try to get sugar in exchange for stamps at one dealer and if not successful, could go to another dealer.

The result naturally would have been to have recognized the powerful distributors of this day and incidentally considered "power" in the hands of OPM distributors.

There you have it. In OPM, it is fair to say the philosophy is one of government from the top down and with greatest benefits for the top. In OPA—in this instance at least—the philosophy was government from the bottom up and a greater degree of equity.

Temporarily, OPA has won the battle—but OPA has a long war to win. Donald Nelson can change either the philosophies or the personnel in OPM, or in what is now, WPB.

Incidentally, some of the absurdities which have developed in our first trial with rubber tire rationing are going to have to be remedied or there will be an explosion in that camp.

And incidentally, one of the most important questions of government now asked here is whether there is going to be one rationing board for each community and with control over all commodities or a multitude of rationing boards and the ultimate in bureaucracy.

WHAT'S NEWS WITH THE CO-OPS

Co-op Training Schools

Training schools for co-op employees and prospective employees are scheduled for Chicago; Kansas City; Minneapolis; Superior; Walla Walla, Washington; Edmont; Albert; Harrisburg, Pa.; and New York City this winter and spring. These training schools are being held to meet the urgent need for additional cooperative store managers. This will be the first CCW school of its kind and will supplement the regular training school for co-op employees conducted each fall. Midland will hold a similar school in Minneapolis in March.

The first Annual Managers School conducted by Pacific Supply Cooperative will be held at Walla Walla the third week in February from the 16th to the 21st inclusive. The object of the school will be to train personnel in problems of management including the many phases of business operations which are essential to success. Executives from various branches of the Pacific Supply Cooperative will conduct the courses.

The Pennsylvania Farm Bureau Cooperative Association is conducting a series of short courses for successive months. The course is being held in cooperation with the Alberta Cooperative Wholesale Association.

To supplement these regional schools, Rochdale Institute, national training school in consumer cooperation, has announced plans for a large number of training schools throughout the country. The courses will be held in the fieldmen; (2) service men; (3) bookkeepers; (4) warehousemen; and (5) directors. These schools began late in 1941 and will continue through March. A unique feature of these schools is that co-op employees come to the Harrisburg headquarters and live in dormitories on the top floor of the co-op building with classes held "on the spot" to take advantage of the experienced personnel available for short intensive teaching.

The Department of Extension of the University of Alberta will conduct four-day short courses for cooperative store managers late this winter. They will be held at the University at Edmonton from February 24 to 27 inclusive. The school is being held in cooperation with the Alberta Cooperative Wholesale Association.

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nounced a spring course for cooperative personnel training in New York from April 6 to May 30 with courses geared to meet war emergency requirements for trained workers. The food course at the Institute will be directed by the Council for Cooperative Business Training composed of representatives from Eastern Cooperative Wholesale, Consumer Distribution Corporation and Rochdale Institute. The Credit Union National Association is also collaborating with Rochdale Institute in its credit union training program.

Going into Groceries

WERNER REGLI’S very searching article on cooperatives in the grocery field calls for a review of recent developments in the co-op grocery business. As experts in the field have pointed out, competition is keener in groceries than in almost any other line of business. An unusual tribute to the American cooperatives appears in the current issue of The People’s Year Book published by the Cooperative Wholesale Society in England which declares, “many of the most important developments in distribution have come to us across the Atlantic and there cannot fail to be absorbing interest in the study of a movement which is successfully facing, despite its slender material resources, the technical problems which we may be confronted with tomorrow.”

The Cooperative Consumer for four issues has been pounding home the necessity of broadening the base of cooperative activities in Consumers Cooperative Association territory and has urged its petroleum cooperatives to take on grocery distribution. The wholesale grocery department of CCA reported an increase in business of 95% for the last three months of 1941.

Midland Cooperative Wholesale reported rapid expansion of its grocery division during the past year with sales totaling $307,000 during the year. Central Cooperative Wholesale broke all its previous records with sales totaling $4,780,000 for the year 1941, a gain of nearly a million dollars over 1940. Sales in December totaled $390,000, or an increase of 43%.

Central States Cooperatives placed its greatest emphasis in modernization and streamlining of stores with William Tomma, head of The Cooperative League Architecture Committee working with CSC as a member of the staff of the Good Will Fund.

Eastern Cooperative Wholesale reported sales for January totaling $247,000, an increase of 65% over January of last year. Sales for the twelve months ending January 31 were $2,196,000. As an indication of the problem which grocery co-ops are facing, Eastern Cooperative Wholesale inventory jumped from $187,000 in January 1, 1941 to $415,000 January 1, 1942.

The Associated Cooperatives of Northern California, which do a large part of their volume in groceries, purchased a warehouse building early in January and began trailer-truck distribution of groceries to cooperatives throughout Northern California and make occasional runs to Los Angeles to provide co-op label goods for Consumer Cooperative Wholesale of Southern California. Associated Cooperatives was admitted to membership in National Cooperatives in October.

Seventy-eight cooperatives in eleven Southeastern states are taking the first steps toward pooling their buying power in groceries and other commodities. A committee to study first steps in this direction has been set up under the auspices of the Southeastern Cooperative League.

In Ohio, Advisory Councils sponsored by the Ohio Farm Bureau Cooperative Association are pushing the development of grocery buying clubs and three organizations—Ohio Farm Bureau Cooperative Association, Central States Cooperatives and Eastern Cooperative Wholesale—are working together to solve the problem of wholesale distribution of groceries for Ohio.
CONSUMERS' COOPERATION
OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT
PEACE - PLENTY - DEMOCRACY

Volume XXVIII. No. 3 MARCH, 1942 Ten Cents

A PROPHESY

We predict that the coordination of Membership, Patronage and Capital Drives of every regional and local cooperative association which participates in the Nationwide Co-op Drive will prove to be one of the most important steps ever undertaken on a national scale by the Consumers' Cooperative Movement in the United States.

The national Posters, Movies and Radio Programs tie every regional and local cooperative's activities closely together and unify them. Tying the regional and local cooperative drives together into a Nationwide Co-op Drive likewise generates far greater publicity and power of appeal. The Drive lasts from October, 1941 to October, 1942, when cooperative victory reports will be made at the Biennial Congress.

ECONOMIC COOPERATION AND POLITICAL DEMOCRACY MUST PARALLEL

The Cooperative Movement is indebted to Dr. R. B. Corbett, Director of Extension of the University of Maryland for the following parallel definitions of political democracy and economic cooperation:

"Democracy is that form of government that has confidence in, and respect for, the common man."
"Cooperation is that form of business that has confidence in, and respect for, the common man."

See if you can write a better parallel definition.

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.
COOPERATIVES CAN CONTROL PRICES IN U.S.A.

The Co-op Reporter of Columbus, Ohio gives these comparative index prices, as of December 15, 1941:

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<thead>
<tr>
<th>Things Farmers Buy Cooperatively in Large Volume</th>
<th>Things Farmers Do Not Buy Cooperatively in Large Volume</th>
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<td>Fertilizer—Single Strength</td>
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<td>Feed</td>
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If we were handling more things cooperatively, we wouldn’t need a price control bill. If people in other lands were organized into more cooperatives, we would now have peace. We wouldn’t have to worry about parity, or inflation, or deflation, or loss of democracy.

Let these simple figures teach us the lesson and let us act to build faster.

SPEED THE EVOLUTION FROM PRODUCER TO CONSUMER THINKING AND ACTION!

(EDITORIAL NOTE: This quotation from an article in the Michigan Law Review of December, 1941, “Consumers’ Cooperatives and Price Fixing Laws,” by Charles Cahn describes the logical process of thinking that is going on, and which needs to be speeded up.)

... We are members, let us say, of the Co-operative Creamery of Rolling Prairie, which has for years made good butter from our cream, and sold it to advantage. It has also purchased our requirements of feed and seed and fertilizer, and more recently of gasoline and oil, and we think it has saved us money, and given us good quality. But we must live as well as farm, and more than half of our expenditures for merchandise are for consumers’ goods. Prices at the local store, we think, are high, and quality not always as expected. Why then should not our own association buy our household goods as well as farm supplies, on the same basis to which we are accustomed, and with like good results? And why not use the existing co-operative wholesale, which we and other creameries already own and use, for these new lines as well? And, since our costs per unit will decrease with volume, why not invite the local village people in? Why not indeed go further, and join hands with consumers in the cities, who are buying the same things through their own associations? Are we not all consumers? Are we not our interests, as consumers, all alike? We may dispute with people in the city about the price of butter, but on the price of gasoline and clothing we are their friends and allies. Let us get together! Thinking like this, and the resulting action, is increasing...

THE FOUR GREATEST PROBLEMS OF THE CONSUMERS’ COOPERATIVE MOVEMENT IN THE U.S.

Let’s face up against realities and take a good look at ourselves. Put an independent appraiser on the job analyzing the Consumers’ Cooperative Movement. What would he find and report are the greatest cooperative problems? Or are we willing to do it ourselves? Let’s take a try at it! Do you think these four are our greatest problems?

First, the lack of general realization that cooperative education is even more important than cooperative business, and the failure as yet to finance the personnel and program necessary to rectify this problem. In the annual report of Howard A. Cowden, president of Consumers’ Cooperative Association, he rightly says: “Carrying vital and truthful information to the people is the Herculean task. All other jobs are dwarfed by it. The matter of providing goods and services, even in these times, is a relatively simple matter by comparison. That is why we are increasing our expenditures for education that leads to action.”

Strange indeed that, while they are built on principles which are the exact opposite of the principles of private-profit business, cooperatives follow private-profit business practices and rate men who handle commodities higher than men who handle education. Corlis Palmer, Director of the Cooperative League, points out that when people are sufficiently educated to cooperate, they will automatically buy at their cooperative. If cooperative education is of such importance, as everyone admits, then the Consumers’ Cooperative Movement should hire enough men of sufficiently high calibre and pay them accordingly to do the big job of cooperative education.

Second, the lack of investing our own capital in our cooperatives and dependence on borrowing “Other People’s Money.” The notable example which shows how lacking we are generally in realizing the Rochdale ideal, of never giving or accepting credit, is reported in a Minnesota University Bulletin study of Minnesota Oil Stations. Out of 92 oil cooperatives studied, 41 or 44 per cent owed more than they owned. This in face of the fact that Minnesota Oil Cooperatives are the oldest generally of any. Yet the members are still depending on borrowed debt rather than owned capital to finance their cooperatives. And all this in face of the further fact that these cooperatives have paid out many times over the additional capital they need in patronage returns to their members. We simply have not yet educated ourselves to the importance of the Rochdale principle of patron “Ownership” of cooperatives, as we have to patron “Dividends.” Now is the best possible time for cooperatives to get out of debt and prepare for the storms ahead, as we should have done but have failed to do before.

Third, the lack of speed in going into the distribution and production of groceries and other household goods, and too great dependence on vocational supplies. The largest volume commodity which people purchase is groceries. Groceries are not monopolized and can be gotten readily. Groceries interest the entire family. Groceries bring farm and labor together as consumers. Improving the quality of the groceries we purchase is the most important single thing necessary for our health—and health is the most important single physical thing in life. Finally, with the problems affecting most other commodities to a greater degree than groceries, there is all the more reason for going into groceries NOW, and making up for the lack of doing so before.

Fourth, the lack of getting together for joint action on the part of cooperative leaders. This point does not need to be labored in presentation. We all know it to be true. Unfortunately, we do not lose our selfishness automatically when we enter the cooperative movement. Besides, there are many differences of opinion as to the best action to take, which differences must be talked through at length before action.
of a joint nature results. There are, however, favorable signs that leaders are more inclined to work together and that members are more insistent upon it, both of which offer hope for more rapid action in the future.

Are or are not these the four greatest problems facing the Consumers' Cooperative Movement? Your observations will be considered and passed on to the national directors. As a watchman on the wall, we take upon ourselves the responsibility of pointing out the deficiencies of the Movement.

THREE NECESSARY STEPS IN ECONOMIC PROGRESS
SAYS DR. GOETZ BRIEFS

Dr. Goetz Briefs has been described as one of the leading refugee philosophers now in America. He teaches in the Graduate School of Georgetown University in Washington. Americans are beginning to learn more of him and his writings through articles published in Commonweal, Review of Politics and other journals. These articles are leading to the wider reading of his books, such as The Proletariat. His language is incisive. His ideas remind one of those of George Russell. From various sources we are quoting below what he says about our present Monopoly system, about turning to Fascism and Communism and about Cooperation as the solution. He declares that the basic purpose of an economic system is to provide for both our self-interest and our social responsibility.

About our present Monopoly system, he declares that its fundamental heresy is that it directs our efforts toward self-interest and denies social responsibility. "Capitalism presupposes non-ownership by the masses," he says. Accordingly, it should not be indicted as such, since it has only carried out its purpose. It is, by its dictionary definition, a system of concentrating ownership in the hands of the few. It has done that for which it was organized.

About turning to Statism in some form, Dr. Briefs warns that the use of the political State for economic purposes is unnatural. That since political organization is external to economic organization, political control over an economy becomes dictatorial. He specifically declares that the attempt to use the political state for economic purposes "divorces social responsibility from economic organization," and thereby substitutes one heresy for another. The end is the establishment of a fourth form of slavery: bureaucratic-ward slavery, for owner-worker slavery, which succeeded the lord-serf and master-slave forms of slavery.

About Cooperation, Dr. Briefs emphasizes that it integrates both self-interest and social responsibility in an economic organization. That is its great virtue. It is complete; it is inclusive; it is self-contained; it is self-controlling. It provides for all of man's needs. It recognizes both individual liberty and social organization as natural and necessary to man, and supplies them. It recognizes that the human-person is basic to life, and that the development of personality requires both freedom and fellowship.

We do not know of anyone today who has and is analyzing Monopolism, Statism and Cooperation more clearly than Dr. Briefs. We urge you to study his writings.

GUEST EDITORIAL: From the Cooperative Consumer, published by Consumers' Cooperative Association, North Kansas City, Mo.

TIME TO MOVE FORWARD INTO FOOD DISTRIBUTION!

War-time Restrictions Make It Necessary to Broaden the Base of Many Local Cooperatives

OIL and gas cooperatives, not now engaged in the distribution of food-stuffs, might well consider immediately a grocery store program. Particularly is that true of cooperatives that are well-located in good-sized towns and county-seats cities.

Oil and gas cooperatives, which persist in remaining in that field alone, may eventually find the sledding as tough as some farmer-elevators did which persisted in sticking to handling of grain exclusively during the drouth years. It is time to broaden the base of cooperative operations.

The rationing of tires alone is expected to curtail the consumption of refined fuels between 9 and 15 per cent the first year, and the rate will increase as the tires and tubes now giving service begin to go into the discard. Developments now unforeseen may still further reduce the ability of oil and gas co-ops to maintain the dividend rate of recent years, or even to pay patronage refunds at all.

It was a daring experiment to start a co-op store in the old days before there was a strong national or regional organization like National Cooperatives, Inc., Chicago. The co-op store then was just another "independent" grocery depending on old-line wholesalers for supplies—wholesalers whose only interest in them was as a source of profit. And these co-op stores didn't fare so well, either. As a matter of fact they died by the score. Only a few of the many that made a brave start, about the turn of the century, are in existence today.

It's a different story now that CCA has entered the field as a grocery wholesale, with one of the largest overloads of any grocery wholesale in the middle west. It's a different story, too, since CCA and many other regional groups like it have pooled their purchasing power through National Cooperatives, buying together in large quantities under the Co-op label, insisting on and getting their money's worth for the benefit of organized consumers who own the co-op food stores.

Also changing the picture from what it used to be is the fact that CCA has grocery fieldmen who are expert at helping in the modernization and operation of food stores. It is easy to obtain their help.

CCA has an auditing and business analysis service which is helping cooperatives of every type keep better records, get to a cash basis, budget their operations, and otherwise to become more efficient. Grocery tours and circuit council meetings are getting managers and directors together frequently for a discussion of common problems. There are many other helps as well, such as films, educational material and co-op newspapers to carry information about Co-op label products to members and non-members alike.

Yes, it's a relatively easy matter to launch a co-op store today with assurance of success from the very start. It isn't a case of "each man for himself and the devil take the hindmost" as it used to be. Cooperative teamwork is solving consumer problems in the food distributive field as surely and as successfully as it is solving them in other fields. Starting a co-op grocery store is not the risk it used to be, not even with the chains in the field, and

Consumers' Cooperation

March, 1942
where operated soundly, co-op stores are making savings for consumers.

Take a look at the growth figures of the co-op super market at Winfield, Kas., where volume of business for 1941 increased 45.8% over 1940, and where physical facilities were improved three or four times in that many years before the super market was built in the summer of 1941. Here are the figures which show the possibilities in co-op food distribution:

<table>
<thead>
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<tbody>
<tr>
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<td>January</td>
<td>$5,217.59</td>
</tr>
<tr>
<td></td>
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<td>5,763.29</td>
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<td>May</td>
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<td></td>
<td>June</td>
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<tr>
<td></td>
<td>July</td>
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<td></td>
<td>August</td>
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<td>1941</td>
<td>January</td>
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<td>May</td>
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<td></td>
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<td></td>
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<td>9,202.90</td>
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<tr>
<td></td>
<td>August</td>
<td>10,920.90</td>
</tr>
</tbody>
</table>

*Remodeled

Here also are comparative figures of the food store of the Emporia (Kas.) Cooperative Association, which, after a wobbly start nearly six years ago, has made steady and substantial progress, particularly during the past two years. Sound management and particular attention to store modernization have been important factors in its recent great growth. The figures, which follow, show a gain of 61.3% over 1940:

<table>
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<tr>
<th>Year</th>
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<th>Sales</th>
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<td>January</td>
<td>$1,926.19</td>
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<td>2,031.51</td>
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<td></td>
<td>November</td>
<td>2,364.12</td>
</tr>
<tr>
<td></td>
<td>December</td>
<td>2,364.12</td>
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Pennsylvania’s New Educational Program

For Cooperative Employees and Directors

Anthony Lehner, Director, Department of Education and Public Relations
Pennsylvania Farm Bureau Cooperative Association

(Excerpt from: There’s always something new under the sun, developing in the cooperative movement. It’s seldom altogether new but always the application of an older idea. Pennsylvania has now, we believe, taken a long stride ahead in the method they have adopted of employee- and director short-time training schools, as regards economy and method. We urge all other regional groups to investigate this program closely.)

For several years through the winter months the Pennsylvania Farm Bureau Cooperative Association had been carrying on a series of weekly meetings to better acquaint the employees and directors of the local associations with their duties and responsibilities and make them conscious of the possibilities of the cooperative movement. Most of these people worked hard all day either at their jobs or on their farms. When they came to the evening meetings of their respective local associations, most of them—quite naturally—were physically exhausted. It was not difficult to see that in every group individuals were constantly fighting fatigue and sleep.

If a way could be found to get these employees and directors away from their jobs and their farms by getting them together in the daytime rather than evenings, even if only for a few days, at least a partial solution to the problem might be possible.

Mind and Money Problems Solved

And so, early in the summer of 1941, the Board of Directors of the Pennsylvania Farm Bureau Cooperative Association approved a program of schools to be held during the winter months when work in the cooperative and on the farm was not quite so pressing. The third floor of our very substantial and well-built office building had served as a temporary cafeteria. After building a new warehouse in Manheim, Pennsylvania where our feed mill is located, part of the vacated third floor was converted into a dormitory and a class-room with necessary provisions for washroom and shower. Cots were placed in the dormitory and each participant was asked to bring the necessary bed-clothing.

The question of rooming was thus taken care of in an economical way. As for meals, the problem was simple enough. The employees of the Pennsylvania Farm Bureau Cooperative Association for several years have been operating a cooperative cafeteria in the basement of the building. Arrangements were made with the employees’ association to provide breakfast, dinner and supper for those attending the various schools. The cost for room and board is borne by the Pennsylvania Farm Bureau Cooperative Association, and the local associations were asked to take care of the transportation of the participants to and from Harrisburg. In this manner no cost is borne by the individual attending the school.

Program Planned Democratically

Several meetings were held by the staff of the Pennsylvania Farm Bureau Cooperative Association to discuss the subject matter to be presented at the school. Representatives of the various employee groups were called in and in most cases the program was built around the ideas submitted by them. The groups suggested themselves quite logically according to the various positions the employees held in their local cooperatives. It was felt that from 20 to 25 people would make an ideal class. There are now 20 organized local associations which make up the membership of the Pennsylvania Farm Bureau Cooperative Association, and the number of employees in each one of them runs from 7 to 20 or more people. The number of directors in the local associations is
about 240. It became necessary to arrange several schools for identical groups. By doing so, it was possible to take a few people from each local association without interfering too much with normal operations.

The following tentative schedule was worked out:

| Dec. 17-19 | county managers |
| 1942 |
| Jan. 6-9 | county and state fieldmen |
| Jan. 12-14 | bookkeepers |
| Jan. 15-17 | petroleum service men |
| Jan. 26-30 | county warehousemen |
| Feb. 2-6 | county warehousemen |
| Feb. 9-11 | directors of local boards |
| Feb. 12-14 | directors of local boards |
| Feb. 16-18 | petroleum service men |

This was immediately followed with a questionnaire asking for the names of all those who intended to attend. It called for the names of the managers, assistant managers, branch managers, the county fieldmen, petroleum service men, warehousemen, and bookkeepers.

Almost 100% Attendance

These questionnaires were returned quite promptly, and to our surprise indicated an almost 100 per cent intention of attendance. A separate questionnaire went to the directors who also responded quickly and in satisfactory numbers.

With these commitments in hand, it was now possible to determine definitely the number of schools necessary to accommodate the groups and the number of individuals desired for each group. It was also found that additional schools for service men and directors beyond those originally planned had become necessary.

As has already been pointed out, the subject matter to be discussed in the schools had been built around the need of each group, and the various topics were presented by those most able to do so, namely the staff members and department heads of the Pennsylvania Farm Bureau Cooperative Association. In a few isolated instances outside speakers were invited.

Daily Schedule

The schools run from 8 A.M. to 11:40 A.M., and from 1:00 P.M. to 4:40 P.M. The evenings are given over to the showing of movies related to cooperatives.

The forenoon sessions (50-minute periods) deal largely with the broader aspects of the Cooperative Movement and the general problems affecting all groups. The afternoon sessions are given over to a discussion of commodities handled by the local cooperatives.

Discussion Outlines and Quizzes

At the beginning of each school the participants are given outlines of each instructor's topic which is supplemented by the participant as he listens to the topic under discussion.

An interesting feature is a quiz period from 4 to 4:40 each afternoon. This takes the form of 25 "true and false" statements. These statements cover the topics discussed during the day. Each individual marks his copy of "true and false" as he evaluates the statement. The copies are then signed and exchanged and the 25 statements are gone over by the individual in charge of the school for each statement which has been marked in the wrong column four points are deducted, and thus each individual's grade is established. This sort of recapitulation of the day's work is apparently enjoyed by those who take part in it.

Preliminary Results

While it is somewhat premature to draw definite conclusions as to results, the reaction of those who have attended up to this writing has been an extremely gratifying one, and it is our sincere hope that the final results will justify the expenditure of time, money, and energy involved in this program.

Certain observations are definitely possible:

1. Absence of physical exhaustion and mental fatigue, and concentration on subject matter possible.
2. Association with people of like problems and interests.
3. Although of short duration, the school presents a more intensive coverage of subject matter than was possible under the old procedure.
4. Close contact of the personnel of the local cooperatives with that of the regional.

OUR READERS' PAGE

The amount of space in Consumers' Cooperation is so little that we have not reproduced any of the fine letters we receive from time to time. But we cannot withhold them from you other readers any longer. So here goes for OUR READERS' PAGE. The first letter is full of splendid suggestions growing out of the article in the December issue which has brought favorable comments and has aroused a great deal of thinking by cooperative leaders.

Editor, Consumers' Cooperation

Dear Sir:

"I have just read your How BALANCE PRICES and INCOME TO PREVENT INFLATION AND DEFLATION in Consumers' Cooperation, December, 1941."

"This succinct statement of elemental economics is deserving of a wider presentation. You may have a personal hesitation in requesting that all the major cooperative papers copy it, but their readers should have it, with page-wide streamers.

'Statism creeps upon us, not because any one individually desires it, but incalculable forces in the process of total war make statism inevitable. We are all saying something must be done,'" quoted from the standpoint of government (Senators and Representatives), and because the people are already suffering inflation. Consequently, the inept machinery of government is being brought to bear on a problem for which it is not designed.

"You have suggested comment preliminary to the next quarterly meeting of your national directors. The following views may be opportune:

1. The history of the cooperative enterprise in the United States compels the respect of any one either interested or responsible for the economic and social prerogatives of the people.
2. The quality of the service rendered is out of all proportion to the actual size of the membership or the total annual dollar volume of the business.
3. The value of those services in times of peace is not the result of peace per se, but of principle, equally applicable in peace or war. This has been amply demonstrated in England.
4. I therefore recommend that your Directors formulate a NATIONAL CO-OPERATIVE ECONOMIC PLAN which (1) the cooperative societies in the United States will follow for the duration, and (2) that this plan be offered for consideration by the government as a practicable and acceptable program in the present emergency.
5. In order to give point 4 specific emphasis, I suggest that the offer of the plan be made to President Roosevelt, with the explanation that the Directors or a committee representing them will be pleased to present it in detail to him or to others delegated by him to receive it. Then, when the offer is accepted, a group of cooperative representatives would appear in Washington.
6. In case President Roosevelt does not recognize the offer, or is unwilling to consider it or have it studied, then there are a number of Senators and Representatives who are receptive. I think they would be willing, possibly unofficially, to meet in a group to hear the plan discussed. The discussion should, of course, be supplemented by a typed or mimeographed outline.
7. There appear to be certain definite public values to such an effort.
Why Recreation?

(From the North Dakota Union Farmer)

The art of living is one and indivisible. It is the coordination of mind and body, labor and leisure, work and play, education and recreation.

Education and recreation are inseparable. The early Greeks put into practice the two as inseparable units from childhood up. But under ideas that later developed, the body was thought to be inferior to the mind. Their technique was lost and recreation became regarded as an inferior by men who have been made to feel that there is something drastically wrong with him or her because other thoughtless young people have made him a "wall flower" or a "back number." They see in the large folk-dance circle the first sketch of brotherhood of man. Here they are all equal. They begin to feel that life is friendly after all and perhaps for the first time they throw off their inferiority complex and share the joy of self expression.

Displacement of labor by scientific machinery so that a working day will only be three or four hours is by no means impossible. This brings to us a new surplus—the surplus of leisure time. Also, our educational system has done very little to prepare the unfortunate millions (unemployed or partly so) for the condition in which they find themselves. Neither the mental interests which would cultivate the mind nor the skilled aptitudes which would cultivate the body, have been developed.

Folk dancing repairs the damaged heart of some young boy or girl who has been made to feel that there is something drastically wrong with him or her because other thoughtless young people have made him a "wall flower" or a "back number." They see in the large folk-dance circle the first sketch of brotherhood of man. Here they are all equal. They begin to feel that life is friendly after all and perhaps for the first time they throw off their inferiority complex and share the joy of self expression.

Outlining a national economic program would bring the cooperative movement within the thinking horizon of additional millions who will thus face it with its national implications rather than as an obscure grocery store. The psychological gain would be immense.

The plan, presented through the cooperative papers, would give the cooperative movement dignity among present members of the cooperatives. Many of these are too provincial in their thinking (naturally so), but the time is here to give these sound principles national and international application.

"I think the point to be kept clear is that your Directors will not express their viewpoints because of the size of the cooperative movement for, compared with total business volume in the United States, it is insignificant. But the principle on which it operates, by which raw materials on one side are placed in the hands of consumers on the other, has been demonstrated as to its economic and social validity. While it is comparatively new, as history goes, it has as profound significance for society as the recent discoveries of the sulfas in the treatment of pneumonia and numerous other diseases."

"I think, with the cooperative movement reaching out so fast it is unfortunate that there is not a national cooperative weekly or similar publication giving point to the entire program. I have discussed this with Mr. Campbell and submitted some preliminary figures to him. I am quite convinced that such a publication is also a worthy subject for your Directors' thought.

"Accept, please, best wishes for the New Year."

Most cordially yours,

W. K. Ingalls

Esther Harbo,
Montana Farmers Union
CRISIS BRINGS NEW TRENDS TO THE CO-OPS

IT IS difficult at close range to spot trends in a fast moving rapidly changing movement. These things, however, are obviously happening to co-ops in the crisis:

Co-op Business is Skyrocketing

This is the most obvious of the trends. Just to illustrate it, Indiana Farm Bureau Co-op business passed $9,000,000, 40% ahead of 1940. Ohio Farm Bureau Cooperatives were within a few thousand dollars of a $10,000,000 volume, an increase of 37%.

Eastern Co-op Wholesale reported business for the year at 35% ahead of last year with sales for January 63% ahead of the previous January. Midland Co-op Wholesale reported combined business of $6,220,000, a jump of 40% over 1940 with its grocery department 100% ahead of last year. Central Cooperative Wholesale had its highest volume in history, $4,780,000, a gain of 25% over 1940. Sales in December were 43% ahead of the same month last year. Consumers Cooperative Association, whose fiscal year ended in August, reported an increase of 38% and grocery department increases ranging from 80% in September and October to 97% in December. Statistics from other co-op wholesalers are expected to bear out this trend.

Co-ops Are Diversifying

Within the past month A. J. Smaby, manager of Midland Cooperative Wholesale, and Howard A. Cowden, president of Consumers Cooperative Association, warned co-op members and managers that thousands of little businesses are doomed to fall by the wayside in the present crisis. This may also happen to co-ops unless they strengthen their financial structure, go on to a cash basis and diversify. Biggest development in this field has been the expansion of grocery distribution to areas previously served by petroleum or farm supply co-ops. Midland and CCA grocery departments are 100% ahead of their business volume for last year with many new stores opening in each territory and many petroleum co-ops are adding groceries to their lines.

This trend into groceries was reported at greater length in the February issue of Consumers Cooperation as Ohio, Southeastern, California and other areas swing into more active grocery programs.

Greater Strides in Cooperative Production

Indiana Farm Bureau Cooperatives have just reported earnings of $800,000 in 1941. Most of these were made possible, according to I. H. Hull, manager, because of the active program of producing commodities distributed by the cooperatives in the state. The co-op oil refinery, pipeline, fertilizer plants, hatcheries and similar enterprises have contributed larger shares to the co-op earnings.

In CCA territory the purchase of the Scotts Bluff refinery and expansion of facilities at Phillipsburg and the drilling of new oil wells have been prompted by the success of the production program.

A new feed mill built by the Ohio and Pennsylvania Farm Bureau Cooperatives and Southern States Cooperatives near Cincinnati is described by A. L. Bibbins, general manager of Cooperative GIF Feed and Seed Services as "the most modern feed plant in the world and given proper volume will have the lowest operating costs in the world."

Production of goods by consumer cooperatives means not only greater savings to consumers but also more secure sources of supply for the cooperatives.

A Greater Need for Employee Training

A combination of the draft and temporary wage increases possible in defense industries and rapid growth of cooperatives themselves is creating a critical situation in personnel. Eight regional cooperative training schools were reported in the February issue of Consumers' Cooperation.

Employee Training

Cooperatives are the only positive approach to the social diseases that come from monopoly control. Cooperatives today are probably the most important single economic factor together with organized labor standing against the drift which has carried many countries into totalitarianism.

Modernization

A continuing trend is to move co-ops on to Main Street and make them the most striking stores in their communities. Among the important developments in this field are a striking new super market at Columbia, Missouri, the streamlined co-op grocery store at Bryn Mawr, Pennsylvania and a new co-op food store at Beloit, Wisconsin with brilliant fluorescent lighting described as the most modern, best looking, small store in the world.

As hundreds of young men are taken from co-op management into the armed forces, there is an increasing tendency to encourage placement of young women in positions of responsibility in cooperative management. This is particularly true in Eastern Cooperative Wholesale territory where half a dozen young women are managers of co-op stores and another dozen are working in the stores as assistant managers or clerks.

Post-War Reconstruction

A less tangible but very important trend is a developing awareness of cooperatives to the roll they can and must play in post-war reconstruction. Senator George D. Aiken of Vermont speaking at the Fourth Annual Vermont Cooperative Conference in January said co-ops can play a leading roll in the reorganization to come following the war and pointed out that the big problem of distribution which cooperatives can do so much to solve is now in the hands of the government to solve. Thoughtful leadership of cooperators can assure the adherence to good cooperative principles after the war is said. Louis Bromfield, famous author and Richland County, Ohio farmer, told Ohio cooperators February 8 that he was much interested in cooperatives, first, because I am concerned about bureaucracy and I believe the co-ops will do much to prevent increase in bureaucracy and second, because of their efforts to reduce waste, promote efficiency in the use of natural resources and improve machinery for better distribution of the goods of the world.

Murray D. Lincoln, president of The Cooperative League, warned the Ohio Farm Bureau Cooperatives at their annual meeting that "business in the future is not going to be controlled cooperatively or by bureaucracy and the latter means dictatorship. If cooperators accept the challenge, we will build economic democracy — and that will save political democracy... Either we are going to bring about the distribution of abundance through democratic economic machinery or the people who will not be thwarted will turn to the state to do it for them."

Howard A. Cowden told church executives meeting in Chicago February 11, "Cooperatives are the only positive approach to the social diseases that come from monopoly control... Cooperatives today are probably the most important single economic factor together with organized labor standing against the drift which has carried many countries into totalitarianism."
WASHINGTON, D. C.—Should a committee on public affairs be organized in every local or retail cooperative group? What service to the cooperative cause could such committees render? These two questions arise as a result of conferences the writer recently held at Midland and at Central Cooperative Wholesale where educational field men had become concerned over the advance of government, perhaps the encroachment of government on the natural rights of cooperatives, and had likewise become interested in the possibility of serving the public interest through cooperating with government officials.

An opinion, expressed by Ed Whitney at CCW, was expressed also, and, in almost identical language at Midland. In general, the opinion was as follows: “We are able to arouse more interest and sustain the interest in our study groups when we are raising some question associated with government. For example, we got the finest response when we got into the campaign to oppose the very restrictive motor truck laws which we got into the campaign to oppose the unfair provisions of the Guffey coal law.” There are scores of Congressmen and of Senators who will be overjoyed by evidence that folks back home are taking an active interest in the problems of government and are doing an intelligent job of appraising the work done.

Question—How could we get information?

Answer—Your Washington office will undertake to get to the regions a factual report, at least once in each two weeks, and that information could then be transmitted to the local committees on public affairs. The information could then be debated and more information sought if needed.

Question—Should individuals then write to their Congressmen and how much consideration is given to such letters?

Answer—Your letters usually get from your Congressmen about as much consideration as they deserve. If a letter of inquiry shows an intelligent interest in the subject, and shows also a determination to maintain that interest, and a determination to hold the member of Congress responsible and to be fair about it, the letter will get consideration.

It would be more helpful to all, however, if the committee would be authorized by the local group to express the opinion and the determination of the local group once a conclusion was reached and an opinion established by democratic process rather than have hundreds of individual letters. The committee could make it clear to the Congressmen that it had authority to present the opinion of so many citizens, that the committee was always receptive to information which might change its opinion. Your Washington office would like to have a copy of any such letters.

If the Congressmen learn that these study clubs are in fact, what they are, the finest present day examples of the finest organizations of our democratic society—the Congressmen are going to be very much interested. They may well know that if they are not interested, they may not return to Congress.

Question—When can we start on this?

Answer—Right now. Start on the Voorhis-Wagner bill. The amendment to the Guffey coal law will be up for consideration shortly. We soon will have a fight on tax legislation and the League has already taken a position against any general sales tax proposal.

3,600 INDIVIDUALS PUT MONEY “ON THE BARREL HEAD” FOR RADIO PROGRAM OF THEIR OWN

More than thirty-six hundred individual co-op members, anxious to help awaken America to the advantages of consumer cooperation in this national emergency, have already donated one dollar each to the National Co-op Radio Fund and the rate of donations has speeded up several fold during the last week. This was the report of the National Co-op Radio Committee here February 24 as plans were being made for concentrating the work of local cooperatives throughout the country on putting the radio fund over the top in March.

Local cooperatives in the area served by Central Cooperative Wholesale were the first to pass the thousand dollar mark for their territory when they passed the first hurdle toward their $5,000 goal. Midland co-ops rushed over the line second when they reported February 20 that $1,081 had already been collected towards their goal of $7,000. In some sections of the country, regional cooperatives had just started sending Radio Fund Stamps out to local co-ops, women’s guilds, advisory councils and youth groups in their areas. Local cooperatives such as Racine, Wisconsin and Schenectady, N. Y. have raised $75 and $50 respectively among their members and expect to make even larger contributions before the campaign is over. Persons not associated with a local cooperative but anxious to help put the co-ops on the air coast to coast are invited to send donations to the National Co-op Radio Committee, 167 W. 12th Street, New York City.
Tell the Story of Cooperation—with Movies!

THE COOPS ARE COMIN'—A visual record of the development of consumer cooperatives in the Middlewest, this film was photographed in connection with the first All American Co-op Tour the summer of 1941. Produced by Harmon Foundation, it is available in color or black and white, 2½ reels, silent, 16mm. $6.50 per showing in color, $3.50 in black and white.

CONSUMERS SERVE THEMSELVES—Co-op grocery distribution on the Eastern Seaboard. Scenes are typical of the activities of any co-op or wholesale. Excellent shots of the Eastern Cooperative Wholesale testing kitchen. Produced by Fred Tomlin and Rabson’s Inc. 1 reel, color, 16mm. silent, $2 per showing.

HERE IS TOMORROW—For the first time the story of American cooperatives in sound. A stirring fact film of some of the present realities of consumers cooperation existing today in the United States. It tells in human terms the achievements of farmers and urban workers in building a “people’s business.” Produced by Documentary Films Productions, Inc. 3 reels, sound, available in 16mm. and 35mm. $7.50 per showing in 16mm.

Films available through
THE COOPERATIVE LEAGUE
167 W. 12th Street
New York City
For the seventh summer the National Cooperative Recreation School offers two weeks of intensive training in recreation leadership. The emphasis, as in previous years, will be on those types of recreation in which everyone participates—folk dances, games, group singing, dramatics, puppets, and experimental design.

The need for trained recreation leaders is greater than ever in these days of tenseness. The National Cooperative Recreation School provides the necessary training on a cooperative basis. For complete information write to:

National Cooperative Recreation School
The Cooperative League
167 West 12th Street
New York, New York

THE COOPERATIVE LEAGUE
608 South Dearborn, Chicago
167 West 12th Street, New York City
726 Jackson Place N.W., Washington, D.C.

DIVISIONS:
Auditing Bureau, 167 West 12 St., N.Y.C.
Design Service, 167 West 12 St., N.Y.C.
Medical Bureau, 1790 Broadway, N.Y.C.
Rochdale Institute, 167 West 12 St., N.Y.C.

NAME OF AFFILIATED REGIONAL AND NATIONAL COOPERATIVES

Name
Am. Farmers Mutual Auto Ins. Co.
Associated Cooperatives, N.C.
Central Cooperative Wholesale
Central States Cooperatives, Inc.
Consumers Bank Cooperative
Consumers Cooperative Association
Consumers' Cooperatives Association
Consumers Cooperative Wholesale
Cooperative Distributors
Cooperative Recreation Service
Eastern Cooperative League
Eastern Cooperative Wholesale
Farm Bureau Cooperative Ass'n
Farm Bureau Services
Farmers' Union Central Exchange
Grange Cooperative Wholesale
Indiana Farm Bureau Cooperative Association
Midland Cooperative Wholesale
National Cooperatives, Inc.
National Cooperative Women's Guild
Pacific Coast Student Co-op League
Pacific Supply Cooperative
Pennsylvania Farm Bureau Coop. Ass'n
Southeastern Cooperative League
United Cooperatives, Inc.
Workmen's Mutual Fire Ins. Society

Address
St. Paul, Minn.
St. Paul, Minn.
Superior, Wisconsin
2301 S. Millard, Chicago
27 Counties Slip, N.Y.C.
N. Kansas City, Mo.
Amarillo, Texas
721 & S. Hoover, L.A.
116 E. 16 St., N. Y.
Delaware, Ohio
155 Kent Ave., Brooklyn
153 Kent Ave., Brooklyn
Columbus, Ohio
Columbus, Ohio
Lansing, Michigan
S. Paul, Minn.
Seattle, Washington
Indianapolis, Ind.
Minneapolis, Minn.
Chicago, Ill.
608 S. Dearborn, Chicago
Berkeley, Calif.
Walla Walla, Wash.
Harrisburg, Penn.
Carrollton, Georgia
Indianapolis, Ind.
227 E. 84th St., N.Y.

Credit Union National Association
Midland Cooperative
Consumers' Cooperative Wholesale
Grange Cooperative Wholesale
Midland Cooperative Wholesale
Consumers Cooperative Wholesale
Pennco Review
Campus Co-op News Letter
The Bridge

The Cooperative League
167 West 12th Street
New York, New York

Babcock outlines the Four Essentials

In his speech of acceptance, after being elected to the presidency of the National Council of Farmer Cooperatives, Dr. H. E. Babcock outlined the four essentials necessary for the spiritual, educational, political and economic independence of the American farmer as being (1) Research, (2) Education, (3) Cooperation, (4) Legislation. While he was speaking to farmers, the same principles also apply to all workers whether blue or white collar. These same four essentials, it might also be added, are the same and are presented in the same order as those advocated by The Cooperative League for all consumers.

In commenting on each of the four essentials, Dr. Babcock said: "Research comes first because agriculture must constantly seek, through surveys and experiments, new and more efficient methods of production and marketing (selling and buying) and farm living. We must first know how. Through Education this knowledge can be passed along to our farmers who, through Cooperative Action, can translate it into results. Legislation, I place last in importance, because if we do a good job of the other three we'll quit running to the government for it to do for us a lot of things that we should do for ourselves on a voluntary basis."

Dr. Babcock was the founder of the G.L.F., which is the largest cooperative purchasing association in the United States and also the largest of its kind in the world. After voluntarily resigning as general manager of the G.L.F., he became director of the G.L.F. School of Cooperative Administration, the only cooperative
school in the United States housed in its own four story building. He is also chairman of the Board of Trustees of Cornell University. In these various capacities, as well as in his new position as president of the National Council of Farmers Cooperatives, he is a powerful force for the further spread of the idea of Cooperation and the organization of Cooperatives. The Council is to be congratulated on his election as president, and he on his past and potential future contributions to the cause of Cooperation.

GUEST EDITORIAL

COMPLETE UNDERSTANDING

By I. H. Hull

(From Farm News, published by the Indiana Farm Bureau Cooperative Association and its affiliated county cooperatives.)

The other day when the National Cooperative Council met, one of the delegates delivered an impassionate speech, calling for an all out declaration of war between farm cooperatives and farm organizations on the one hand and organized labor on the other. In the course of his talk he made reference to unreasonable and radical demands which had been made by certain labor groups. He also pointed out that within the ranks of organized labor leadership there have been racketeers and selfish individuals who used the labor union for their private advantage. When he sat down our good friend Clark Brody, of Michigan, took the floor and in his kindly, sensible manner asked a few important questions. He asked: "Isn't it true that we need labor and that labor needs us? Why don't we try before declaring war, to find the point of common interest and try to work with labor wherever possible and try to get acquainted and understand each other's problems? Certainly we have much in common and if we emphasize those things which are of common interest maybe the points of difference will be easier solved."

The next day was Sunday and we held a meeting on Sunday afternoon where every imaginable type of cooperative enterprise was represented. In that meeting were labor representatives who earnestly wanted to work directly with farm groups. There were marketing cooperatives and there were farm supply purchasing groups, every type of philosophy from those who think only in terms of consumers cooperatives to those who think only in terms of marketing farm products sat there and exchanged viewpoints until there was a complete recognition of the interdependence of the various groups upon each other. They recognized that after all the consumer must have a producer to supply his wants and that a producer without someone to consume his products is rendering no service to society.

We all felt that in that meeting history was in the making. We were demonstrating that human misunderstandings come about either because of unfair selfishness or because of a short-sighted approach which fails to understand the full significance of the problems at stake. It was recognized that every group should go ahead and organize, but that all groups should then work with each other, that the problems of human society will not be finally solved by strife between groups, but that they will only be solved when various different interests which seem to be at variance with each other learn the technique of getting together for a common understanding. Our social and economic structure cannot stand as a house divided against itself.

A COOPERATIVE WORLD PROGRAM

(Recommendations of the Board of Directors of The Cooperative League of the U.S.A. to the International Cooperative Alliance, made at the request of the U.S.A.)

The present war is in large part a result of the international competitive pressures of the profit system, the conflict between that system and expanding stateism, the decline of democracy and the desire for imperialistic expansion which these engender. To better the world condition, an economy must be built which offers a way of fully supplying human needs, and which is free from the hostility-promoting factors existent in the profit system and in autocratic stateism. A way is needed that shall be established upon the basis of democracy, which is capable of producing and distributing abundance, which prospers for all for all, which sets men and nations working together in the spirit of mutual aid, and which can embrace all people of all classes and of all nations.

The cooperative method has been tried, has proved its power to serve these ends, and is already established, and possesses the possibilities of constantly continuing its expansion.

Cooperative Program

1. The people of all nations, recognizing the decline of dominance of the profit system, should promote understanding of the cooperative economy. This should be done through every available agency—the cooperatives, farm and labor organizations, the schools, the press, the state, the church and personal contacts. Consumers should be shown how to supply their needs by the cooperative method.

2. The existing cooperatives in all countries should employ every device, which a hundred years of experience have taught, to strengthen and expand their organizations and to increase the commodities and services which they supply.

3. The members of cooperative societies, in countries where their societies have been damaged, retarded, or destroyed by hostile stateism, should rehabilitate their societies and re-establish them upon a truly cooperative basis; and wherever necessary they should be assisted by other cooperative societies and by the International Cooperative Alliance.

4. Education should be carried on which should show the public, as well as the officials of political governments, that the interests of the people can be served by the promotion of cooperation.

5. In countries in which the cooperatives have expanded until the majority of the citizens are members of cooperative societies, and accordingly a majority in the parliaments and other legislative bodies are cooperators, in such countries the governments should promote cooperation among the people by furthering information and education; and as state business decreases, voluntary cooperative action should be found to increase.

6. Cooperatives should be established as a way of carrying on business on a non-profit basis, and their expansion should depend on their ability to demonstrate their superiority in supplying human needs and in promoting justice and harmony among men.

7. The aim should be: (a) local organization of people as consumers into voluntary cooperative associations to supply their needs; (b) district and national organization of local consumers' associations into federations for education, finance, wholesaling, and production; and (c) the federation of national cooperatives into the International Cooperative Alliance for international protection, commerce, and production.

8. A Congress of the International Cooperative Alliance should be called as soon as delegate representatives of at least one-half of the member societies can be assembled.

Methods

1. Democracy should be secured by one vote only for each member of a society and by every other means for pro-
motivating democracy and for preventing autocracy. By democracy should be understood equality of responsibility as well as equality of opportunity. While centralized administration should prevail in the interest of efficiency, decentralized control should prevail in the interest of democracy.

2. Membership open to all should be the rule in cooperative societies.

3. The business of cooperative societies should be carried on for the service of the members in directly supplying their wants, and not for the purpose of selling goods or services to others for the sake of making profit; the difference between the cost price and the distributing price should be returned to patrons of cooperative associations in proportion to their patronage.

4. Neutrality in the official acts of cooperative societies should prevail in matters of politics, religion, and race, so that people of all opinions may find a common ground for union.

5. Cooperative associations should recognize the right of their employees to organize into labor unions without interference for the purpose of collective bargaining; cooperatives should give preference to the products of organized labor and of farmers' marketing associations.

6. Mediation and arbitration of differences between employers and employees and between different cooperative societies should be provided to settle all disputes.

7. While the cooperative democracy is being built, a constructive, conciliatory attitude should be maintained toward existing political state with which cooperation is in contact.

8. Peace should first be promoted by the development of local cooperative businesses, among which economic competition does not prevail; it should also be advanced by the expansion of the cooperative method in international commerce, and thus substitute international service for the international competitive quest for trade.

Objectives

1. The cooperative program should aim toward a nonpolitical worldwide organization of people in the economic field for the supplying of goods and services.

2. As the economic wants of the people are supplied, there should be less need for the coercive control of men; this function of the state should be made to decline; and economic organization should gradually make dependence on the political organization of society less necessary.

3. In the place of political governments having totalitarian control over the property and lives of the people, a cooperative democracy should be built, in which the freedom of the people should be represented in voluntary action; in which the producers should be organized as consumers, and able consumers as producers; in which the organized consumers should cooperate with the organized producers; in which the consumers should produce what they use; in which useful service should be the means of livelihood; and in which producers enjoy all the fruits of their labor.

4. The economy of abundance should be substituted for the economy of scarcity.

5. Money should have a value only for purposes of accounting, record and exchange.

6. War should be made impossible through the cooperative method, by establishing mutual aid in the place of hostile economic competition and in the place of racial and other conflicts.

7. The following further objectives should be brought about ultimately by the expansion of the cooperative economy: (a) self-determination of all peoples; (b) freedom in speech, religion, education, assembly and suffrage; (c) freedom in international exchange commerce and intercourse; (d) the elimination of military armaments; and (e) the ultimate breaking down of hostility-provoking nationalism and substituting the united peoples of the world in its place.

Consumers' Cooperation

HOW HERMISTON WOMEN BUILT A COOPERATIVE LAUNDRY AND CANNERY

Vernon Vine, Information Agent
Farm Credit Administration of Spokane

THE time is 1929. For years Mrs. Baxter Hutchinson, of Hermiston, Oregon, had been too ill to do her own washing. One day her husband told her that a lodge brother who was selling washing machines would like to demonstrate his machine to the Hutchisonsons.

"But we can't afford a washing machine," protested Mrs. Hutchinson.

"Goodness, those gas models cost about $30," Mrs. Hutchinson. "I know," replied Mr. Hutchinson, "but he said he'd like to demonstrate it anyway. He said if you'd have everything in the house that's dirty gathered up, he'd wash it for you. It's a chance to get the washing done, anyway."

Unless you've lived on a farm without electricity, where washing still was done by hand, you may not appreciate Mrs. Hutchinson's feelings when 5 o'clock came on the afternoon of the demonstration and her washing—a big pot washing than she had ever undertaken in a single day when she had her health—was done and hanging on the line.

"The next morning," she said, "I still was dreaming how wonderful it would be to have a washing machine." But she was right. The Hutchinsons couldn't afford one.

Mrs. Hutchinson Gets an Idea

That day she took a can of cream to the co-op creamery in Hermiston, and at the creamery she got an idea. Back home she drove, ran out in the field where her husband was plowing.

"There's a room at the creamery that could be made into a laundry," she told him. "Why couldn't the Farm Bureau women buy a washing machine and put it in the creamery and we could all use it? They've got plenty of hot water and there's electricity. We wouldn't even have to have a gas machine!"

That was the beginning of the Hermiston Cooperative Laundry and Cannery—one of America's most distinctive cooperative communities.

These, briefly, were the steps that led to the organization of the association: First, the women of the Farm Bureau Auxiliary were "sold" on the idea by Mrs. Hutchinson. Next, because they had no resources of their own, the members of the auxiliary convinced the management of the Farm Bureau Cooperative—
a feed and grain association—of the soundness of their plan. The Farm Bureau bought the first washing machine, the auxiliary bought laundry tubs “on time,” the creamery donated the room, and the women guaranteed to pay for the cold water they used.

**The Laundry Grows**

At the end of the first month 40 women were using one washing machine! At the end of the year patronage had grown to the point where three machines were in use. Today the association has seven washing machines which are used an average of 37 hours a week—more than 10,000 hours of total use in a year.

More than 300 families use the laundry now. Establishment of a rural electrification association has not greatly diminished use of the laundry. “There’ll always be need for the laundry,” says Mrs. Hutchinson today. “There’ll always be people who can’t afford washing machines; many who have hard water; some who won’t have electricity because their farms are too isolated; some who would just rather not wash at home.”

Each patron of the laundry has her washing hour and machine permanently assigned to her. Board members—six women chosen by the members of the Farm Bureau auxiliary—take their turns with the others. Not only do they not enjoy special privileges—until three years ago they served without compensation of any kind. Now they are better rewarded. For attending regular board meetings they receive $1 gasoline money.

**Then Comes the Cannery**

Success of the laundry pointed the way to establishment of the cannery, which began its operations in April, 1930. The cannery is simplicity itself. It buys cans of the community, plus processing and handling labor. Patrons of the co-op prepare their own products—fruit, vegetables, meat or fish—and fill their own cans. Certain days are specified for the process of each commodity.

Members are charged by the can, the charge determined by the size and type of can, and the amount covering not only the cost of the can but sufficient overage to pay labor and the fair percentage of the co-op’s overhead costs assessed against each unit handled.

**Financially Successful**

The co-op aims to operate on an actual cost basis, making its savings on the initial charge, rather than return them in the form of dividends. In 1940—a typical year—56,935 cans of food were processed in the cannery, and the receipts from patrons were $3,699—an average of 63 cents per can. Receipts from the laundry were $1,672.

Operating costs included the manager’s salary—he does most of the manual labor, too—$1,563; cans, $1,308; extra labor, steam, water, power, light, depreciation, and taxes the balance of a total of $5,027.

The association long since outgrew the room the creamery had to spare. Now it is housed in its own building across the street from the creamery. Pipes under the street bring across steam and hot water from the creamery, but the women no longer ask for this service gratis. Instead, they pay the full value, and their co-op stands on its own feet. The association owns assets with a depreciated value of $2,810; has a surplus account of $2,783.

**Men Have no Monopoly on Cooperation**

Thus, in Hermiston, Oregon, women have demonstrated that men have no monopoly on their ability to cooperate. Men may have their grain and feed co-op; their turkey co-op; their co-op farm supply business; their co-op oil station; their co-op electric association and their co-op grocery. Those things were easy—there were precedents for them.

The women have proved that they could do what, so far as they know, no one had done before them—establish a cooperative way of doing better women’s age-old household tasks of washing and canning; a way that did the job better and did it cheaper.

**Cooperation Turns Sand and Water into Fertile Soil**

There’s nothing in Hermiston itself to explain it, but there’s much in what has been done to explain Hermiston as a prosperous farming community.

When Elmer Davis wrote his history of the New York Times, he said of the owners who built that paper to its initial greatness, “They found the Times on the rocks and made them the foundation stones.”

The farm families who have built Hermiston to prosperity did not even have rocks to work with. Theirs was a community built literally on sand. Irrigation had made the sand produce, it’s true, but it wasn’t until the cement of cooperation was added that the community had a foundation strong enough to hold its own against the world. Around Hermiston today are the remains of communities which failed to hold their own, not because they were less favorably situated, but simply because they never found the thing that Hermiston added to its water and its sand—cooperation.

**A COOPERATIVE PROGRAM FOR THE SOUTHEAST**

Dr. Morris R. Mitchell

State Teachers College, Florence, Alabama

(EDITOR’S NOTE: We have long wanted an article written by a Southerner on the Cooperative Movement. We have also long hoped to find eventually in America an author who wrote in the poetical-practical language of George W. Russell of Ireland. Now we have the realization of the two desires in one man—Dr. Morris R. Mitchell—as we are sure our readers will agree. Dr. Mitchell is a director of the Southeastern Cooperative League, and the following is his address reprinted from the Alabama Baptist and delivered before the annual meeting of the League at Atlanta in January.)

THERE are few mysteries so profound as that of metamorphosis. The old dies. But in its dying strange, turbulent motions follow one another. A hidden sequence orders the gelatinous changes. Incredible beauty of the butterfly, ugliness of a panzer beetle or death may issue.

In the human ferment of this hour we are of the metamorphosis. The world is dying. The world is being born. There is infinite peril in the process.

Let those who may and can and will keep poise, and in the serenity of spirit seek the germ, the essence of the new. In the midst of fury, anguish, death let them nourish the embryo that seeks birth into the loveliness of abundance and peace.

Nationalism, profit-seeking, money-power, isolationism, imperialism, are being escorted out with the most tremendous funeral march ever imagined.

Consumers’ Cooperation
Earth-round Human Love Needed

Now, infinitely weak there awaits suc-
cor a human love which shall not be the
less for home and community and state
and nation because it is earth round, but
the greater and warmer for its breadth
and purity. And the new concern for
the welfare of others will not impoverish,
as has excessive self-seeking. Rather this
new social concern shall fulfill prophecies
we have mouthed two thousand years.
And lastly the human craving for self-
expansion and power will not be stifled
in this new relationship of greater mu-
thual helpfulness. It will find itself in
a quality of passionate sobriety.

The ugly passions of the French Revo-
lution figured starkly in the savagery of
the guillotine as does the fury of today's
revolution in panzer divisions, sub-
marines and air raids. Quiet were the
workings of the minds of Voltaire and
Rousseau who, with like spirits, fathered
the final issues of Liberty and Equality and
Fraternity. There is no assurance that
out of this world tumult civilization will
not be destroyed through sheer exhaus-
tion. No greater hope for the future ex-
ists than in such planning as we are en-
gaged in in this conference and in every
like endeavor to think through the means
to a world ordered by planning, man-
aged by cooperatives, and guided by sci-
entific thought in servitude to human
affectation.

Few of us will be privileged to play
any part on the central stage of post-war
thinking. But every one of us is part of
this drama of world rebirth. In our
schools, our churches, clubs, labor unions,
our community stirrings we may use the
phosphorescent principle to generate
warmth and light as the dry forest feeds
the flames of a match in ever widening
circles. So parched humanity will eagerly
reach the flames of a match in ever widen-
ing circles. The heroism of Galileo, of
Place, of the Rochdale weavers, of Wood-
wid Wilson, of Howard Odum and their
like, make possible all that might be. But
only such dedicated service as this League
represents can give any assurance of the
assurance of the triumph of Truth. In this darkness we
must take every hand as we work toward
the light.

The New Civilization will not appear
simultaneously the world over. Central
Africa seems blessed now with never
having embraced the Old. In some lo-
elities, here and there, this new will
emerge without precedent for all time
and follow. And all will likely follow
one course or another more uniformly
and more quickly than ever before.

The Southeast Ready For Cooperation

Where is the social climate more ready
for such changes in the South? Here
slavery has left its scars. But we have
shown a will to throw off the lin-
ging chains of tenancy, bind the still
flowing wounds of soil erosion. The fic-
tion of democracy which comprehends
racial discrimination and disfranchise-
ment, yet calls on all to defend its form,
tricks our conscience. And any who run
for such discrimination set themselves
against the sun.

In the Southeast we find all the poen-
tialities of the most abundant life; poen-
tialities that could through coopera-
tion, through labor organization, through
social planning, through education for
orderly thinking, become blessed. Actually
the few have been plundered; our rich
resources that human dignity has
become lower to ill housing, ill health,
ill feeding, ill clothing, increasing crim-

Consumers' Cooperation

April, 1942

A Promising Bud of Tomorrow

On the banks of the Tennessee stands
Waterloo in Alabama. There ignorance
and waste and greed and discouragement
are meeting through education the fate
of Napoleon through war. The Pickwick
reservoir covered the thou-
sands of acres of fertile bottom land
which Waterloo overlooked and from
which it had its meager sustenance.

People from the inundation tore
down their shacks, hauled the boards
to vacant lots in the neighborhood
of their kin to a hilltop. The school was
a wreck. A house had been painted
in ten years. At least half the people were
thrown on relief. There was almost utter
discouragement. There were pleas for
the government to buy the town; predic-
tion that cows would be grazing short
in the streets. The soil of the hills had
long been exhausted, the forests devas-
tated. Through the patience largely of
the principal, the school was repaired, a
new school added, then a vocational
building, a teacherage, a principal's
home. Several years were required to
bring the school itself into efficient,
democratic routine. But during the last sev-
eral years the school children have stud-
iied the community, have listed needed
improvements, have discovered formulas
for extremely inexpensive paints for in-
side, also for outside use. Armed with
weapons of peace: hoes, hammers,
levels, trowels, brushes and armed
also with the knowledge gained through
studying such matters, they have gone out
to paint houses, to paper rooms, to build
nurseries for propagating shrubbery for
landscaping lawns, to build and rebuild
furniture, to pave the streets, to stuff
gallies, to lay concrete walks, to care for
the cemetery, to make permanent pastures,
to build brooder houses out of slabs, to
build up wear, to tear down gaunt
chimneys, to provide hot lunches for all
at school, to raise better poultry, pigs,
cattle. There is room for improvement
still at Waterloo as there is in every
project we have referred to. But there
has been more progress in Waterloo these
few years than in the seventy-five before when the natural richness of the river land was theirs to exploit in being exploited.

If anyone doubts the promise that the South holds in contributing definition to the pattern of tomorrow let him attend the community meetings at Allsboro in Alabama, or any of the scores of like meetings out of which are growing cooperative offshoots of many sorts, grist mills, sweet potato curing houses, gardens, hatcheries, canneries, zero locker plans, stores, purchasing associations, saw mills, farming cooperatives, cooperative dairies.

**OUR READERS’ PAGE**

"In the December, 1941, issue of Consumers’ Cooperation, Mr. E. R. Bowen raises the question of whether the joint legislative committee of The Cooperative League and National Cooperatives should take any stand on current consumer legislation in the name of Consumers’ Cooperatives in general. As chairman of the board of the Palo Alto Consumers’ Cooperative, I should like to say Yes and outline a possible plan of action.

"Our Co-op, like many others across the country, has encouraged the growth of Neighborhood Groups, each consisting of from 10 to 20 members living near each other, which meet about once a month to react to issues raised by our Board and to ask questions of their own about some policy or practice that seems obscure or undesirable. Thus the Board keeps in sensitive contact with a wide-spread membership and the members feel personally effective in advising the Board. As long as this condition prevails, minority control will not be possible.

"I see three main functions for your legislative committee: (1) To define accurately and completely the real issues concerning consumers which are implicit in legislation now being considered at Washington. This is hard to do, but Mr. Bowen made a superb start in his article on inflation and deflation. If he had finished up with questions as precise cooperative apianes, cooperatives for owning various types of machinery, cooperatives for purchasing and distributing electric power, credit unions which afford one constructive way out of the deep-seated problems that have over-shadowed this section.

"If we momentarily close our eyes to the bursting of bonds, ignore the trembling of the earth beneath us, forget the wavering of national lines, if we can concentrate for even a minute on all these tokens of promise for the future, then there comes a sense of glory that the promises of Jesus may be at hand.

"There would probably be many desirable effects of such a plan. Among the effects on local Co-op membership would be: (a) a greatly increased understanding of national issues affecting consumers, (b) a quickened sense of belonging to a nation-wide movement, and (c) a new feeling that they have a direct channel of personal effectiveness in getting their views before Congress (writing an individual letter to your Congressman is so lonesome and treated so statistically!). One of the major effects on Congress would be a new appreciation (if not first awareness) of the intelligence and organization of the Cooperative movement. . . . I hope you will canvass other Cooperatives to see whether they are prepared to participate in such a program as this.”

**Lawrence G. Thomas**

**Consumers’ Cooperation**

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**RECREATION NEWS**

The Recreation Association of Princeton, Minnesota, officially dedicated its self-made Co-op Hall on February 3 with the handsome building packed to the doors with some 200 persons. The hall was built and financed through the cooperative clubs in the community which formed the Recreation Association and is regarded as the most ideal meeting place for groups in Princeton. Total cost was $1,800. "You have demonstrated that consumer cooperation is more than just a business. For co-op business is merely a means to the end—enjoyment of life," said Joseph Gilbert, chief speaker at the dedication.

"A Play Co-op is being organized in Boston and has officially met twice to date. Singing games were very much in order at the first session as there was no piano available. However a fall with a piano was now put and the ball is making plans for a Package Party to raise funds for the Radio Fund.

"All those who come are invited to bring something old and preferably something weird in the line of clothing, as nearly done up in a package. The packages are then auctioned off, and whoever buys the package has to wear whatever he is bought. There will also be games and folk dances.

"An old-time dance band of co-op music makers made its initial appearance at the annual Co-op School-CCA Employers Party, February 21, much to the delight of the one hundred persons attending. The band played all evening for squares and singing games.

"Two five day Cooperative Youth Conferences are being sponsored by the County Farm Bureaus and the Ohio Farm Bureau this summer. The purpose of the conferences is to "help young men and women of Ohio find ways of solving social and economic problems through the sharing of experiences in group study, discussion and play." The first will be held at Capital University, Columbus, Ohio, July 26 to 31 and the second at Heidelberg College, Tiffin, Ohio, August 2 to 7. The conferences call for classes in games, play party games, folk dances, dramatics, crafts, group singing, public speaking and discussion on the history and theory of the cooperative movement, with special lecturers on cooperatives in Ohio.

Circle Pines Center, cooperative vacation camp in Northern Michigan, will operate this year in the farm buildings which are owned by the Center. The government-owned camp, used in previous years, will not be leased this summer.

Two of the farm buildings will be over-hauled and one converted into a men's dormitory and the other into a recreation hall and store. "When we throw a barn dance this summer, we will really mean throw one in a barn," one Circle Piner pointed out.

The general camp program for the coming summer will center around the construction of permanent facilities for a year-round "center of culture." This is to be accomplished by asking each camper to participate in a work program patterned after the Student Work Camps. The Recreation Committee's work camps: Crafts, folk dancing, nature lore, fellowship, etc. will remain a principle source of interest to Circle Piners. In addition to the adult camp program, plans are underway for three other camps: Children's, Youth and Student Work Camps.

A unique recreation hall is the White Leghorn Ball Room, meeting place of about twenty young married couples of the Consumers Cooperative of Walworth County, Wisconsin. It is on the second floor of a huge chicken house on the estate of Mrs. Virginia Buzzell near Delavan, Wisconsin and accommodates about 60 persons. There is a stage at one end of the hall, a shuffleboard marked out on the floor, and a piano.
WASHINGTON, D. C. — Just this week, I spent considerable time with leaders in the new consumer’s division of the Office of Price Administration. I was told a story and I am passing it along as it might be inspiring to local cooperative groups.

In three cities, I was told, consumer cooperators volunteered their services to the local rationing boards, and then organized a committee to represent the local cooperative group and to make effective the offer of voluntary service. In one city, the rationing board welcomed the assistance and immediately called the consumer group into conferences. In the other two cities, the cooperators volunteered to serve and then when they were not officially welcomed, they persisted in their determination to serve and they have insisted on their right to express an opinion concerning the interests of consumers.

This story evoked not only interest in the Consumers Division, it evoked also considerable enthusiasm because the cooperators showed by their work that they were not only competent to serve, but that also they were real public servants, intent upon doing a great public work and not upon seeking any personal glory or reward.

Perhaps by the time this is printed, a plan will be worked out with Dexter Keezer, the new boss of the Consumers Division of the Office of Price Administration, for more active participation of cooperators in the work of rationing. Leon Henderson, administrator of OPA, asked the Cooperative League about two weeks ago to postpone discussions of consumer problems with him until Keezer has invited a conference with representatives of the Cooperative League.

Keezer’s appointment has encouraged me to hope for real accomplishment from the “Consumers” Division. I met him years ago when he first came to Washington as a newspaper man and I worked with him in the same newspaper organization. He has ability and he has a real interest in social problems. Moreover, he is and has been a close personal friend of Henderson’s and there should now be a possibility of working relationships within OPA which should make for real accomplishment.

But even before any formal plan for consumer representation in the work of local rationing committees is adopted, local cooperative groups could organize and offer their services to local rationing groups, and then proceed to serve the consumer interest in every possible way if they were not invited into the councils and given a hand in the work of rationing committees and if not invited, the opportunity for independent service is unlimited.

The “housing mess” which the Administration permitted to exist until Nathan Straus, former administrator of the United States Housing Authority, resigned and exploded a bomb of criticism and denunciation under profit real estate interests, has not yet been swept clean but there are very encouraging signs.

It now seems fairly certain that the “Mutual Housing Division” which John M. Carmody, former administrator of the Federal Works Agency, organized will be continued as a distinct entity in the new National Housing Agency. This is the group which organized the Camden “mutual housing” plan and then developed it. The plan was described in these cooperative news columns when it was first conceived but generally speaking, it provides for public ownership of housing development at the outset and cooperative management, and then for purchase and cooperative ownership if the house occupants vote for ownership.

Many groups of consumers have joined in supporting the plan and have demanded of the President that the experiment shall continue in the National Housing Agency as a “laboratory” to test the feasibility of the idea. It was well known that the most voracious of profit makers insisted on washing out this group and eliminating any possibility of experimental work through it.

There is little reason now to talk of “cooperative housing” because only the building of “defense housing” is going to be possible for some time to come.

In the defense areas, however, cooperative groups might develop plans for cooperative housing projects. And much interest is being generated in government agencies here in “cooperative housing.” The old withering eye which the Federal Housing Administration cast on every suggestion of “cooperative housing” has disappeared, even though the profit realtors still dominate FHA now. FHA officials not only insist they will offer every facility of FHA to cooperators—and that means in general a guarantee of mortgages—but they will welcome proposals.

“We have discovered that it is very difficult to make a cooperative housing project successful unless we can borrow money at not more than 3 per cent interest.” I began in talking with FHA officials.

“And you show us where you can get 3 per cent money and we will welcome the information,” was the immediate reply which interrupted my discussion.

“We hope you can get it and we wish you had a cooperative finance group to supply that kind of credit. We realize that credit on that basis makes a loan just that much more sound and certainly the government would prefer to guarantee sound mortgages, the sounder the better.”

In the old United States Housing Authority, which is, or was the “slum clearance” housing group under the so-called Wagner act, there was a division to develop and maintain good “community relations” in and around the hundreds of housing projects. Howard White, the young man in charge of this work, has an exceptionally sound understanding of how cooperators can work with the government agency in this task of developing a sound “community relations” plan. White has welcomed cooperative help, just as he has welcomed suggestions from any other group of citizens. Cooperators who know of how fair and able White has been have been his right to direct the work of the “community relations” division.

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THE COOPERATIVE LEAGUE OF THE U.S.A.
167 West 12th Street
New York City

April, 1942
WHAT'S NEWS WITH THE CO-OPS

MIDLAND MOVES AHEAD OF CCW IN RADIO FUND DRIVE: MORE THAN $5,000 RAISED TO DATE

New York—A report from Iver Lind this past week shows that Midland Cooperative Wholesale has gone ahead of Central Cooperative Wholesale, which has held the lead in funds raised since the start of the drive. Midland reports $1,641 and Central reports $1,632. We are going to watch the boys carefully from now on as it promises to be a close race.

Funds officially in the hands of the committee on March 13 total $3,395.18 not counting the $1,642 raised by Midland. Reports from the regions are:

Midland Cooperative Wholesale $1,641.00
Central Cooperative Wholesale 1,632.00
Ohio Farm Bureau 700.00
Eastern Cooperative Wholesale 500.00
Consumers Cooperative Association 107.00
Consumer Book Cooperative 282.40
Central States Cooperatives 262.45
Pacific Supply Cooperative 213.00
Consumers Cooperatives Associated 100.00
Northern California 43.50

INTERNATIONAL COMMITTEE SET UP TO AID RECONSTRUCTION OF WAR-TORN CO-OPS

New York—The International Committee for Cooperative Reconstruction, designed to assist in the reconstruction of cooperatives in war-torn countries after the war and to encourage the use of cooperative methods in general post war reconstruction opened offices here March 5 after several organization meetings following the first informal session December 6.

The committee is composed of a group of executives of cooperatives now in exile in America from the occupied countries in Europe, a number of American cooperative leaders, several noted economists and public figures, and representatives of several countries outside of Europe in which cooperative activities are playing an increasingly important part.

Dr. J. P. Warbasse, president-emeritus of The Cooperative League, is chairman.

The committee will go to work immediately on several projects: (1) utilizing the experience and the services of cooperative leaders now in exile to reconstruct their work in their home countries or for specialized work in American co-ops; (2) to serve as a clearing house for information on developments in the occupied countries; (3) to encourage government and other agencies to make cooperatives an important part of all programs of democratic reconstruction; and (4) to prepare short wave broadcasts and other materials designed to reach into occupied Europe. The committee will work with The Cooperative League of the U.S.A. and the International Cooperative Alliance, London, on all of its undertakings.

In addition to Dr. Warbasse, the committee is made up of Dr. Henry Sholes, former manager of the Central Cooperative Bank of Poland, chairman of the executive committee; Louis Adamic, Jacob Baker, Percy S. Brown, Wallace J. Campbell, Stuart Chase, Shir Shammalian Chety (India), Dr. Maurice Colomban, Waling Dyskra (former manager of the International Cooperative Trading Agency, London), Dr. Herman Frank, S. Frankel (Estonia), Alfred Gey (Poland), C. H. W. Hasseltius (Denmark), Einar Kumm (Sweden), A. K. Landesberger (Austria), Dr. Helen Lenskaia; Emil Lustig (Argentina); Miss Don Maxwell, Dr. John F. Norman, Jef Kens (Belgium), Dr. Fabra Rihus (Czechoslovakia), Boris Sforoworwsky (France), Dr. Hans Staudinger, Dr. Sigmund Stencil, Dr. Hans Strauss, Dr. V. J. Trebrenkenko, Dr. Rudolf Treuenfels.

The committee will share offices with the recently organized Inter-American Cooperative Marketing Corporation, 165 Broadway, New York City established to facilitate exchange of goods between cooperatives in the Americas.

BRITISH BROADCASTING CORPORATION PAYS TRIBUTE TO NOVA SCOTIA CO-OPS


The broadcast said, "While all the rest of the world was going down hill, the people in the eastern counties of Nova Scotia were developing a new pattern of life."

Through the work of St. Francis Xavier University, a group of Catholic priests took education to the people, putting in the hands of the people themselves the tools for their own economic reconstruction.

The BBC broadcast was transcribed by Press Wireless and the World Broadcasting System. High fidelity transcriptions are available for re-broadcast. Records for the half hour program can be secured directly from The Cooperative League, 167 W. 12th Street, New York, or the World Broadcasting System, New York.

COOPERATIVES TO CARRY COAL CASE TO SUPREME COURT

Washington, D. C.—The United States Supreme Court is going to be asked to decide whether the Bituminous Coal Division of the Department of the Interior has the authority, under the Guffey coal law, to oust the Midland Cooperative Wholesale.

The appeals court decided, as did the Coal Division, that if a cooperative distributor returned any savings to its retail cooperatives, the distributor would violate the fair trade sections of the Act which prohibit the granting of rebates "in any form or by any device."

Rogers will now attempt to have the Supreme Court support his contention that "patronage dividends" are not "rebates," that they are not considered fair trade practices which the law attempts to reach, but that on the contrary, Congress has repeatedly approved of the cooperative principle of restoring savings to consumers.

Here at last is a book which the consumers' cooperative movement in America has long — though unconsciously needed, and needed badly. Cooperatives and cooperatives have been given far too much, like mythical Narcissus, to gazing admirably at their own image reflected in a pool of monotonous self-adulation. They talk no end about their

REVIEW


April, 1942
virtues, but comparatively little about their faults. Thereby, like "vaulting ambition which o'erleaps itself and falls on t'other side," they hurt more than they help themselves in the eyes of a still unconsecrated public, because they sound too good to be true and give rise to reservations. By exalting themselves to the status of angels, only occasionally and inadvertently admitting that they are really "a little lower," they sacrifice much of the human sympathy and sense of fellowship that flow from men to their fellowmen.

Now comes Doctor Warbasse, founder of the Cooperative League, its President for a quarter-century, the Nestor of our country's consumers' co-op cohorts, and pulls these soaring angels back to earth, admonishing them to keep their feet on the ground. Who could render this vital and timely service with better grace and greater friendliness than he? Nor need he be troubled by the risk that individuals and interests inimical to cooperatives will tear certain parts of his critique from their context and turn them against the movement. If they do they can be rebutted with other parts, and their knocks will prove boosts by stirring up discussion.

But if you co-op officers and committee members, you managers and staff associates, you members old and new, want to do a better job than you're doing now, and keep clear of the pitfalls and gins that beset your paths, then you'd better read, digest and begin to apply this book right away. I cannot think of a wiser and more productive investment of one dollar. All cooperators who fail to make this slight investment will fail to seize an opportunity that is knocking on their concrete heads.

What are the book's specific contents? By way of preview—departing somewhat from the author's ordering—I'd say the Deficiencies and Difficulties might be captioned as follows: 1. Inefficiency and inadequacy of (a) organization, (b) operation, (c) education; (2). Lack of vision and progressiveness; 3. Inertia of individual members; 4. Managerial and directorial autocracy and high-handedness; 5. Factors inherent in the cooperative form of organization; 6. Adverse outside factors, chiefly the present economic system's resistance to cooperation of consumers.

Having thus far sung wholly a paean of praise, I will now pay Dr. Warbasse a friendly and admiring tribute in his own coin—by criticising the critic! Rumor had it that he was going to lay about him with a club, call a spade a spade, wring a few hearts, and cast some hard-cutting diamonds of denunciation where he felt they were deserved. But if such was in fact his first intention, the edge of his ardor has been dulled by second thought. No names are named, no identities even hinted. It is all so utterly impersonal that cooperative sinners can still throw out their chests and keep right on sinning.

Certain flagrant faults, moreover, are entirely unmentioned: in the case of local units, that poverty-mindedness which I have dubbed the "Toad Lane Complex," and which makes all this talk about "economy of abundance" sound empty; in the wholesales' obsession with volume and speed of expansion, overriding fundamentals of democracy and taking on the image of Big Business; general imitativeness, following in the wake of the condemned profit-system and semi-parasitically pasting a co-op label on that system's products; paucity of originality and inventiveness, even in education and recreation.

Finally, in his last chapter, Doctor Warbasse himself ascends into the Cooperative Heaven. Branding profit-businessmen as "the only enemies," he asserts that "Criticism of cooperation comes from them with poor grace, for (italics mine) they know of its superiority and are irked by it, else they would not complain." And so to end with exclamation and interrogation points.

—JOHN DANIELS

Consumers' Cooperation
National Cooperative Recreation School

The importance of developing leadership for recreational activities in a period of restricted use of cars and curtailment of spectator sports is becoming more and more apparent. The training given at the National Cooperative Recreation School is especially designed to stimulate people into making their own fun.

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AFFILIATED REGIONAL AND NATIONAL COOPERATIVES

Name Address Publication
Am. Farmers Mutual Auto Ins. Co. 6135 Lyda St., Oakland Cooperative.
Associated Cooperatives, N. Cal. Superior, Wisconsin Cooperative Builder.
Central Cooperative Wholesale 2638 S. Milford, Chicago The Round Table.
Central States Cooperatives, Inc. 7218 S. Hoover, I.A. Consumers Observer.
Consumers Book Cooperative 135 Kent Ave., Brooklyn Cooperative Consumer.
Consumers Cooperative Association 135 Kent Ave., Brooklyn The Producer-Consumer.
Consumers' Cooperatives Associated 7218 S. Hoover, I.A. Consumers Defender.
Consumers Cooperative Wholesale Cooperative Recreation Service.
Cooperative Distributors Cooperative Recreation Service.
Cooperative Recreation Service Cooperative Recreation Service.
Eastern Cooperative League Cooperative Recreation Service.
Eastern Cooperative Wholesale Cooperative Recreation Service.
Farm Bureau Cooperative Ass'n Cooperative Recreation Service.
Farm Bureau Mutual Auto Insurance Co. Cooperative Recreation Service.
Farm Bureau Service Cooperative Recreation Service.
Farmers' Union Central Exchange Cooperative Recreation Service.
Grange Cooperative Wholesale Cooperative Recreation Service.
Indiana Farm Bureau Coop. Association Cooperative Recreation Service.
Midland Cooperative Wholesale Cooperative Recreation Service.
National Cooperatives, Inc. Cooperative Recreation Service.
National Cooperative Women's Guild 605 So. Dearborn, Chicago Cooperative Recreation Service.
Pacific Coast Student Co-op League Berkeley, Calif. Cooperative Recreation Service.
Southeastern Cooperative League Carrollton, Georgia Cooperative Recreation Service.

FRATERNAL MEMBERS

Name Address Publication
Credit Union National Association Madison, Wisconsin Cooperative.

CONSUMERS' COOPERATION
OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

ORGANIZED CONSUMPTION MUST PRECEDE PLANNED PRODUCTION

"The organization of consumption takes precedence over the planning of production." Thus now says The London Times.

Adam Smith said the same thing over 150 years ago in The Wealth of Nations in these words: "Consumption is the sole end and purpose of all production; ... the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer."

Eighty years ago, John Ruskin went a step further and declared in his essay, Ad Valessum, that "as consumption is the end and aim of production, so life is the end and aim of consumption."

These are all generalities, and we need to generalize in order to get a grasp of ideas. But we also need to be specific as the Rochdale Pioneers were; they set out to organize consumption by building Consumers' Cooperatives as the necessary step to planned production.

Farmers and workers in the United States, who have organized marketing cooperatives and labor unions, are now slowly realizing that the organizing of their consuming power is more powerful and must finally take precedence over the organizing of their producing power. We need to ORGANIZE CONSUMERS' COOPERATIVES FASTER.

Finland is the great example of a consumer cooperative controlled economy. In Finland, the consumers do 40% of the business through cooperatives and

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

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20% of the business through publicly owned utilities. Together, they are in control of the price and pay levels of Finland. Price to the consumer is lowered and pay to the producer is raised, until the economic rights of man of ownership, income and employment are largely achieved. What is needed, as Congressman Voorhis has declared, is for one large nation to demonstrate that it can achieve these economic rights alongside democratic liberty. America should pattern after Finland and be that nation. Farmers and workers should organize their consumptive power faster.

PREPARE FOR PERMANENT PEACE

1. Cooperators Should Prepare to Feed the World Cooperatively

There is only one thing that will prevent world-wide revolution after the war and that is for the people to have plenty to eat. As Murray D. Lincoln, president of The Cooperative League, says, "If we go to the peace table with hatred in our hearts we shall lose the peace. We should go to the peace table with food in our pockets." This should be the attitude of the political representatives of the United States.

Just what should the Consumers' Cooperative Movement in the United States be prepared to do? In the April issue of Consumers' Cooperation, we reprinted "A Cooperative World Program," recommended to the International Cooperative Alliance by the Directors of The Cooperative League. These recommendations contained the following relative to rehabilitation:

"The members of cooperative societies, in countries where their societies have been damaged, retarded or destroyed by hostile stateism, should rehabilitate their societies and reestablish them upon a truly cooperative basis; and wherever necessary they should be assisted by other cooperative societies and by the International Cooperative Alliance."

Just what assistance should the Consumers' Cooperative Movement in the United States be preparing to render to our cooperative brothers in other countries? Plans to do our part cannot be made overnight. They will take long and careful thought. Cooperative members should discuss the matter in advance and prepare to vote funds freely out of the savings of their associations to provide the necessary assistance. Individual American cooperators should begin to think in terms of accepting assignments in other countries to handle the programs of relief and rehabilitation which will be necessary to assist cooperators and cooperatives in stricken lands.

We are in the midst of a combination of an earthquake, a hurricane and a flood—of world-wide proportions. When any one of these strikes a local community in the United States, we rush relief in the form of food and help. The American Cooperative Movement was so small and struggling, during and immediately after the last war, that we did not think in terms of helping others, but only of trying to save ourselves. This time we must be prepared to help cooperators and cooperatives in other countries. If we do not enter under the banner of Cooperation, then the countries will be left to the mercies of individual relief and eventual revolution. Food will truly win the peace. But the distribution of food must be cooperatively organized in order to stimulate the permanent cooperative organization of the world on a cooperative basis. Just what should we prepare to do? This question should be widely discussed by cooperators.

Consumers' Cooperation

GUEST EDITORIAL
STRENGTHEN AND EXPAND COOPERATIVES

Perry L. Green

The cooperative is the only economic means that has as yet been devised, insofar as a form of corporate procedure is concerned, that recognizes consistently the principle of helping an ever-expanding production and consumption of goods and the restoration of ownership of production and distribution facilities to the people. It's the form of corporate organization, when its expansion of business into the fields of production and distribution become expansive enough, that will head off various forms of Stateism that now threaten us.

There is much we need to do in Ohio to strengthen our cooperative set-up. We are still fussing around with a paltry ten million dollars worth of business. I am as sure as can be that I am right in my assumption that that isn't actually half of the business of the present patrons and members of the cooperative associations in Ohio. It is a tardy demonstration of what a cooperative business in Ohio might be if we could produce a sufficient understanding and a consequent loyalty which would accrue from such understanding of the real purpose and influence of cooperative endeavor. "Why don't we put on a program of debt elimination and volume of business campaign during 1942 that would make all previous years look as if we had been pikers in our previous efforts? These are serious times and if we have any belief in and loyalty to our organizations, this is the time to bring them into reality. It's the only form of organization that thinks of profit as a by-product of service. It's the only form of economic action whose sole purpose of existence is to help the consumer and patron more goods for whatever money he happens to have. It's economic democracy in action. There is no limit to what we can do in Ohio in 1942 in strengthening and building up our cooperatives.

"We have already entered the field of finance and the various forms of service insurance. The last of these is the cooperative hospitalization program which is being made available in every county. On how aggressively such cooperative service is accepted and made widespread will depend the addition of other similar services in the general field of insurance. "We need to develop these services from finance to production so that, when a collapse comes, we shall be strong enough within our own cooperative circle to maintain a continuous flow of products that we use. We need, further, to expand our field of cooperative effort into the towns and cities and join with our cousins and neighbors in widening out and making more complete this circle of distribution from the producer to the consumer. All we need is initiative and vision. Without vision and understanding of these simple processes of production, consumption and exchange, initiative is often lacking.

"Cooperatives expanded to include all people, city and country alike, eventually working together to distribute and produce the things that we all use is the only economic action program that will break down the class barriers that we are selfishly and politically fighting to maintain. In price control legislation the farmer fears the increase in labor wage for the selfsame reason that the laborer fears the effect of having base food prices set high. So we keep on trying to satisfy ourselves by fighting against each other. Haven't we kept that sort of thing up long enough? Our common interest will be found by cooperatively working together."
THE ECONOMIC BASES OF A JUST AND DURABLE PEACE

The editor was privileged to be invited to act as a Consultant to the National Study Conference, held under the auspices of the Commission on a Just and Durable Peace of the Federal Council of Churches at the Ohio Wesleyan University, Delaware, Ohio, on March 3-5, 1942. This conference, it was reported by Paul Hutchinson, managing editor of The Christian Century, "may some day be recognized as a landmark in American church history." It was described by Bishop Ivan Lee Holt in Time as "intellectually the most distinguished American church gathering I have seen in 30 years of conference-going." Its findings were called "profound and far-reaching" by the managing editor of The Living Church. Of such nature were the general appraisals expressed by many of those present. It was even suggested that it was the most important conference ever held by the Federal Council of Churches, which represents most of the Protestant denominations in America, and that its report will likely be its most widely circulated document.

There were five divisions of the findings, but we are reproducing only one of the five—that of the economic commission, as approved by the final general session of all the delegates. A pamphlet, published by the Federal Council of Churches, which includes all of the findings, can be purchased for 10c from the Cooperative League. However, of even greater value will be an 80-page discussion handbook entitled The Churches and a Just and Durable Peace, which will be published shortly by The Christian Century and which also can be secured through the League's literature department.

As is usually the case, the story behind the printed findings is difficult to tell and yet it is perhaps of equal significance with the findings themselves, showing as it does the temper of the delegates. Some of the facts can be told. A sub-committee had drawn up a statement for the advance preliminary consideration of the delegates. This was taken as the starting point for discussion. It was, quite naturally, of a more or less general nature, as are too often the documents issued by religious, educational and political groups.

Into the original document, however, were inserted brief phrases and longer paragraphs, by action of the delegates after discussion, which eventually made of the report one of the most specific economic declarations ever to come out of a national religious federation. It was particularly noteworthy that such insertions were almost entirely unopposed, showing clearly the progressive temper of the delegates as a whole and their desire to be specific and positive. On the other hand, there were a number of efforts made by a few representatives of big business to water down or emasculate sections of the report, which in almost every case were ineffectual.

A careful reading of this historic document will indicate its specific and comprehensive nature. In general, it covers the following six major points:

First, emphasis upon the motive of "human service" as the alternative to "profit incentive" or "government coercion."

Second, an indictment of the results of the competition for profit system as "widespread dispossession from farms and homes, destitution, mass unemployment, lack of opportunity for youth and for security for old age."

Third, a declaration that the economic rights of man include "ownership of both personal and productive property, . . . income . . . steady employment . . . economic security."

Fourth, that the way of achieving these rights is through "experimentation with various forms of ownership and control, private, cooperative and public."

Fifth, that dependence should be placed on various voluntary self-help "appropriate agencies," as well as the government.

Sixth, that action must take place within "local communities" as well as in the nation and the world.

The importance of this document is its entirety, as adopted by the delegates:

I

Our concern with world economics is an obvious consequence of our desire, as Christians, to realize an ever richer spiritual world fellowship. While the gathering of the spiritual good and may help to prepare for a solution of the economic problems of the world, the spiritual union may itself be gravely impaired or disrupted by conflict arising in the economic realm. We are deeply disturbed by the economic distress of millions of our fellow men and by economic conditions that threaten the extension of the Kingdom of God on earth.

II

We view the economic tensions and disturbances of our day as symptoms of a general world disorder. In our era production has been carried on primarily with a view to monetary gains. Profit has been the principal incentive relied upon to turn the wheels of industry and to bring forth the fruits of the soil. This system has in recent years developed grave defects. There have occurred mass unemployment, widespread dispossession from homes and farms, destitution, lack of opportunity for youth and of security for old age. These calamities, which have often been accentuated by short range self-seeking trade policies of various nations, have made for war. There has been a sharp increase in economic nationalism with tariffs being erected, monetary systems adjusted for the benefit of national interests, and a race for colonies on the part of some countries. Out of this economic insecurity has come an atmosphere favorable to the rise of demagogues and dictators. Mass unrest has afforded

violent and unscrupulous men the opportunity to seize leadership and has made any rational approach to international disputes impossible.

In this chaotic situation there has arisen in certain countries an alternative way of production which is based on complete management and control of all economic life by government. With this has come a system of compulsion which deprives the individual of freedoms, economic, intellectual and spiritual, necessary to human dignity.

We do not believe that we are limited to a choice between these two alternatives. If this seems the only choice it is largely because the churches have failed generally to inculcate Christian motivation. Willingness to strive and to produce and to render services should not be dependent either wholly upon profit motivation or wholly upon compulsion. We urge upon the churches that they have the great opportunity and responsibility to make possible a generally acceptable solution by bringing people to a different and more Christian motivation.

In a day when revolutionary upheavals have swept away the traditional economic organization in Russia, Italy and Germany, and now when, by reason of the necessities of war, that economic order is being radically reorganized everywhere, the church has a manifest duty in the economic field, both urban and rural. That duty is not to line up on the side of any economic system and certainly not to prescribe details or advocate panaceas. Its responsibility lies in a deeper moral realm. As Christians we must be vitally concerned for the preservation of hu-
man values in any and every system. The Christian doctrine of man as a child of God carries with it the demand that all men, without distinction of race, creed or class, shall be afforded the economic means of life and growth.

Any economic program which allows the quest for private gain to disregard human welfare, which regiment human beings and denies them freedom of collective bargaining, thus reducing labor to a mere commodity; any program which results in mass unemployment or dire poverty in mine or factory or farm; any program which fails to conserve natural resources and results in soil deterioration and erosion and along with it human erosion and deterioration of rural life in home and school and church, is manifestly wrong. Against such evils the church should arouse the conscience of mankind in every nation. The church must demand economic arrangements measured by human welfare as revealed by secure employment, decent homes and living conditions, opportunity for youth, freedom of occupation and of cultural activities, recognition of the rights of labor, and security in illness and old age. To secure these arrangements it must appeal to the Christian motive of human service as paramount to personal gain or governmental coercion.

III

The building of a just and peaceful world involves the building of national and local communities on the basis of justice, freedom and cooperation for the common good.

We believe that a new ordering of economic life is both imminent and imperative, and that it will come either through voluntary cooperation within the framework of democracy or through explosive political revolution. We recognize the need of experimentation with various forms of ownership and control, private, cooperative and public. It is hardly to be supposed that any one system, whether of private, cooperative or public enterprise, is suited to all kinds of production, distribution and service. The production and distribution of goods on the basis of voluntary cooperation is an experiment which in many parts of the world is meeting with notable success.

IV

We believe that no nation or group of nations can solve in a permanent way the economic problems inferior to itself without the cooperation in good will of the other peoples of the world. The economic prosperity of one nation bears a direct and not an inverse ratio to that of others. It is necessary to abandon injurious forms of economic competition and to avoid entrance upon the disaster chain of economic counter-measures and reprisals which often mark the policy of competing nations. We endorse the principle that "national interdependence now replaces independence and that action by any nation, notably in the economic field, which materially and adversely affects other people, is not purely a matter of national policy but is coupled with an international responsibility.

* * *

[In conjunction with the foregoing affirmation of general principles the conference approved the following recommendations and convictions. The conference did not reach the same unanimity with regard to these recommendations as was expressed with respect to the general principles embodied in the report of the Economic Section. Insofar as they involve technical judgments, they call for special consideration and study.

EDITORIAL COMMITTEE]

1. That every man should have the opportunity to share in the ownership of both personal and productive property, such as a home, a farm and economic enterprises.

2. That every member and family of the human race has a right to steady employment and to earn an income such as may provide the necessities of life and growth and is in accord with the wealth-producing capacity of his day and the requirements of responsible conservation of natural resources.

3. That in early years every individual has the right to full-time educational opportunities with reasonable consideration of his talents, interests and probable vocation; that in later years every individual is entitled to economic security in retirement and the continuation of cultural opportunities; that in the whole span of life every individual is entitled to adequate health service and professional medical care; and that in the productive years there is the universal obligation to work in some socially necessary service.

4. That every man has the right to employment of a kind that is consistent with human dignity and self-respect, and to such leisure as is essential for cultural and spiritual development; that employers of all kinds should recognize and safeguard these rights.

5. That citizens, through their governments or other appropriate agencies, have not only the right but the duty (a) To prevent destructive cyclical trends in business by regulatory measures or, if these prove inadequate, by direct initiative; (b) To counteract unemployment resulting from technological change through vocational re-education, through public employment agencies and, if necessary, through a reorganization of industries and markets.

6. That industrial democracy is fundamental to successful political democracy, and we therefore recommend that labor be given an increasing responsibility for and participation in industrial management. The principle of democracy in economic relations should be accorded wider expression by the development of stronger voluntary producers' associations, farm organizations, labor organizations, professional groups and consumers organizations, and their integration into some form of national economic council, for planning in cooperation with government for maximum production and consumption and the abolition of unemployment. In each industry also, industrial councils should be developed, representative of management, labor and consumers, for democratic direction of industries towards these same ends. The effect of maximum production and consumption in each country would be to decrease the pressure of competition for world markets and thus to mitigate one of the major economic causes of war.

7. That we cannot find the means of preventing social disorder until we have ended the paradox of poverty in the midst of plenty. We believe that a tax program should be formulated in such a way that the burden be placed in proportion to the ability to pay, to the end that our wealth may be more equitably distributed.

8. That agriculture has a dual importance, both as a way of making a living and as a basis of family and community life. Our economic system must become servant and not master in maintaining the socially significant services of agriculture, such as feeding the world and producing the organic raw materials essential to industry.

9. In view of the Christian principle that a house divided against itself cannot stand, we urge that the International Labor Organization or its successor organization after the war shall make a special study of all available plans for avoiding or reducing the animosities too often prevailing between labor and management and tending to national inefficiency and war.

10. The progressive elimination of restrictions on world trade, such as tariffs and quotas, under the guidance of an international organization and by other appropriate methods.

11. "The fullest collaboration between all nations in the economic field with the object of securing for all improved labor
We believe that wealthy nations should not only refrain from action that is injurious to their neighbors, but should initiate action that is calculated to benefit their neighbors, as for example, the direction of foreign investments with a view to raising the standard of living of the underprivileged peoples of the earth. No attempt should be made, however, to impose an alien culture upon any people.

We recognize that at the close of the war vast populations will be in need of food, shelter, clothing and medical care, and that vast areas will call for physical and economic rehabilitation. We believe that the American people, acting through their government, should assume a major share of the responsibility and task of meeting this need.

General Resolution on Economic Collaboration

We note such acts of our government as that reported by Under Secretary of State Welles at Rio de Janeiro on January 13, 1942, that "It is the policy of the United States to aid in maintaining the economic stability of the other American republics by recognizing and providing for their essential civilian needs on the basis of equal and proportionate consideration with our own"; also the provisions of Article 7 of the Anglo-American Pact of February 26, 1942, calling for "post-war participation, by all countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment and exchanging consumption of goods which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers."

We instruct the officers of this conference to communicate to our government our deep satisfaction with such acts. The spirit evidenced thereby is, in our judgment, that which must come to permeate the life of nations if they are to achieve a just and durable peace.
Cooperators in the Twin Cities, led by Cooperative Services, are organizing a Co-op Conservation Corps. The activities thus far announced include the conservation of gas, oil, tires, etc., by regular servicing of cars at a Co-op Station; the conservation of oil by use of the Co-op Burner Service; the reduction of waste in distribution by Co-op Club grocery buying; Consumer Cooperators are taking the offensive in these conservation programs. What is your Co-op doing in conservation?

* * *

The United Maritime Fishermen of Halifax use an illustration in their advertising from the natural science animal world to draw a moral for the social science human world. "Mackerel run in schools. They know the advantage of organizing together. Why should not fishermen be as wise? Why should they not market and purchase through cooperatives?" Why not use such powerful natural world-social world comparisons in your presentations too?

* * *

When the members of the Farmers Cooperative Elevator Company of Iowa Falls, Iowa, themselves faced the facts of the cost of credit they naturally voted by over 3 to 1 to go on a cash basis. How could they do otherwise when the figures presented to them showed a credit cost of $5,813 on a volume of $485,385—made up of bad debts, $2,859; collection fees, $1,067; manager's time, $210; bookkeeping expense, $600; credit information, $24; interest cost, $1,053? Have your Co-op members faced the cost of credit?

* * *

John Daniels, author of Cooperation—An American Way, suggests that the Cooperative Movement use the words "informize" for "advertise," "informization" for "advertising," "informizer" for "advertisement," and thereby free itself from any connection with modern advertising, which the Columbia Dictionary says "cajoles, flatters, coaxes, wheedles, etc." Do you think we should?

* * *

We could never understand why more states have not followed the example of Wisconsin, Minnesota and North Dakota and provided in some way for the teaching of Cooperation in their schools. The Saskatchewan School Trustees Association has now endorsed the following resolution: "That we request the Provincial Government to include the teaching of the history, principles and aims of the Cooperative Movement as one of the compulsory subjects in the Public and Secondary Schools, and also in the Normal Schools, and that proper text books for this subject be provided by the Department of Education." What about your state?

* * *

The Maritime Cooperator urges the people to exercise self-help as well as to use expert-help, saying that the people know more than the experts about: first, what the people have suffered and experienced; and second, what the people can do by cooperative action when they try. Do you depend upon experts fail?

Consumers' Cooperation

Dear Editor:

I am sending this air-mail, special delivery, because every day and every hour counts at this time.

On several occasions you asked me for suggestions of additional public service cooperatives and cooperators could give. Perhaps my judgment may be faulted because of distorted close-up pictures we get here day after day, and any opinion I express must be weighted with that understanding. But my opinion and my judgment are supported by much able persons than am I. Therefore, I write to express a great wish—that the public welfare or public affairs committee in every local cooperative society would compose and send to their Senators and Representatives a letter somewhat as follows:

The director of our Washington office reports to us that he feels there is cause for concern about our Congress. He says: "Never before, in my 25 years of experience, has a more alarming picture been presented. Turmoil, chaos, jitters, individual and collective neurasthenia are words and phrases which might tell the story. Mail, tons of mail, pour into offices every day and four and five times a day. Télégraphe-wires and teletype messages add their burden. Pressure groups of all kinds plague them. Just plain gossip and gossip rumors, many of them unworthy of any consideration, sweep through crowded lobbies and cocktail rooms of hotels and then are rushed to members of Congress. The scene is one of 'confusion confounded,' of arid organization, of crumbling legislative machinery."

"Our Washington representative continues: 'Your sincere and industrious and zealous Congressmen, Senators and Rep-

John Carson
Washington Representative
The Cooperative League

representatives need your help today and those who are not zealous, sincere, industrious and able, should be urged to retire in November. Consumer Cooperatives can have no selfish interest. They must be neutral in politics. Congressmen should know that they always will express the public interest. They can and should tell their Congressmen now, and in the most emphatic language, that Congressmen should spurn all demands of selfish pressure groups and represent the public interest, that the cooperatives would join with them in supporting the public interest, and that cooperatives through their committees were going to keep the record straight and for future reference.

"Your worthy Congressmen need that kind of support, today. Your unworthy Congressmen need that kind of a warning, today. They need to know there is a very powerful, unselfish group back home which has determined to make democracy work.

"The decay, the disintegration, the moralization in Congress, the crumbling legislative machine reflects the indifference of the people. The Congress can become a great parliament, comparable with the parliament in Sweden when cooperatives decide they want that kind of a parliament and they are determined to get it. Then, there will be no further need to worry about preserving a democracy in this country, or to worry about making a democracy work."

"That is what our Washington representatives reports to us and that is what he advises us to do. We are going to join you, or your successor, in working at the job of expressing the public interest.

"We are particularly interested now in the passage of the Voorhis-Wagner bill, which provides for the creation of a post-

May, 1942
The only man who was fair in his word to say for the cooperative move was Lord Swathling, Labour Peer, alleged to have divided plane of the milk situation in England some time ago, it was affirmed that the cooperative movement has already rationalized distribution to such a degree that its costs were quoted as a measure of the economies possible in the milk industry. That cooperative members get their milk more cheaply than private trade customers; and that cooperative efficiency is such that milk rationalization by limiting deliveries in any locality to the cooperative society and some combination of private traders.

NEWs OF CO-OPS ABROAD

Manchester, England—The British cooperative societies which handle one-third of the nation's milk supply have come under severe attack from the House of Lords. In the Perry report summarizing the milk situation in England some time ago, it was affirmed that the cooperative movement has already rationalized distribution to such a degree that its costs were quoted as a measure of the economies possible in the milk industry. That cooperative members get their milk more cheaply than private trade customers; and that cooperative efficiency is such that milk rationalization by limiting deliveries in any locality to the cooperative society and some combination of private traders.

In the face of this evidence, Lord Swathling declared that cooperative dividends were an obstacle to the exchange of customers between cooperative and private distributors and asked that dividends on milk should be abolished by law for the duration of the war.

Lord Addison, Labour Peer, alleged that "It is not right that cooperative societies should sell their ribbons cheaper than their neighbors because they can get a big dividend from their milk profits. . . . It isn't right to subsidize the sale of other products from a cooperative society by the excessive profits made on the milk account." Lord Addison had no good word to say for the cooperative movement. The only man who was fair in his comments was Lord Woolton, the Food Minister, who had exact knowledge of the facts of the case.

Sir Fred Hayward, chairman of the Cooperative Union, declared in answer to that attack, "It is an appalling position that a Labour leader should make us a sort of scapegoat by garbled statements and misrepresentation so far as the milk industry is concerned. . . . It seems to me that the time has arrived when we have not got to take this sort of thing lying down and I want to protest against this treatment by members of the Labour Party in public debate."

"If we had as much rationalisation on the other side as the cooperative movement has carried out the problem would be solved," Sir Fred concluded.

Zurich, Switzerland—A remarkable attempt to capture the strongest Swiss cooperative society, the Allgemeine Konsumverein Bieder, Basel, has been made by a strange figure of Swiss economic and political life, Gottfried Duttweiler. Duttweiler is the founder and head of Migros, one of the most successful Swiss chain store concerns, which on January 1, 1941 was transformed into a "Cooperative" organization.

It was in June, 1940 that Duttweiler announced his decision to transform his chain, which did 72,000,000 francs business, into a "cooperative" and established the Migros Cooperative Union in Zurich, which is now headed by Duttweiler.

A sharp competitive struggle has taken place between the real cooperative societies and the pseudo cooperative organization. In a bi-election in November, the Duttweiler group secured a total of 6,000 votes and elected 25 members to the council of the Basel society. With a fairly even split in organization representatives, this gives the Duttweiler faction the possibility of acting as a controlling factor in policies, unless the stronger groups within the organization previously opposed to each other unite against the Duttweiler group.

Duttweiler also led a political party, Landestring der Unabhaengigen, the national union of independents.

London—The appointment of Dr. William Temple as Archbishop of Canterbury brought encouraging comments from the Cooperative News, Manchester, which recalled its address to the Swiss Congress of the British cooperatives in 1937 and his later talk to the Jubilee celebration of the Cooperative News and the Cooperative College Hostel.

Speaking of the cooperative movement, Dr. William Temple declared, "Brotherhood cannot be advanced by any method except by practising it, as the cooperative movement is in one department; at the W.E.A. (Workers Education Association) is doing and as the Christian Church ought to be doing."

The new Archbishop of Canterbury, before his translation to the supreme office, had arranged to address the Cooperative Education Convention at York this Easter.

Jerusalem, Palestine—The number of persons now associated with cooperative organizations in Palestine has reached 150,000 according to the latest report of the International Labor Office. There are now 26,000 members of credit cooperatives and 56 consumers' cooperatives working in town and country. The consumers' cooperatives are affiliated with the Consumers Cooperative Union, and the Palestine Cooperative Wholesale. The Co-op Wholesale in 1940 had a turn-over of £600,000. The chief business of consumers' cooperatives was in the fields of foodstuffs, fodder, seeds, machinery and building materials. There are 66 producer cooperatives affiliated with the Union of Cooperative Workers, Production Services. Of these, nine were passenger transport cooperatives, thirteen goods transport cooperatives. Others included metalwork, electrical installation, carpentry, printing and baking.

Papayan, Colombia—Professor A. Fabra Ribas reports that there are 200 cooperative societies with 50,000 members and capital of 2,000,000 pesos in Bogota, the capital of Colombia. The annual turn-over of these cooperatives was $12,000,000 in 1941. In the department of Santander—7 cooperative societies; in El Cauca, the movement, which was started in 1937, has 800 members and a capital of 65,000 pesos. In Antioquia, the first cooperative society was established in 1934. Today, there are twenty-two co-ops with 20,000 members and capital exceeding one million pesos. The Cooperative Society of Municipalities, a unique enterprise, has been set up to supply the needs of various municipalities in the department or province. The society began work in 1940 with a membership of 59 municipalities and is handling goods for construction of aqueducts, electric power installations, construction
of schools, road making and paving and so forth.

Stockholm—Sweden’s consumer cooperatives, serving one-third of the families in Sweden, have taken the initiative in several measures designed to benefit all consumers in Sweden as the emergency precipitated by World War II has forced this traditionally neutral country to tighten its belt.

KF, the Cooperative Union of Sweden, helped in “rationing” the production of charcoal for charcoal gas used in motor cars, instead of gasoline. KF pioneered in the manufacture of rayon in Sweden, a step of great importance now that cotton cannot be imported and KF’s big rubber factory is now building a plant where rubber waste and old rubber are going to be re-manufactured. When the supply of American-made radio tubes became insufficient, the cooperatives started manufacture of radio tubes in the co-op light bulb factory.

Because of the war, rationing, price control and other forms of control by the government are inevitable. Since the cooperative movement is so well established in Sweden, it was natural that the government leaders should turn to KF on matters of production and distribution. Many of these leaders, indeed, got their early training in the cooperative movement. Prominent among them is Axel Gjores, Minister of Supply, who for more than 25 years has been active in KF.

The cooperatives sensed the need for importing large amounts of goods before imports were largely cut off by the war. During 1939 KF’s stocks alone were increased three fold to meet the emergency. Foreign trade was stimulated and large supplies of raw materials such as cotton, tin, sheet iron and sheepskins were imported by KF for cooperatives and private industry as well until trade became so large the government set up a Government Trade Commission to handle it.

KF’s Flour Mills, Stockholm

CO-OP CENTER OPENS
Hans J. Schmidt

When Co-op Center, remodeled home of the Range Cooperative Federation in Virginia, Minnesota, celebrated its grand opening March 7th and 8th, it not only opened its doors to cooperators, but flung them wide open to the entire Minnesota iron range country. A grand ball on Saturday night, and a fun-fest Sunday day night, featuring a Co-op Quiz that was broadcast by a local station, officially opened the new Co-op Center.

In addition to the dance and quiz, the fun-fest devoted itself to skits, starts, music and shadow plays. Tradition was broken, for there were no long speeches. The “joyful singing” that should be a part of every cooperative, ran through the entire celebration.

With modern offices, a streamlined exterior, new dining room and kitchen, and an auditorium that is spacious and warmly decorated, Co-op Center has become a model home for the cooperative movement of the Minnesota iron range.

Consumers’ Cooperation

May, 1942

NEW RECREATION AIDS

There are available through The Cooperative League, 167 West 12th Street, New York.


This is a great fund of inspiration and core material for groups and individuals looking for inexpen
tive crafts. Contents include suggestions for attractive articles of wood, leather, paper, cork, metal, fibre, tile, pottery, gourds, and lots of other materials. The steps in making each article are described briefly and clearly and in conjunction with the illustrations any one can follow them easily. All materials are listed and the reader is told where each may be obtained. The cost of each article made is but a few cents. Groups will find it more fun to work out their own designs rather than using those given in the book.


Parties for children whether they are your own children, your neighbor’s, your Sunday School class, or young cooperatives can be fun or a headache. Here’s a book which will go a long way toward making these parties the former. Most of the parties listed are centered around a definite theme because a child’s imagination is rich in make believe, and he lives the just-pretend play of being a cowboy, a rough rider, or a circus clown.

The parties are divided into various age groups and suggestions include everything from tips on party planning to invitations, favors, menus, and of course lots of games. Here are just a few of the parties described: Circus Party; Great Ambition Party; Dell Party; Rainy Day Dress-up; Scamp Bubble Party; Peter Pan Picnic; Summer Cruise Party; Spur of the Moment Party. A list of stories and songs for children is also included.

Western Play Party Games, Kit 54, Cooperative Recreation Service, 25c.

Those who have sung and danced all the favorites in “Play Party Games” from Ohio, Kit P. or “Singing Games from the South,” Kit R, will welcome with cheers this new collection of play parties from Illinois, Texas, Missouri and Oklahoma. A “Play Party” for those who’ve never done one, is a singing dance which developed during pioneer days in the south and midwest. It is unsophisticated, rural and ingenious. And lots of fun. This new Kit plus Kit P, Kit R and Kit O (singing games from Europe) are now available in a flexible binder as the PLAY PARTY BOOK, $1.


The “Picnic” has become an American institution. It has always been a signal for good fun among friends. But there’s more to a good picnic than just eating. Here’s a book packed full of ideas for making picnics a real festive occasion.

Games, stunts, contests, songs, food or how to make a fire, are just a few of the things Mr. Fredrickson covers. Ideas for special picnics include: a Pot Luck Picnic, a Happy Hayseed Ride, a Hobo Picnic, Gypsy Jamboree, a Porch Picnic (for those who like their picnics without the poison ivy) or a Pirate Party. This book is invaluable to all club, church, community, and cooperative workers who are responsible for outdoor gatherings. After you’ve read it, it will be only a short time before you will be busy getting the hall rolling for an out-of-doors get-together.

Let’s Sing the Same Songs, National Recreation Association, 5c. each, $2.50 per hundred.

The songs contained in this booklet were selected by Augustus D. Zanzig for their appeal and meaning to us especially in these times, as well as for the pleasure of singing them. Songs include a number of old favorites as well as some easily learned new ones.

* * *

May, 1942
THE END OF THE PROCESSION OF PANACEAS

John Chamberlain

PADDY THE COPE, by Patrick Gallagher, Devin-Adair, 288 pages, $2.50. (Available through The Cooperative League)

(review note: This review of "Paddy the Cope" by John Chamberlain appeared first in The New York Times March 18. Chamberlain was the author of the Fortune magazine article on cooperatives in 1937 and is also the author of "American States" which outlines a balanced program for a new American economy.)

Ever since 1929 we have been dazzled by a procession of panaceas. First it was Marx, then it was Technocracy and erg-money, then it was "planning"; then it was the Managerial Revolution. We have been offered salvation by currency manipulators, by central bankers, by Blue Eagles, by proponents of government investment, by trade unionists seeking the universal closed shop, by samurai who believe in infiltrating the government to carry out any one of a dozen different designs. But most of the schemes and proposals for alleviating the condition of the ill-fed, the ill-clothed and ill-housed get pretty far away from the fact that human beings live by consuming what a society produces. By any physical definition, prosperity is a state in which the people get the most goods for the least cost—which ought to make the consumers' cooperative movement into the one true religion for those interested in improving the lot of mankind. But consumers' cooperatives aren't dramatic; it does not produce an apocalyptic literature; it does not recommend itself to those who like to see the world in terms of heroes and villains. Consequently most of us dismiss it as something which is worthy but stupid. By our attitude we say, "The Swedes can have it."

But how wrong we are has been proved by a Donegal Irishman, Patrick Gallagher. His "Paddy the Cope: An Autobiography," which comes to us with an introduction by Dorothy Canfield Fisher, is advertised as the first human book on cooperatives. It is a warm book in every way, and in its direct, singing quality it recalls a whole host of literary Irishmen, from Synge to Peader O'Donnell and Liam O'Flaherty. Yet Paddy is just a simple farm boy who never had much schooling. As a young man he cut the turf and helped his father conjure potatoes out of the rocky soil of North Ireland. He had seven sisters and a brother; and it was found that the family would have to disperse itself to the four winds in order to get along. Some of the sisters went to America; Paddy himself sought seasonal work in Scotland. There, one day he and his wife paid a deposit to become a member of the Templecrone Cooperative Store—and soon they knew they had discovered a way to rescue the home folks in Donegal from the clutches of the "gombeen men" who had kept the Irish farmers in debt from time out of mind.

Most of "Paddy the Cope" is devoted to the story of how the Templecrone Cooperative Society—the "cope"—grew through the years. Paddy had a Homeric fight to put it across, but he did it. He began with a cooperative bank in 1903. The "gombeen men" of his district didn't oppose that. But when he wanted to start a cooperative store in which the farmers could get their tea, their sugar, their agricultural implements, and their manure at cost, the gombeen men cracked down. If Paddy hadn't been resourceful enough to pull a trick or two of his own, the community would have boycotted him from the beginning. In 1918-21, when the Black and Tans were ravaging Ireland and no one in Templecrone had money with which to meet the "cope's" bills, he appealed to the Scottish cooperatives for help. They sent him goods—and soon he had a ship going to England for stock. The whole story is a saga of the little man's triumph over the devastating economic tides that have swept the world in our times.

Paddy tells his story in terms of the shillings and pence he saved a people that is desperately poor. But there is much more than bookkeeping in "Paddy the Cope." The picture of Cleendra, a townland on a toe of mountain on the west coast of Donegal, might have come out of Peader O'Donnell or Synge. When Paddy was young his people lived a life that had an unconscious wisdom. Their diet was potatoes, oats, cabbage and milk. But, without knowing a thing about vitamins, they made the miller give them the husk of the flailed grain, which they steeped in hot water. When it became "a sort of whey," they drank it in lieu of cow's milk. "Bull's milk," they called it. Probably it kept Paddy's people from all manner of deficiency diseases, just as cactus juice has saved the Mexicans from the consequences of a diet consisting of corn, corn and more corn. "Paddy the Cope" has an artless simplicity. It has provoked Dorothy Canfield Fisher to a prefatory essay that should be read by all people who believe that social change is best brought about by purely political means. Mrs. Fisher remembers when humanitarians were deeply concerned by the treatment of the Indians who gathered wild rubber in the tropical forests. The Indians were flogged and starved. But years of humanitarian agitation did not do a tenth as much for them as the work of agronomists who learned, by patient research, how to raise rubber on scientifically operated plantations in the Netherlands Indies. When the agronomists had done their work, the Indi-
WANTED

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Design Service, 167 West 12 St., N.Y.C. Rochdale Institute, 167 West 12 St., N.Y.C.

AFFILIATED REGIONAL AND NATIONAL COOPERATIVES

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FRATERNAL MEMBERS

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COME TO THE 13th BIENNIAL CONGRESS OF THE COOPERATIVE LEAGUE OF THE U.S.A.

The place and date of the 13th Biennial Congress of The Cooperative League have now been decided upon by the national Directors. Write them down in your calendar—Minneapolis, Minn., September 28-30th. The joint hosts to the Congress will be Midland Cooperative Wholesale and Central Cooperative Wholesale. A preliminary program was approved by the Directors at their last quarterly meeting.

Detailed announcements will be made from time to time as speakers are secured and plans are finally made. The importance of this national Cooperative Congress cannot be over-emphasized. Capitalism is declining and Stateism is expanding the world over. Can the people be educated rapidly enough to adopt Democratic Economic Cooperation to prevent our jumping from the frying pan of profit-monopoly into the fire of state-bureaucracy? The job which cooperators have on their shoulders is tremendous. We need to counsel together as to how to BUILD COOPERATIVES STRONGER AND FASTER. The coming Congress is your opportunity.
HATS OFF TO OUR COOPERATIVE NEIGHBORS

We have long paid tribute to the lessons we have learned about the significance of the small Study Club from Nova Scotia. We took a cue from Saskatchewan’s pioneering and started building cooperative refineries in the United States. We owe much to our cooperative neighbors to the north in Canada.

Now a few cooperators in the United States have started vacationing in Mexico and come home enthusiastic over what we have to learn from our cooperative neighbors to the south. They tell that Mexico is so far advanced that they have a Cooperative Department in the Government. That Mexico has developed industrial and agricultural producers’ cooperatives extensively. The latest is the announcement of the organization of an Institute for the Investigation of Cooperatives to promote the development of the cooperative movement throughout Mexico, with a membership including Congressmen from both the Senate and the House, economists and others. The honorary chairman of the Institute is the President of Mexico, Avila Camacho.

There is need of a Cooperative Alliance of both North and South American national cooperative federations. It should be possible to lay the foundations of such an All-American Cooperative Alliance at the coming Congress of the Cooperative League. We have much to learn from one another, and much benefit to be gained from joint educational and economic activities.

TAX NOW OR LATER

Political parties regularly adopt planks in their platforms calling for the “maintenance of the national credit by a Federal budget annually balanced.” Then, why, when the party calling for such a national policy is elected, does the party not follow through and put the policy in effect? The answer is quite simple. Because we are still endeavoring to preserve the profit system and the profit system can only survive on debt. In fact, debt and profit are the reverse sides of the same coin. What we are still endeavoring to preserve is a profit-debt economy.

This, in brief, explains why the government borrows part of what it needs instead of taking it all out of the pockets of the people in taxes at once. Of course, in time, taxes will have to be levied to pay off the debt. It is only a question of when it will be done. Borrowing is only a deferment of a decision as to who is to pay the taxes. The decision might not only just as well be made now, but far better be made now than later. The difficulty is that the people have been educated by the profit system to accept debt, instead of paying as we go. If the entire cost of government operations was “annually balanced” by taxes, then there would be no hangover of debt to interfere with an orderly resumption of civilian production after a crisis.

The Cooperative Movement is not only a non-profit economy but also a non-debt economy in its ultimate objective. The elimination of profit was provided for by the patronage return principle and, while no similar definite principle was formulated for the elimination of debt, it is implicit in Cooperation. The job of the Cooperative Movement is, first of all, to educate its own members to get themselves and their cooperatives out of debt and, second, to educate the rest of the people and the nation to pay as they spend. This is a long-time educational job, but the Swedes have largely done it and we can too.
FOUR STEPS TOWARD PERMANENT PEACE

(EDITOR'S NOTE: The following is a summary of four matters which have been discussed at length by the directors of The Cooperative League at their quarterly meetings in November, February and April. Actions were taken by the directors on all four points, as follows: (1) To urge the appointment of public affairs committees by every local cooperative. (2) To oppose general federal sales and payroll taxes and to support increased graduated income taxes, corporation taxes, inheritance taxes, gift taxes and war profits taxes. (3) To enlist the support of the people by every possible means in a cooperative world program. (4) To make preliminary plans and to urge government and philanthropic agencies also to organize post-war relief programs.)

COOPERATORS seek to eliminate conflicts which cause poverty. Cooperators seek to eliminate conflicts which cause war. Today, as Dr. Kallen points out in his pamphlet, "War and Peace," both peace and war are states of conflict. What we call peace is a state of internal conflict, while what we call war is a state of external conflict. We, as cooperators, seek a state of PERMANENT PEACE, in which there will be neither internal nor external conflict.

The Scottish Cooperator recently pointed out that the real enemy, both in times we call peace and in times we call war, is PROFITS. It is increasingly becoming clear to many that profits can neither wage a war nor write a peace successfully. The dominance of the profit system and the profit mind must both be eventually eliminated, not only in times of war but also in times of peace. The curtain has been drawn back a little recently and the people are shocked by the revelations of profits above patriotism charged against such American monopolies as Standard Oil Corporation, General Electric, Basic Magnesium and others. It should, however, and will eventually be realized that these revelations only disclose more clearly the nature of the profit system. There is little basic difference, after all, between profiteering in times of war or in times of peace. Profiteering is, in reality, as unpatriotic in peace times as it is unpatriotic in war times, if the word patriotism is interpreted rightly as being in the interest of the public welfare. We as cooperators, seek to eliminate the dominance of the profit system at all times and to build a NON-PROFIT ECONOMY.

If all cooperators are in agreement on these simple starting points, then we can chart the course of the Consumers' Cooperative Movement wisely to achieve the ends we desire.

The thinking of cooperators seems to be clarifying that there are at least four steps which cooperatives should take toward permanent peace, which do not in any way violate the cooperative principle of religious and political neutrality, or the liberty of conscience and judgment of each member in their personal application.

(1) Cooperatives should appoint "Public Affairs Committees" who should organize conservation programs among their members and support legislation in the interest of consumers.

More than any other type of business organization, cooperatives are community economic agencies. They should organize their members in various kinds of conservation and service activities which accord with their fundamental cooperative economic nature. Some such activities which have already been undertaken by various cooperatives and others which have been suggested as possible activities are listed below:

- Economy Delivery Service
- Auto and Tractor Service
- Conservation Heating Service
- Machinery Exchanges
- Labor Exchanges
- Clothing Exchanges
- Waste Material Collection
- Canning Projects
- Book Collectors
- Rationing Activities
- Nutrition Education
- Consumer Information

(2) Cooperatives should support every sound effort on the part of the government to prevent the dangers of inflation and deflation.

Of all people, cooperators should best understand that there is a simple way to prevent both inflation and deflation, and that is to "pay as we go." That way is to take out of the income of the people in taxes, equitably prorated above a necessary minimum, an amount equal to the total expenses incurred by the government. In other words, to leave in the pockets of the people only an amount equal to the normal cost of the goods which are available for consumption. By so doing, there would be proportionate equality of contribution, as well as a prevention of inflation and deflation. To defer taking the entire amount needed by the government in the form of taxes is only to defer to a later date the determination as to who is to pay the cost. Whatever is borrowed is only a deferral of the decision of who will pay the taxes, since as a whole the amount borrowed must be paid for in taxes in time. We must learn to think in terms of goods—wars can only be fought with goods—the people can only consume the goods that are left. The people cannot have any more goods than are available, irrespective of the pay they get and the price they pay.

But, to be realistic, to pay as we go would prevent profits and we are yet too much profit-minded to adopt such a simple solution as to tax ourselves equitably and pay as we go. That solution is too much for the achievement of permanent peace, which also should be supported.

(3) Cooperatives should appoint public affairs committees by each local cooperative, and as the result, we can chart the course of the Consumers' Cooperative Movement wisely to achieve the ends we desire.

Along with supporting the government in every sound effort to prevent inflation and deflation, cooperatives should naturally promote programs of rationing of scarce commodities, so that those who need them will receive whatever supply is available. There are also other types of action of a similar nature, leading toward the achievement of permanent peace, which also should be supported.

(4) Cooperatives should support every sound effort on the part of the government to prevent the dangers of inflation and deflation.

SUCH committees should also actively support legislative and administrative activities in the interest of consumers.

The appointment of "Public Affairs Committees" by each local cooperative will quickly and in the high discussion to be held, the discovery and determination of other similar activities which might be undertaken.

Along with supporting the government in every sound effort to prevent inflation and deflation, cooperatives should naturally promote programs of rationing of scarce commodities, so that those who need them will receive whatever supply is available. There are also other types of action of a similar nature, leading toward the achievement of permanent peace, which also should be supported.

An important beginning to this end was taken, even in advance of the declaration of war by Congress, when the Education Committee of the board of directors of The Cooperative League formulated, and the directors later approved after long consideration and revision, recommendations to the International Cooperative Alliance under the title of "A COOPERATIVE WORLD PROGRAM," as published in the April 1942 issue of the national magazine CONSUMERS' COOPERATION. This historic document should be discussed widely in every cooperative group and suggestions made of additions and improvement in its statements for the further consideration of the national directors.

In an address at the Federal Council of Churches Study Conference on A Just and Durable Peace, Bishop McDowell urged upon the delegates that the churches they represented should study through and decide in advance as to the
program they would support for adoption by the eventual peace conference. He declared that the only group which had prepared itself in advance to sit at the peace table after the last war was the Tory group. The result was that the world got an adulterated peace program which had embedded in it the seeds of dictatorship and further war. This time the minds of the people must be prepared in advance to support a permanent peace program. Today, Paul Tillich says in a pamphlet entitled *War Aims*, that "with respect to the social reconstruction of Europe, American capitalism, represented not only by big business but also by the lower middle classes, is at least as dangerous as the reactionary forces in Europe."

If this be true, and who would deny it, there is a tremendous job to be done of educating the people to understand, to accept and to adopt "A Program of Permanent Peace."

The University of Chicago Press has just published a pamphlet written by Dr. Kallen, entitled *The Future of Peace*. In it, he repeatedly warns and urges that a program of permanent peace be thought through by the people in advance of the peace table. He says: "I do not think that, in the shaping of the peace to come, the judgment of the experts is any more likely to take precedence over the will of the politicians than in the shaping of the peace that was set in place by the people and by the experts who worked together, as heretofore, consistently invoke wisdom and knowledge, and as consistently disregard them. The one function of the expert will be to provide plausible rationalizations for the dubious preferences of the politicians. It is only as the findings of the experts are changed and set in a clear and distinct conception before the time of peacemaking that peace has a chance of being directed on a rational gradient. The general climate of opinion, the propaganda and pressure of interests, are agencies in such canalization which are ignored only at peril."

Again, he says: "To operate, then, with any considerable effect at the conference table, the expert would best establish his conclusion as a lasting public sentiment before the conference begins. Woodrow Wilson 'missed the bus' because he ignored this need."

Finally, Dr. Kallen points out: "For the millennial peace proposed by the Nazis, the New Order, so assured, so simple, so clear and distinct, their enemies have formulated no comparable counter."

It is for us cooperators both a critical and an immediate task to help formulate and persuade the people to adopt "A Cooperative World Program," such as we believe necessary to achieve Permanent Peace."

The monthly bulletin of the American Federation of Labor says: "Labor must take its responsibility for the building of a cooperative economic world and the checkmating of economic dictatorship."

After the first world war, the cooperatives in the United States were so weak that they could only struggle for their own survival. After this second world war, cooperatives in this country should be able, with the preparations they are rapidly making in strengthening their financial structures, to render major assistance to the stricken cooperatives in other countries. By preparing ourselves to "clasp cooperative hands around the world" immediately as soon as the opportunity arrives, the Consumers' Cooperative Movement of the United States can in part repay to the cooperatives of other countries the indebtedness we owe them for their having educated us to understand our powers as consumers, for having inspired us to begin organizing cooperatives, and for having shown us the way by their examples.

These suggestions of "Four Steps Toward Permanent Peace" which cooperatives should undertake are submitted for consideration and adoption by cooperatives.

**COOPERATION AMONG ANIMALS**

Dr. W. C. Allee

Professor of Zoology, The University of Chicago

Vice-President, American Association for the Advancement of Science

*More natural* for people to cooperate than to compete, then we have the strongest possible argument for building the economic machinery by which we can cooperate. Vice-President Henry A. Wallace says: "I am inclined to think that by nature most men are a little more adapted to the cooperative form of society than to the competitive form." If it is also "more natural" for animals to cooperate than to compete, then we can also derive illustrations from cooperation in the animal or physical world to reinforce our arguments for cooperation in the human or social world. Dr. W. C. Allee has written for us a brief article supporting his reasons for believing that cooperation is "more natural" among animals than competition. It is the outgrowth of a stimulating address he made before the graduating class of the Midwestern Cooperative Management Institute.

The word "cooperation" usually carries the idea of conscious group effort toward a desirable end. The type of activity about which I am writing is so much simpler than this, that many persons would not recognize it even as non-conscious cooperation. However, the simplest group activities of animals noted here are, I am convinced, examples of "working together," which is the root meaning of "cooperation," and I shall continue to use the word as the best for the purpose.

Examples are found throughout the animal kingdom from the highest to the lowest. Here is an illustration.

Small Animals and Plants
Survive Adverse Conditions
by Non-conscious Cooperation

Take a protozoan, a one-celled animal so small that it can be seen only through...
the microscope. It lives in water. If this water contains some slightly poisonous substance, such as a trace of copper, it will be found fatal to an isolated protozoan or even to a sparse population. But if a whole group of protozoans are placed in this water, if there is not too much copper, many or even all will survive, and if there are enough of them present, they may flourish. Sharing the poisonous copper between them, each has received less than a fatal dose. In a very real sense, they have cooperated to survive, although of course they are totally unconscious of what has taken place.

This kind of cooperation is characteristic of all living protoplasm, in plants as well as animals, and reappears in great variety among more complex living things.

The group of protozoans is equally effective when some necessary element is missing from the water in which they live. Calcium, for example, is an essential element for them. If they are placed in distilled water each tiny animal contributes from its own bodily store of its mite of calcium; if the group is large enough no one individual losses enough to endanger its existence, and yet the surrounding water becomes a favorable environment for all. It should be noted that the first few animals placed in water that is poisoned or that is lacking in necessary elements may die before the water becomes safe; dying and disintegrating, each makes the water more favorable until at least even an isolated newcomer may survive and flourish.

As I write this I am conscious of the close resemblance between such behavior of protozoans and much human endeavor, in which the sacrifice of the pioneers makes the life of those who follow them possible and finally safe; but I must emphasize that the action of the protozoans was non-conscious, and it continues so through most of the animal kingdom. These sexual and familial relations are among the most potent sources of further social growth.

A group of protozoans may be so dense that it is not beneficial to its members; but that is a different story.

The smallest living things that can be seen are the bacteria, which are classified as plants. Even among them cooperation is not only present but essential. An isolated bacterium frequently will not grow even when the culture medium is favorable. When the environment is slightly unfavorable there must be many times one bacterium if any are to survive.

Frequently one species of bacteria cannot live unless another species has gone before it and prepared the way, and sometimes two or more species carry on activities together which would be impossible to one species alone. Thus their non-conscious cooperation goes beyond the mere making of a favorable physical environment.

Reproduction Stimulated by Non-conscious Cooperation

The most common method by which protozoans reproduce themselves is by simple division. The one-celled animal divides across the middle and becomes two animals. This process frequently takes place more rapidly if there are several individuals present in their little dish of water; even if there are only two cell-division may be speeded up. We know two ways in which the more rapid rate of division is brought about: (a) two or more protozoans may better control the bacteria present than one can or (b) the small population may provide more of some substance which has this accelerating effect than one can do alone.

It is highly probable that from mutual stimulation like this among the protozoans or the similarly one-celled plants, the algae, sex itself arose; and with it and from it other types of social cooperation came to being between mates between parents and children, and between members of the larger family group. Here again the original source of cooperation came to being between mates, and from it other types of social cooperation came to being between parents and children, and between members of the larger family group. Here again the original source was non-conscious, and it continues so through most of the animal kingdom. These sexual and familial relations are among the most potent sources of further social growth.

In a very real sense they substitute each other for missing elements in their environment to the mutual advantage of all concerned.

It is a long way from starfish to the Little Mexicos of our cities, or, let us say, the Finnish cooperatives in America, but perhaps there is the same social principle in each, though the humble starfish shows only the simplest of its phases. In each, placed in more or less unusual conditions there is an inner necessity for close association with its own kind.

The behavior of the starfish is wholly unlearned. It has and can have no teacher. Equally unlearned but extremely complex is the social behavior of many species of insects, which is based entirely on inherited instinct.

Termites (mistakenly called white ants) live in large colonies the members of which work in the closest cooperation with each other. Together they gather food, build nests and covered roadways, tend to their eggs and feed their young. Some cultivate fungus gardens, and this by no means is a figure of speech; the care of their mushrooms is as exact as if they were growing them for the Philadelphia market.

They also cooperate with animals of other species. One of the most curious instances of cooperation is that in which the termite houses in its intestines great numbers of protozoans which digest its food for it. This type of termite feeds on wood which it has long since lost the power to digest. The protozoans
break it down into soluble form, and thereby benefit themselves and the ter-
mite which is their host. Such termites must live in colonies and for this rea-
son: at each moult the termite loses its protozoans along with the lining of the
hind gut and the skin it sheds, and it is necessary to re-stock itself from its fel-
low-termites with enough protozoans to begin again the process of digestion.

We cannot pause here for considera-
tion of the social life of bees, ants or
wasps, which are equally interesting and
much better known.

Vertebrate Animals
Cooperate Consciously

The animals with backbones, that we
call vertebrates, show all the simpler
types of automatic cooperation. They
also have their full share of instinctive or
inherited behavior. Many of their so-
cial groupings are entirely instinctive.
But with them possibility of learned be-
havior increases rapidly, and conscious
cooperation as we know it appears.

Under many conditions and with some
vertebrates at least, learning proceeds
faster in a group. The groups also be-
come organized. Fish, frogs, turtles, as
well as many birds and mammals, show
types of automatic cooperation. Even when
the cooperation was automatic and un-
reasoning, to select those which could
survive. More and more biologists are
thinking that not only may the fittest
individuals be selected but that the bet-
ter cooperating groups also have an in-
creased chance of survival as groups.

If we fully grasp the implications of
this growing belief, some of which, to-
gether with a great deal of evidence, I
have set forth in my 1938 book The
Social Life of Animals (Norton: New
York), it begins to be clear to us that

the role of harmful competition is not
all important in nature. The innate drive
toward competition exists as a property
of living, growing protoplasm; but so
also do the germs of altruism as ex-
pressed by the wholly unconscious drives
of living matter toward selfless coopera-
tion.

Human Beings Give
Conscious Expression of
Non-Conscious Cooperation

When the modern, highly cultured
man turns toward cooperative processes
and institutions, he is in part acting so
because he is a thinking animal that has
become conscious of the fact that modern cooperatives furnish a sound basis
for social action. The roots of his decision lie much deeper. In his move
toward increased cooperation he is fol-
lowing the primitive drives of proto-
plasm, which are infinitely older than
man himself, because man is merely get-
ing a more or less conscious human ex-
pression of the drive toward non-
conscious cooperation which has existed
ever since the simplest forms of life
began.

There is not much that is encouraging
in the mass behavior of men today.
Some others may find it helpful as I do,
under present world conditions, to re-
member that when the long evolutionary
view is taken, the experimental biologist
finds critical evidence that strong under-
tending trends toward cooperation in non-
human animals operate today as they
have in the long past. Such a realiza-
tion is not a denial that we should sit back
and let nature take its course. It does
mean that altruistic cooperative human
impulses are definitely a part of our ani-
mal inheritance and are as natural for us
as are any other biological impulses.
It is as natural for man to cooperate as
it is for him to be intelligent. When these
two tendencies are properly com-
bined, they give us the peculiarly human
expression of the non-conscious coopera-
tion that is characteristic of all other liv-
ing things.

Getting into Groceries — Why and How?

Henry Nilsson, Manager
Grocery Department
Midland Cooperative Wholesale

(Earlier Note: Necessity in the way of priorities is driving the Consumers’ Cooperative Move-
ment more rapidly along the way it should go to feeding our own stomachs cooperatively. After
June, 1942, the Movement wisely built its foundations upon wide margin, simple commodities such
as bread and petrol. Now it is in position financially to enter strongly into narrower margin,
complicated lines, such as groceries, upon which the Movement must eventually be more largely
based. The following is a practical, rather than a theoretical, article on Why and How Groceries.)

“FROZEN, as of such a date,” is a
phrase that is becoming more
familiar to us as the war affects com-
mmodities that we have long taken for
granted. We are going to have to do
without these things, and this change has
brought the vital of the cooperative
movement as seriously as private busi-
ness. Co-ops selling tires, gas and appli-
cances are finding their sales drastically
curtailed or stopped. They are being
forced to consider other lines in order
to weather the storm. Those serving large
farm groups have, in many cases, turned
to feed and fertilizer, but there is a limit
to such activities. What else could be
handled?

The Case for Groceries

First, the food appeal is universal.
In a movement such as ours, that is making
an effort to reach all consumers, we find
that food is the one commodity that
touches everyone vitally, as it is the larg-
est item in the average family budget.

Second, we will be able to get food
throughout the war, even if certain items
will disappear, and others be rationed.

Third, we must balance rural with ur-
ban. The American cooperative move-
ment is largely a farm business. A bal-
ance within the movement is very nec-
ever, because otherwise we run the risk
of placing all our eggs in one basket.
The farm population is decreasing be-
cause of mechanization, land exhaustion,
and diminishing markets. Faced with
these facts, the cooperative movement
must look ahead to avoid tying up its
future with the fate of one group of
people. By developing in urban areas,
we can counter-balance any decline in
rural areas, and groceries have proved
to be the best means of development in
towns and cities.

Fourth, such an urban growth is of
vital interest to farmers because it gives
them a cooperative outlet for their prod-
ucts. There is a lack of co-op marketing
associations, and those that are in ex-
istence play a limited role because they
do not reach the ultimate consumer, let-
ting private business control important
parts of distribution. It is vital to co-
operative marketing associations that
there are cooperative retail outlets.

Fifth, it takes fewer members and less
capital to start in groceries than in most
other co-op undertakings.

As a final argument for groceries, let
us glance at what has happened in Eu-
rope. We quote from The Scottish Co-
operator. “Since the beginning of the
war, 25% of the non-food shops in
Glasgow have closed down, and it is
expected that the rate of closing down
will be accelerated during the next few
months.” On the contrary, the co-ops in
Sweden have been increasing their busi-
ness, because they are largely in the
food line.

If any of these arguments for gro-
ceries have been convincing, there will
be persons, in both rural and urban areas,
who will be asking the next questions.
(1) What kind of store should we have?
think in terms of different types of stores for different localities.

Rural Distribution

In the rural areas there are two types of communities to consider, each calling for its kind of retail outlet. Six-foot grocery shelf which is making co-op history.

"Grocery Cabinet." The "Grocery Cabinet" consists of a shelf filled with the items most needed by the farmers, such as coffee, soap, canned goods, baking powder, etc., taking care of most of their everyday needs. Midland is suggesting a model inventory consisting of 35 items, costing about $100, wholesale. About 60 gas stations in Wisconsin and Minnesota now sell groceries this way. All these items have a fast turn-over, carry a good margin, and can be handled without added expense. To satisfy other wants, the farmer would have to go to town, or order from a catalog through the Co-op. Co-op stores being organized in such cross-road communities should be set up as diversified, general stores in order to get sufficient volume.

Second, there is the rural town drawing on the surrounding farming population. Here it is possible and necessary to give more complete service, and also to handle food only. Such a rural store could be set up for around $5,000 to $4,000, because only inexpensive equipment is necessary. It is questionable, even in the larger rural towns, whether it is expedient to set up a store rivaling one which might be put in a large city. The essential point is that the store aim to be the best-looking store in town, and usually a good face plan, some paint, and cleanliness will accomplish this.

Urban Stores

When it comes to urban areas, we can roughly classify these in two groups: towns with only one real shopping center, and cities with several shopping centers. Both of these groups call for modern, well-equipped, self-service stores, probably with a meat department. The problem is one of location, rather than types of stores. In the town which has only one real shopping center, the problem is fairly simple. The store should be placed as centrally as possible. A nice store can be set up for about $4,000, without, and about $6,500 with, a meat department.

A real problem in cooperative food distribution is presented in cities where Co-op stores have been so unsuccessful that there is a feeling, even among leading cooperators, that a Co-op store cannot succeed in a large city. But city co-operatives can succeed under proper conditions. An analysis of those which have failed, show that the reason was not so much the lack of cooperative interest, as it was wrong operating policies. For example, they tried to cover a whole city from one store, or the store was located in a low-income neighborhood, while catering to a middle-income clientele.

Many people say that only a super market will succeed in the large cities, and that such a market is too difficult to organize and finance cooperatively. First, a super market is not the only answer to urban development. Second, even if a Co-op super market were economically feasible, it would still be very hard to build a strong feeling of pride and ownership among the many, many patrons who could not know each other. And the strength of a cooperative is dependent upon the feeling of ownership.

Food Store Trends

A study of trends in food distribution proves the rising importance of the neighborhood store. The trend in eating habits is turning toward fresh foods instead of canned. Even before the war there was a trend away from milk routes toward store distribution of dairy products, and the trend away from home baking toward buying fresh bakery goods is already fairly well established in the cities. A late investigation of 1,000 family budgets showed that dry groceries amounted to only 24.5% of total food purchases. The importance of dry groceries, upon which the super market was originally built, is declining. It will be impractical to buy a whole week's supply of fresh merchandise in one weekly visit to a super market. In the future the consumer will probably turn to a medium-sized, modern, neighborhood, "fresh food store." The rapid development of quick frozen food will make it possible for such a store to carry a selection of even the more unusual kinds of fresh vegetables and meat to compete with a more distant supermarket. This trend will be speeded

June, 1942
up by the war. The tire shortage will soon stop home delivery of milk and baking goods, and door to door selling of coffee and vegetables. Delivery by the stores will also be curtailed. The tire shortage will also hamper manufacturers' selling and shipping directly to stores, increasing the importance of wholesale distribution of many items.

Plan for City Co-ops

Therefore, in order to avoid the reasons for failure of previous city stores, and to be in line with trends in food distribution, we recommend a neighborhood development in large cities, a store for every district. The area served by any single store should be limited, preferably to walking distance. Members should come only from that area. They would then take more interest in it, and if in the future the store should become a part of a federation, local committees ought to be maintained to continue the feeling of local pride and ownership.

Of course, one Co-op neighborhood store would not be more efficient than a well-run, privately owned store of the same type. In a city of half a million to a million population, ten to twenty such neighborhood stores should be organized in a chain which could afford to hire the best general manager, educational director, etc. Such a chain could also have its own bakery, and central meat cutting plant.

A Glance Ahead

In the larger cities, the importance of the store in retail food distribution is decreasing. The restaurant will be more important as women find employment outside the home and have less time for cooking. The war will speed up this development. Therefore, the restaurants will be an important part of the cooperative movement, and we should be prepared to start them in the larger cities, as has been done in New York. The food they use would come through the local cooperative and its wholesale, utilizing the facilities of already existing cooperative organizations.

HOW TO START

In rural areas where there is an existing co-op, there are two ways which have proved successful. Whether in a gas station, creamery, or elevator, there is usually space to set up a "Grocery Cabinet." In this way the customers get acquainted with Co-op labeled goods, volume has been built, and money acquired toward a future store. A second method, where there are co-op trucks calling at the farm, is to have the driver take orders for equals, or in some cases even sell directly from a stock in the truck.

If there is no existing cooperative one of the best ways to start in groceries is the buying club.

Buying Clubs

Buying clubs have been quite a matter of debate. Clubs have been allowed to spring up as they pleased; they have grown without much supervision and consequently made avoidable mistakes. In some cases they dragged on for years, being reluctant to take the step into a store.

It is true that buying clubs are an expense to the wholesale because of handling charges for such small orders. But for a limited period the added expense can be justified as educational provided the club develops into a store. To make sure this goal is reached, it is advisable that the wholesale closely supervise the clubs and deal only with those fulfilling the following qualifications:

- The group should intend to (1) grow into a store within two or three years; (2) sell for cash; (3) sell at retail prices; (4) declare limited cash dividends.
- It is advisable that the future store serve as uniform a member group because the membership would be a scattered, rather than a geographical basis.
- If the above procedure is followed, most membership problems will probably be taken care of. It is advisable that the future store serve as uniform a membership as possible with respect to income, race, etc., as this will simplify such problems as type of merchandise and price competition, and make the group more congenial.

The city group should also think of itself as part of an organization of many clubs, and other neighborhoods should be encouraged to start their own clubs, developing into a federation of stores as outlined previously.

TIME FOR EXPANSION

Groceries might very well be one of the most important means of carrying the cooperative movement through this crisis, as well as making the movement more consumer-minded. They will be so important, not only to the retail and wholesale co-ops, but also to National Cooperatives and The Cooperative League, that it would be worthwhile for the national organizations to study what could be done to assist regional organizations in adding groceries and starting new wholesalers where there are none at present.

The buying club and "Grocery Cabinet" are inexpensive means of establishing retail co-ops. Maybe there could be developed relatively inexpensive plans on the same principles for the establishment of grocery wholesales or grocery departments in existing wholesales.

BOOK REVIEWS


The Peoples' Business is distinctly American. Its appearance is another sign that American cooperators have lost their inferiority complex. They no longer feel that they have to go to Sweden, Denmark, or England to find a good story of the cooperative movement. Things are happening in our own land which merit our attention.

The story of the Consumers Cooperative Association's fight with the oil trust is told, and the Ohio Farm Bureau's battle with the railroads. The story of the soap manufacturers, Pennsylvania farmers with shovels fighting for the right of their electric power cooperative to live are just as worthy of our admiration as Patrick Goughagan's Irish farmers fighting the gombeen men. Bolles has sensed the drama in American cooperative accomplishment and recorded it for us.

There isn't much on the philosophy of cooperation in the volume but it does record what cooperators are getting done and how they act, talk, and feel in the process. Those who have read the other literature which has appeared on the subject won't find much new information here but they will find that Bolles has a fresh way of telling our story. Those who are just beginning their cooperative book reading will like this one for a starter. It makes one feel that the cooperative movement is something alive, human, real.

—Ellis Cowling
**NEW LITERATURE**

*A Message from the National Study Conference on the Churches and a Just and Durable Peace.* Published by the Federal Council of Churches. 32 pages. 10c. This pamphlet includes the reports of the four sections and the general resolutions adopted by the Delegates to the Conference convened by the Federal Council of Churches at Delaware, Ohio, in March. The sectional report on The Economic Bases of a Just and Durable Peace was reprinted for the May issue of CONSUMERS' COOPERATION. This Conference is likely to become even more famous than the widely publicized Malvern Conference in Britain. Can be secured from The Cooperative League.

*School Cooperatives.* By H. R. Lambert, Editor, *The Cooperative Consumer.* Published by the Saskatchewan Section, The Cooperative Union of Canada, Regina, Sask. 20 pages. A splendid outline of a cooperative project for all school grades. This booklet contains three sections: Part 1, the cooperative project in the school; Part 2, forming a school cooperative; Part 3, cooperative principles and practices. Can be secured from The Cooperative League.

*The Philosophy of the Antigonish Movement.* By the Very Reverend D. J. MacDonnell, President Saint Francis Xavier University. 32 pages. 10c. The Antigonish story never grows old. You have read it as it has been told by Dr. Tompkins, Dr. Goudy, George Reif and many others. Here it is retold by the President of the University. He has hit some very valid notes in so doing. Can be secured from The Cooperative League.

*What Do You Mean—Co-op Service?* Published by Midland Cooperative Wholesale. This is the first of a series of monthly employee-training printed study pamphlets. If you want to secure copies, write directly to Midland for the cost of the series.

**COMING TO THESE CO-OP CONFERENCES**

Four important national cooperative conferences will be held at Mission House College, Plymouth, Wisconsin, in June. The conferences will bring together specialists in cooperative education, publicity, recreation, advertising, sales and accounting. No invitations are issued—the conferences are open to all.

National Cooperative Recreation School, June 13-26
National Cooperative Publicity and Education Conference, June 25-27
National Cooperative Advertising and Sales Conference, June 25-26
National Cooperative Accounting Conference, June 25-27

For complete information write: The Cooperative League, 608 South Dearborn St., Chicago.
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EDUCATION IN ACTION

The news letter of the Southeastern Cooperative League reports on the operations of the Tallapoosa School Cooperative Store in Georgia:

"At the end of its first school year of operation, the Tallapoosa School Cooperative Store has done a total volume of business of $9.00 with a saving to its members of 33 1/3% on their purchases. Fourteen students took shares in the store at ten cents each, or three for a quarter. The $2.50 in capital thus raised was sufficient to buy a stock of pencils, erasers and tablets and equip a large packing crate as a store office, counter and safe all in one. A sign tells everyone that this is the Tallapoosa School Cooperative Store, open daily from 9 to 5.

"Directors were elected from each grade from the second to the seventh. Store-keepers were appointed. Each one had a chance to keep the books and purchase supplies at wholesale. By-laws were adopted assuring each member the right to one vote but only one vote no matter how many shares he held and to a dividend in proportion to his patronage. The members voted to pay dividends only to the graduating class, and to leave the rest in reserve for next year. Fifty-three cents was paid out to the members in the 7th grade.

"The store will open again in June with $3.83 in cash on hand, $2.31 in supplies and a lot of experience in cooperation. Why not have a cooperative store in every school?"
CO-OPS ARE SELF REGULATORS

(GUEST EDITORIAL from the Midland Cooperator)

When Gordon Sprague, senior agricultural economist with the Farm Credit Administration, was visiting at the Midland plant in Minneapolis the other day, he dropped this remark:

"The Government doesn't need to worry about cooperatives coming along in the war effort. For cooperatives have been doing in peacetime just what the Government wants the nation to do now in wartime."

Let's see if Mr. Sprague doesn't have something there.

In its fight against inflation, the Government is trying to control credit, and is strictly regulating the "charge it" habit. Cooperatives scooped the Government on this program by many years. Controlled credit, and in many cases, cash on the barrelhead, has long been the practice in the great majority of the country's leading co-ops.

The Government is trying to keep wholesale and retail prices from going through the roof. Well, keeping down gas and oil and food and other kinds of prices to the consumer is one big reason there ARE co-ops. That's one of their main jobs. When an ordinary business raises prices, the customers pay more and the owner gets more. But in a co-op the customers are the owners, so price rises become needless and silly.

The Government is trying to conserve the nation's resources. Cooperative leaders this long time have been calling for conservation of oil, coal and other natural resources and for their protection from the ravages and wastes of national and international monopoly and the profit greed.

The Government is trying to break the grip of trusts and monopolies on industries and industrial processes which have been used, not to benefit the country and the people, but to store up wealth for a privileged few. Again, the backbone of cooperative philosophy is service before profit, people before money, business not communities. And toward that end cooperatives, in this country as well as abroad, have proved especially effective at trust-busting.

The Government is trying to prevent profiteering. That's the Co-ops all over. They CAN'T profiteer because, we repeat, the customers are the owners and the same people, and you simply can't make money selling things to yourself. The Government is trying to preserve and extend Democracy. That's what the present shooting is all about. Well, cooperatives are Democracy. Every one of them is a miniature United States of America, self-made, self-reliant, self-governing. Only one of them is a United States of America, self-made, self-reliant, self-governing. Only one of them is the United People of America. And brother, if they can't preserve and extend Democracy, nobody can.

WHAT CONSUMERS' COOPERATION DOES

Dr. Horace M. Kallen describes in the following words the transformations resulting from the Rochdale rules, in his review of Paddy the Pope in The Saturday Review of Literature:

"To me, the entire meaning of this simple, heroic life story of a poor, honest, uneducated, unsophisticated peasant is the way in which the association of people under Rochdale rules on consumer terms dissolves the coercion of earning a living into the liberties of living a life; the way it lifts the tasks of the worker from the level of servile means to the dignity of liberal and liberating ends . . . This transvaluation of the producer into the consumer psyche seems to me the revolution.

"For those rules define the economic organization of liberty: addressing themselves to freedom from want, they postulate the operation and consummation of the other three freedoms."

THE ECONOMICS OF PERMANENT PEACE

2. Organize Economics Separately from Politics

In the multitude of post-war plans with which we are now being flooded, there is seldom any recognition of the necessity of the organization of economic functions separate from political functions, if a world democracy is to be built. Both are generally lumped together and presumed to be controlled by some form of world political organization.

Americans today should remember the historical struggle of our forefathers to separate the functions of the State and the Church, which was finally won. Today the mighty struggle is over the separation of the functions of the State and the Economy. For, if full democracy is to be achieved eventually in the United States as well as in the world, this separation must take place.

If either the State or the Economy permanently controls the other, it can only result in a measure of dictatorship, since the control will be external and, accordingly, undemocratic. Democracy requires control from within, as well as from below.

In an illuminating article in The Review of Politics, by Donald Davidson, he says: "We cannot think of an important political philosophy active in our time which does not make economics . . . its central concern . . . economics is too narrow a foundation for a general political theory. Or, worse still, a politics founded on economics is not a politics at all, but the negation of politics; and a government which devotes itself exclusively to economic concerns is not a government but a function of the economic system. When specialization has gone that far, it really does not matter much whether the economic system controls the government, or the government controls the economic system. Under either control, human life tends to become servile and corrupt."

When we have advanced the idea before audiences that there should be a World Economic Association alongside a World Political Association, the suggestion has generally been received with astonishment and incredulity. When we have said that the International Cooperative Alliance represents the embryo of such a World Economic Association, as the League of Nations represented the embryo of a World Political Association, and that the first has proven to be even stronger than the second—weak as it has thus far been, the questions asked us indicate an extreme lack of knowledge of any attempts at world cooperative economic federation.

Cooperatives have a big job ahead of them to educate the people to the progress in world cooperative economic federation which has been made in the International Cooperative Alliance, as well as to prepare to sit at the peace table and help to further develop an economic organization independent of a political organization but interdependent with it.

ORGANIZE CONSUMPTION FIRST

We have quoted The London Times as saying that the primary factor in the New Order will be that "the organization of consumption must take precedence
over the planning of production.” Murray D. Lincoln, president of The Cooperative League, expressed it this way in his address at the dedication of the new Cooperative Mills at Reading, Ohio: “We have organized our consumption requirements and now we are backing into production.” John Chamberlain, reviewing Thurman Arnold’s book, Democracy and Free Enterprise, in The New York Times, puts it negatively in another way. He says that the state planners “want to plan production rather than to create a climate favoring the spontaneous release of production. They are REMA men at heart.”

The final difference between the competitive and the cooperative system is that under the cooperative system, we had an anarchic, producer-planned production, while under the cooperative system we will have an orderly consumer-planned production.

COST WILL CONTROL A COOPERATIVE ECONOMY

The controlling element in capitalism, which was presumed to be the automatic regulator of the system, is “price.” Price is established by adding a profit on cost. It was theorized that if pay to workers was too low and price to purchasers too high, which resulted in excessive profits, that competition would enter into the field and raise pay and lower price and thereby reduce profits to a level where those who received them could either consume them or invest them in new productive enterprises. The theory apparently worked for a time, as long as there were new lands and resources to exploit. Of course, the increasing evidence of the poverty of workers had to be explained away by charging them with lack of individual initiative and effort, and relieving them by private charity. Eventually, the owners learned the art of combining rather than competing and began to organize trade associations, which led into monopolies, to hold pay down and keep prices up and thus increase profits. Profits began to pile up and could neither be consumed nor invested by those who received them. Automatic control by price, on which capitalists had relied for the functioning of the system, has failed. It has proven to be restrictive and to produce poverty in the midst of potential plenty.

As a result, we are turning from a price-controlled economy to a state-controlled economy. E. H. Carr says, in The Twenty Years Crisis, 1919-1939, that planned economy rests on the assumption that no natural harmony of interest exists and that interests must be harmonized by state action. F. A. Von Hayek, in Freedom and the Economic System, says: “The only known mechanism by which the knowledge of all can be utilized, the price mechanism, is discarded in favor of a method by which the knowledge and the views of a few are consistently and exclusively utilized.” In other words, since under capitalism you and I are unable to exercise a control by a comparison of price and quality in the market place in such a way as to achieve equality and abundance for all, we are permitting ourselves to be regimented under the political state and our choices are being increasingly determined for us by a few.

With what certain result? Von Hayek rightly says “… personal freedom and central direction of economic affairs are irreconcilable….” Nearly ten years ago, the famous Swedish economist, Gustav Cassel, said: “Planned economy will always tend to develop into dictatorship.” We give up our freedom in an endeavor to achieve security. We get dictatorship and do not even achieve security. Turning from price control to political control is only jumping from the frying pan into the fire. We had better struggle along with private monopoly rather than accept political bureaucracy.

But to be realistic, we must all admit that the adoption of a measure of state control is temporarily necessary to achieve some sort of order out of the chaos resulting from too long dependence upon price control. We are forced to adopt some measure of state control by default of having developed a successful substitute for price control, which has so badly failed. The only question is the degree to which we must depend upon state control in the process of evolving from a competitive to a cooperative economy. We must be constantly on the alert to resist excessive dictatorial state control.

What is the ultimate control in a cooperative economy? An address by a former president of the CWS of England, Thomas Tweddell, gives the answer. Robert Owen preached it and the Rochdale weavers put it into practice—abolish “profit upon cost” or price control, and substitute cost-control. This was the revolutionary economic idea which the Rochdale weavers formulated. In a cooperative, there is no profit on cost and no price. Purchases are made at cost. Cost controls all exchanges of goods. Personal liberty as well as economic abundance are secure. There can be no restrictions from profit piling, because there are no profits. The only limitation on production after supplying all the needs of all is the potential of plenty. We are a surfeit of goods. The people are the owners and freely exercise control by comparing the cost of producing and distributing various commodities, and choosing which product they will purchase.

From price-control through state-control to cost-control is the road the world is traveling. The only question is how long and how much of state control we must and will accept in the process of evolving to a cost-controlled cooperative economy.

COOPERATIVE IMMUNITY TO GOVERNMENT RESTRICTIONS

J. P. Warbasse, President Emeritus
The Cooperative League

The Government is prescribing to profit business what it may sell, to whom, and at what price. These restrictions are added to the profit business. But there is another field. My family has a garden, a cow, and a garage with some extra tires. The Government does not place restrictions upon the amount of food I may take from my garden, the amount of milk from my cow, or which tires I put on which car or how often. I switch tires or where. This is because these things have been bought or have been produced by consumers; are in consumers’ hands, ownership, and control; are not for sale; and are ready for consumption—like goods on the pantry shelves or in the refrigerator. This is precisely the status of the goods owned by a consumer cooperative society, which is nothing more or less than an expansion of the family principle in society.

It is an unhappy circumstance that the understanding of the cooperative notion has been disturbed by the encroachment of profit business habits of thinking. Shot through cooperative phraseology are the profit business words, “sell,” “buy,” “profits,” “dividends,” “rebates,” “purchase,” and what not? Business people may not know it, but a cooperative society does not sell anything to its members; they do not buy anything from their society, the society makes no profits from them; and as to dividends and rebates, these are capitalistic business terms having specific meanings in that field of economics, but no place in cooperation. Cooperative societies buy things for their members, but the members do not buy things from their society. These simple
fundamentals have been explained in Cooperative Democracy for, lo, these twenty years.

When the member of a consumer cooperative society goes to his store for a can of peas, he does just what I do when I go to my garden for peas. He already owns the peas, he has bought them and paid for them. The other members of the society constitute the rest of the family group owning cans of peas. For the convenience of the members, the cans are kept on the shelves of a store rather than on the members’ pantry shelves. If these members wish, they could take the peas from their store shelves and transfer them to their pantry shelves and pay nothing. That would leave the store shelves empty. So, instead, when a member comes into the store and takes a can of his peas which he already owns and has paid for, he requests the store manager to do a favor. He says: "Here is the price of a can of peas; buy another can with this money and put it on the shelves, so that when I or any other member of our cooperative family come back for more, we shall find a can there ready for our use." The manager has not sold him anything. People cannot buy what they already own.

This is precisely what happens in my garden and cow stable. My gardener sells me nothing, but I am constantly giving him money with which to replenish the things my family consumes. And I should like to see the Government tell me that I must take one of my radishes from my garden to my kitchen, or from my kitchen to my dining-room table, or from my stomach to my duodenum. I may go to jail for it, but there is a limit to what a self-respecting individual should take from a government.

I have some extra tires. Some are in a closet; some are on a car. I may move them from one place to another, they have been bought and paid for. As a matter of fact, I have a truck that has had no license plates for several years. It is used only on my roads, it is never run on the public roads. The individual still has some freedoms left which Government must respect. In the cooperative movement, we need to make some of these fundamentals of economics clear to the Government. But first we must understand them ourselves.

During the reign of Charles I, a monopoly for the manufacture of soap was sold by the Government to a company of London soap makers, and a special governmental ordinance forbade any household to make soap for its own consumption. The Russian Government has done a similar thing within the past decade in forbidding the private making of ox yokes and declaring it a Government monopoly. This is what we must watch out for.

Not long ago, a field man of one of our larger ‘purchasing’ cooperatives, which manufactures fertilizer, said to a farmer member: "I can sell you this 'CO-OP fertilizer' at a ten per cent better price than you can buy it equal from So and So & Co." And the farmer member argued with him concerning the respective merits and prices of the two brands. This is the same as saying to my wife, "I wish to take one apple from your garden. It is really better and cheaper than what you could get from the grocery store. I wish you would give it a trial." And she would say to me: "But, but, what is all this about; our garden is full of lettuce; who said anything about going to the grocery store for lettuce?" If the farmer member of the cooperative had had a bit of cooperative education, he would say to the field man: "Whoa there, back up, little man! What do you mean? I don’t need to buy any fertilizer. I already own a lot of it down in our cooperative warehouse; and when I want more, I come and get it. If I did not believe our fertilizer is better and cheaper than the other fellows’, I wouldn’t be in the cooperative. And if it didn’t come up to my standard of quality and price, my job is to attend the meetings of my society and see that we do get better results. As to your selling me fertilizer, nonsense. You can’t sell me anything. Go back to school and find out what it is all about." When we have farmers who talk that way, the cooperative movement is on the way to rehabilitate a decaying agriculture.

These examples are cited with the hope of making clear a much confused fundamental of economics. It applies to petroleum as well as to lettuce. If a farmer has a spring on his place or digs a well, he takes the water as a consumer and uses it without license. If he has some apple trees and squeezes out the juice, and lets nature take its course, this is precisely what happens in my garden and cow stable. There is only one price possible to him and that is the cost price. The Government cannot change it. The Government can’t do anything. They have no right to fix any price upon the carrots he takes from his garden. His private relation to price is not related to profit price fixing.

If the Supreme Court were composed of economists and philosophers instead of politicians "responsive to the public clamor," this midwestern cooperative association could take its case to the Supreme Court and both of these two fundamental rights would be upheld. As the situation stands, it would be worthwhile to make the attempt for its educational value. We have a long way yet to go with cooperative education, and every gleam of light helps.

There is only one qualification that might apply to petroleum to affect the freedom of the consumer owner in using it: it comes from spread-out wells under the ground, and one user may be drawing off oil from the field of another owner. This qualification does not enter into the laws governing price and restriction of use insofar as the individual’s right to the products of his own well is concerned. This same principle is applicable to many other products of nature, such as air, natural gas, water, timber, fish, and some minerals.

What is here said concerning certain commodities which cooperative consumers supply to themselves is applicable to all commodities and services for cooperative consumption. The laws and restrictions are addressed to profit business. The private property of cooperatively organized consumers is as private and as external to the dominant methods of business as is the private property of the family or the individual.

A "sales tax" or other restriction imposed by the Government upon cooperative consumers, when they supply themselves by cooperative methods, has no validity in reason, in economics, or even in politics. It comes about largely because cooperators continue to act as though they think they are engaged in profit business by applying its language to their cooperative transactions. "Sell," “buy,”
"profits," "dividends," "rebates," and "purchase" are words, the mere use of which not only costs cooperators millions of dollars, but indicates a failure to evaluate cooperative fundamentals.

Cooperative retail societies have cooperatively organized grocery wholesales. These retails own the goods in the wholesale. The Government cannot justly tax or control the transfer of goods from the wholesale to the retails. This is cooperative business. It ceases to be such when they distribute goods to customers who are not member owners of the cooperative. Such goods change hands, location, and ownership. At this point the Government has jurisdiction in this profit business. But here we are discussing only cooperative business.

What consumer cooperatives have bought and own for their own consumption, they may place and distribute where they will; their wholesale is merely their warehouse; and what they produce, they are equally free to place and distribute where they will. This principle is best understood when the cooperative consumer society is visualized as representing the same economic functions as the family. It is still better understood when it is looked upon as economically prototype by the ancient family garden-farm from which the family got everything they consumed. The members of the family constituted a consumer society.

The world is moving toward the rapid expansion of state functions. It is the most disastrous event that could overtake—a civilization. The consumer cooperative economy offers another and practicable way of supplying human needs. The wider understanding of this economy is the imperative need of the time.

WHOLESALES SHOULD SUPPLY MANAGEMENT SERVICE

W. T. Brown
Cooperative Seed and Farm Supply Service, Inc.
Southern States Cooperatives

A COOPERATIVE in a neighboring town was well supported by its members, so well in fact that it could not handle its volume of business in its existing location. The Board of Directors was extremely conscientious, so conscientious that they met each ten days for a three-hour session. From these facts many cooperatives would expect to find a healthy, strong and vigorous cooperative which is setting the world on fire. Unfortunately, this is not the case. The members were doing their part in supporting their cooperative, but the board was overdoing its part. It was trying to manage the cooperative as well as determine matters of policy.

Co-op Members Lack Management Experience

In virtually no cooperatives do the members or board members have experience in the problems of operating their cooperative enterprise. The members know the service they expect from their cooperative, but this does not indicate that they know how to arrange all the component parts of their business to obtain that service. Most of us know what service we expect from a watch, a car or a radio. We can with some success set up the specifications of the results we want produced, but few of us can design or build, or even tell someone else how to build, a watch, car or radio. A cooperative is much the same. The members and the Board of Directors should establish specifications of what they want from their cooperative, but they should not try to say how the various complicated parts of the cooperative should be geared together. This job of making the cooperative "tick" is the job of the cooperative manager, who must have the "know how" to operate business of the cooperative to accomplish the aims of the membership. The members say what they want, the Board of Directors translates the members' desires into policy, and determines that this policy is carried out by the manager whom they select. The Board can not successfully tell the manager how to run the business. If the managers doesn't know how to run the business, the Board has the obligation to employ someone who does.

Consider Your Co-op

Let's consider your own cooperative. Will you stop for a moment to think whether or not you know the details of how it should be run; what it costs to warehouse or merchandise any specific article; whether accounts must be kept, what volume of goods you can expect each clerk to deliver. You do know what service you want, but I feel that you will agree that you are more familiar with what you want, than how to supply this service. The thing you must do is to employ the knowledge to run your business the way you want it run. Fortunately this knowledge, this "know how," is usually available at little cost through your cooperative wholesale.

Co-op Wholesales Recognize Need of Management Service

Most cooperative wholesalers have recognized this necessity of supplying their members with expert assistance in business management and are willing to provide this service if requested by the Board of Directors of the local cooperative. When this service is requested the local Board of Directors must step out of the management picture and confine themselves to establishing broad policy. When service is received by the cooperative the Board of Directors who do not insist on receiving this management service are not receiving full value from their wholesale, as this management service is usually provided at little or no direct cost.

Retail cooperatives do not use this service either because they do not realize the service is available, they question its efficiency, or they feel it reduces their control of their cooperative and they enjoy managing the business. Many wholesalers are hesitant to request the retail cooperative to permit them to supervise the local manager. In many cases, supervision of the manager is not delegated to the wholesale due to a short-sighted policy of the local Board of Directors. Those wholesale cooperatives that do not offer management supervisory service should be forced by their member cooperatives to provide it.

Cooperative wholesalers usually are in a position to render this service efficiently through their field men who, of necessity, have greater experience in the business than any cooperative member. These field men visit many similar cooperatives and see the problems of their cooperative solved by neighboring cooperative, and can carry the solution back to the cooperative where the problem is causing trouble. Too, these field men can establish standards of operations as they observe and study many cooperative businesses. These men know what can be accomplished and how it can be accomplished. They have an additional advantage in that they see the local cooperative with fresh eyes. The field man frequently sees faults and knows their solutions, but unless he has authority granted by the local board he cannot exercise his knowledge other than by polite suggestion which is often not heeded. Once cooperative comes to mind. It occupies a new, attractive, modern building built to fill the needs of this cooperative; yet it has no longer displays and the outside and inside of the building are always dirty. These problems have been discussed with the manager of a neighboring wholesale field man. Each time the manager promises to correct the faults, but never
does the job. The manager tried to justify his lack of action by saying that a number of board members, too, had mentioned the dirty condition of the premises, but that he had convinced them that he and the employees did not have time to do clean-up work. This cooperative is now looking for increased volume. The real point is that the Board, not being familiar with operation standards of other similar businesses, did not know the manager was wrong in his operation of the business. They had no real basis to judge efficiency. The wholesale representative with supervisory control could have corrected this condition. He would have known that other cooperatives do keep premises clean with even a smaller number of employees handling a greater volume of business. The manager and board in this case were both doing the best they could, but they did not have the "know how."

The problem of timely displays and clean premises are important in themselves, but they are also important in that these two obvious problems are handled, so are less obvious parts of the business handled.

Private Business Uses Management Service Successfully

Many owner-managers of private business have recognized that they need assistance in managing their own business. As a result, management organizations have developed which assist small and large private businesses to do a better job through expert management assistance. Centrally supervised, locally owned businesses are common in many retail lines, and are usually better patronized than the individually owned and managed similar retail store. This development in private enterprise points out two lessons. First, if a private owner-manager can have the courage and foresight to deprive himself of some of his commonly recognized prerogatives, why cannot a local cooperative do the same? Second, if private owner-managers recognize that they gain through centralized management, why can't cooperatives learn the same lesson? A study of cooperatives on the Eastern Seaboard would show that only those retail cooperatives which are absolutely forced to accept management control, use this service; and at the same time, most of the more successful retail cooperatives have management control.

Co-op Boards Should Act on Management Service Problem

Local cooperatives have learned that to survive over the long pull and truly serve their members, they must federate themselves into large common purpose units. Most cooperatives have recognized that to survive they must have large, strong wholesale buying organizations; and we now find local cooperatives owning regional wholesales which, in turn, are combined into inter-regional buying organizations. How long will it be before locally financed cooperatives recognize the necessity of a management service from their wholesale and use it on a sounder basis than they have in the past? Now of these cooperatives now, or in the past, have been willing to use this service. When will these organizations permit themselves to develop so that they will not cling to their old prerogatives, and be willing, yes, insist on having the wholesale exercise strong management supervision to serve members with improved efficiency. The wholesale cooperatives can and are doing this job in many cases; but they are not being permitted to do this job in far too many instances. During this critical period of war economy, cooperatives must develop to maximum efficiency if they are to do the job they need to do. Board members should not wait to take action on this problem.

Consumers' Cooperation - COOPERATION AND THE SOCIOLOGISTS

Dr. Lee M. Brooks
Department of Sociology
The University of North Carolina

Co-operative and the Sociologists

(EDITORIAL NOTE: This article by Professor Brooks is an adaptation of an analytical article which appeared in Social Forces in October, 1944, in collaboration with Dr. Mary Alice Eaton. Professor Brooks, himself a writer of sociological texts and articles, is also President of the Southeastern Cooperative League, our youngest regional affiliate, whose central office is located at Carrollton, Georgia. Here he has a course on the Cooperative Movement on his own campus and at the North Carolina College for Negroes in Durham. This course at the college level has just been set up also for correspondence students through the University of North Carolina Bureau of Correspondence Instruction at Chapel Hill.

Dr. Brooks, as you will see from his article, began in the late 1920's to quicken his interest in cooperative theory and action, as a sociologist, not as a propagandist. This led him to participate in the Antigonish conference in the summer of 1936, where he met some old friends including Dr. James Myers, Dr. Leo M. Foreyt, C. B. Leavitt, Wallace J. Campbell, and others. They went into informal "buddies" at Antigonish. "These maritime folks are so much like our southern people in their needs." A few months later this group launched plans for a big conference on Cooperation at Greenville in 1939. Since that time, regional and sub-regional conferences have dotted the south, from Richmond to Baton Rouge, sometimes as many as three in one year. (These points of light have kindled immeasurable interest and activity. Noteworthy is the work going on in Carrollton, Georgia, where the Southeastern Cooperative League headquarters is located.) Thus the cooperative movement joins other constructive programs now under way in the south.)

SocioLOGISTS cover a good deal of ground, sunlit and shadowy, in their efforts to study human society scientifically. In their writings they give much emphasis to what are termed the "social processes," "social institutions," and "social movements." Pick up any of the scores of textbooks, particularly those that introduce students to sociology at the college level, and you will find some rather theoretical chapters dealing with people whose interactions take the form of competition and conflict, of accommodation (compromise), assimilation, and amalgamation. They operate in the realm of the social institutions and social relationships—family, church, school, community, nation, economics, politics, race relations, class and caste, town and country, and so on. And now the reader may well ask: "What about cooperation; isn't that a social process as well as competition?" As a matter of fact, sociologists have not wholly neglected cooperation; but it is true that in the writings of a majority of them, cooperation and conflict have tended to form an almost total eclipse over cooperation either as a social process or as a social movement. Years ago some of us began to question this neglect, and then more lately to observe that there seemed to be a trend toward sociological recognition of cooperation as a social process of luminous power in its own right.

In 1937, the Social Science Research Council published a scholarly monograph entitled Competition and Cooperation. It credited sociologists with viewing society itself as the sample par excellence of cooperation. While your present writer agreed with the purpose and content of this monograph, he could not agree that his fellow sociologists had considered cooperation as linked up with anything but excellence above the insect world. Except for a mere handful of sociologists, most of them seemed to give pages to competition and conflict with but few sentences and paragraphs to the cooperative process. If, as this 1937 publication emphasized, competition and cooperation are two aspects of the central problem of human relation, most of these sociologists had failed to the logical neglect of the cooperative aspect.

Just as we were in the midst of examining some sixty of the introductory
textbooks published between 1920 and 1939, not so much to answer the question why, as to measure as best we could the consideration of cooperation by chapter, page, and paragraph, one of the best texts of 1940 came out with this statement:

"... the study of cooperation has been slightheaded by sociologists, their attention having been given largely to the phenomena of opposition. Because of our highly competitive society, sociologists are under considerable compulsion in their selection of subject matter, although perhaps unwittingly so. They are competition-conscious. ... The picture of cooperation can be drawn in clearer detail if the two processes are considered together."

Another fine textbook, also published in revised form in 1940, revealed what seemed to be the trend toward more emphasis upon cooperation. Where two pages on the subject appeared in the 1937 edition, the 1940 issue included twelve pages, and instead of using the chapter heading "Competition and Conflict" as in the first edition, it now entitled the chapter "Competition and Cooperation." Thus, in two of the most widely used books since 1940, there appears a balance of treatment such as had not occurred in most of the books published earlier.

We examined a total of sixty-five textbooks, embodying the project with the belief that books published before 1930 would not be so weighty with cooperative emphasis as these published after 1930. The results of our study satisfy us that we were correct in our belief. It is common knowledge among those interested in the cooperative movement that there has been a marked quickening of cooperative consciousness and activity since 1930. It would seem inevitable that this acceleration would be felt in so many fields.
WHAT'S NEWS WITH THE CO-OPS?

Madison, Wis.—The Credit Union National Association meeting here May 9 heard Murray D. Lincoln, president of The Cooperative League of the USA, speak on the relation of the credit unions and consumer cooperatives and voted to set up a joint working committee made up of representatives of the Credit Union National Association and The Cooperative League of the USA to examine methods of closer cooperation.

The CUNA Supply Cooperative, which supplied its member associations with $159,000 worth of credit union materials in 1941, voted to apply for constituent membership in The Cooperative League of the USA.

Reports submitted to the delegates by Roy F. Bergegren indicated that there are now more than 10,000 credit unions in the U.S. with membership of more than three million.

North Kansas City—The board of directors of the Consumers Cooperative Association at a meeting at Scotts Bluff, Nebraska, May 26 and 27 dedicated the Scotts Bluff Co-op Refinery and made two historic decisions.

"The first was to build a plant to manufacture power alcohol from farm products, the alcohol to be used in the manufacture of synthetic rubber and for other purposes.

The second decision calls for a five-year program of cooperative research involving the expenditure of $16,000 yearly. Technical men will be engaged to carry on experiments in the production of synthetic rubber, research on the lowering of the cost of alcohol for blending with gasoline in order to step up octane rating to the point where the use of tetraethyl lead will not be necessary. The research program will also make it possible to make use of information now available through such agencies as the U.S. Department of Agriculture, Bureau of Mines, Bureau of Standards and the laboratories of land grant colleges.

New York City—Eastern Cooperative Wholesale at its annual meeting here Memorial Day weekend mapped out a working program to meet the year emergency. This calls for the opening of new co-op warehouses in Harrisburg, Washington, Philadelphia and Rochester to supplement the existing ones in New York and Boston. It also involves membership campaigns staged by each local co-op to bring in members within walking distance of each store and to create new service units for members beyond walking distance.

The convention also voted to approve the creation of public affairs committees in each local cooperative, to endorse the Voors-Wagner bill, to oppose federal sales taxes and pay-roll taxes and approve increased corporation, inheritance and gift taxes.

Eastern Co-op Wholesale's business for 1941 totaled $2,109,000. The sales of the 250 retail co-ops, which own and control the wholesale, were estimated at $7,221,000 during the same year.

Minneapolis, Minn.—Midland Co-op Wholesale reported assets exceeding $1,100,000 for the first time in its history at the annual meeting June 9 and 10. Midland's volume for 1941 topped $6,228,000. Midland's grocery distribution is already 100% ahead of last year.

Murray D. Lincoln, president of The Cooperative League of the USA, speaking to the meeting, declared:

"Consumers cooperation does not divide peoples and groups by accentuating their differences; rather it strengthens and unites them by stressing the things they have in common. You can't harmonize people from the production basis alone. You must unify them on the common ground of consumption."

Mr. Lincoln also kept hammering away on the idea that the people themselves must take a large share of the blame for whatever mess they are in. "When you ask government to do something FOR you," he pointed out, "you put government in position to do something TO you. Many things have happened to us because we let them happen. Many times, when we are exploited, we generally could find out that it is OUR money which is being used to exploit us."

Cooperatives, the League president said, hold more hope than any other movement today as a way to regain ownership—and "ownership is good for us"—end exploitation and conflict, and bring plenty and peace.

"You never can get prosperity," he asserted, "by cutting down on everything. The only way to increase the standard of living is to give the people more, not take away what they already have. "And you can't solve the farm problem by taking away from somebody else. When farmers find a way to get more milk to babies in the cities, they will also find a way to get more money for their milk on the farm."

He mentioned the rapid growth of the cooperative insurance and financing program. "Now, if we lose money, we will at least lose it to ourselves," he said, "not to somebody else." He called attention to the great strides regional co-ops are now making into production and urged Midland to take similar steps.

Superior, Wis.—The Central Cooperative Wholesale celebrating its 25th anniversary with very little fanfare and publicity received the following very significant cablegrams from the Cooperative Wholesale Society in Manchester and the Scottish Cooperative Wholesale Society, Glasgow, extending the best wishes from the pioneer consumers cooperative wholesales in the old world to the pioneer consumers cooperative wholesale in the new.
SUMMER OPPORTUNITIES IN COOPERATIVES 1942

California Cooperative Institute
The fourth annual cooperative institute conducted by Consumers Cooperative Wholesale, Los Angeles and the Associated Cooperatives of Northern California will be held at Camp Sierra, August 8-15. Write:
Consumers Cooperative Wholesale, Inc.
7222 S. Hoover Street
Los Angeles, Calif.

Eastern Cooperative League
Summer Institute
The Eastern Cooperative League will hold its fourteenth annual Summer Institute at Massachusetts State College, Amherst, Mass. The weekend leadership conference will be held August 8 & 9, and the Institute, August 9-15. The Institute will concentrate on problems of cooperative education, store management, directors' problems and publicity. Write:
Robert Smith
Eastern Cooperative League
135 Kent Avenue, Brooklyn, N. Y.

Ohio Summer Camps and Institutes
The Ohio Farm Bureau Cooperative Association will conduct a series of summer camps and institutes for co-op managers, co-op board members, discussion group leaders, recreation leaders and young people throughout the summer. These are weekend and week to ten day camps. Write:
Carl Hutchinson
Ohio Farm Bureau Cooperative Ass'n
246 N. High Street, Columbus, Ohio

Circle Pines Center Institutes
The Circle Pines Center, vacation resort owned by cooperatives in the central states area, will conduct a series of institutes running consecutively during the summer at its camp near Hastings, Michigan. A college co-op work camp will also be conducted throughout the summer. Write:
J. N. Gordon
7522 Yates Ave.
Chicago, Ill.

Camp Newton-Hamilton Institute
The Pennsylvania Farm Bureau Cooperative Association will hold its annual summer institute at Camp Newton-Hamilton, dates not yet announced. Write:
Anthony Lehner
Penn. Farm Bureau Cooperative Ass'n
Box 23, Harrisburg, Pa.

Estes Park Cooperative Conference
A training institute for co-op leaders with ideal recreation opportunities for all the family at Estes Park, Colorado. It is sponsored by the Consumers Cooperative Association, August 18-25. Write:
Merlin Miller
Consumers Cooperative Association
North Kansas City, Mo.

Ohio Cooperative Recreation School
The Ohio Cooperative Recreation School will be held on the campus of Bowling Green State College, August 9-15. Courses to be offered will include: play leadership, folk singing, informal dramatics, crafts, folk dancing, group structure and functioning and parliamentary law. Write:
Darwin R. Bryan
Ohio Farm Bureau Cooperative Ass'n
246 N. High Street
Columbus, Ohio

Cooperative Training Institute, University of California
A cooperative training institute for prospective employees will be held at the University of California for three weeks, beginning July 1st. The following courses will be emphasized: philosophy and development of cooperation; practical problems of cooperative policy and operation; accounting; merchandising; buying; displaying; and pricing policies. Write:
Bruce Black
U. of Calif. Students' Cooperative Ass'n
2315 Dwight Way
Berkeley, California

Consumers' Cooperation

Students attending the National Cooperative Recreation School, Plymouth, Wisconsin.
THE COOPERATIVE LEAGUE
608 South Dearborn, Chicago
167 West 12th Street, New York City
726 Jackson Place N.W., Washington, D. C.

DIVISIONS:
Auditing Bureau, 167 West 12 St., N. Y. C.
Medical Bureau, 7790 Broadway, N. Y. C.
Design Service, 167 West 12 St., N. Y. C.
Rochdale Institute, 167 West 12 St., N. Y. C.

AFFILIATED REGIONAL AND NATIONAL COOPERATIVES

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<tr>
<th>Name</th>
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<td>Am. Farmers Mutual Auto Ins. Co.</td>
<td>815 Lydia St., Oakland</td>
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<td>Cooperative Consumer</td>
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<td>Amarillo, Texas</td>
<td>The Producer-Consumer</td>
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<td>Consumers Cooperative Wholesale</td>
<td>7218 S. Hoover, L.A.</td>
<td>S. Calif. Cooperers</td>
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<td>Delaware, Ohio</td>
<td>The Recreation Kit</td>
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<td>155 Kent Ave., Brooklyn</td>
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<td>133 Kent Ave., Brooklyn</td>
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would be entitled to the suggested title of CV—Cooperative Veteran. His coming alone will make the Congress noteworthy.

Announcements of the acceptances of other invitations will be made from time to time. Remember the place and date—Minneapolis, September 28-30. Make your plans to attend.

DR. J. H. CARPENTER GOES TO CHINA. In itself, this is a simple statement of a fact, as was announced in a long news story which appeared on Sunday, June 28th, in The New York Times and other newspapers. Behind the news story, however, is still another story of an American church leader who was wholeheartedly converted to Cooperation by Kagawa, when he toured America for six months in 1937, preaching the principles and teaching the practices of Cooperation. Now, when Kagawa can no longer carry the cooperative message directly to China, it is being done through an American cooperator whom he converted.

Dr. Carpenter has strenuously and sacrificially prepared himself for the great mission for which he has been chosen through many cooperative activities, while carrying out the program of the Brooklyn Federation of Churches, of which he is Executive Secretary. He has been for many years Chairman of the Tour Committee of The Cooperative League and has familiarized himself by first-hand contact with the cooperative developments in Canada, Europe, Mexico and the United States. He has also been Chairman of the Committee on the Church and Cooperatives of the Federal Council of Churches. He goes to China and India as the Chairman of the Chinese Industrial Cooperatives, with the approval of the federal government, according to the announcement. He will accomplish much, and have much to tell us which will be of value to the cooperative movement when he returns. We all wish him a safe and successful journey. The Consumers' Cooperative Movement is highly honored by his being chosen to undertake this important mission to help develop the program of cooperatives in China and India.

IT'S CAPT. WERNER E. REGLI NOW

Werner E. Regli, whose name is widely known and respected in the Consumers' Cooperative Movement as the Director of the Accounting Bureau of The Cooperative League, has been granted a leave of absence and has enlisted in the Army. His aversion to personal publicity prevents our publishing his picture in connection with this story. He has been a member of the Tour Committee of The Cooperative League and has actively participated in cooperative developments in Canada, Europe, Mexico and the United States. He has also been Chairman of the Committee on the Church and Cooperatives of the Federal Council of Churches. He goes to China and India as the Chairman of the Chinese Industrial Cooperatives, with the approval of the federal government, according to the announcement. He will accomplish much, and have much to tell us which will be of value to the cooperative movement when he returns. We all wish him a safe and successful journey. The Consumers' Cooperative Movement is highly honored by his being chosen to undertake this important mission to help develop the program of cooperatives in China and India.

“EVEN WITH DUNKIRK BEHIND THEM,” says the Truman Committee report, “the British and Dutch (rubber-cartel) objected to relaxing the quota. They feared that if the emergency failed to materialize, excess stocks of rubber in the United States would enable the United States to control market prices.” No greater indictment of the price-profit system has ever been made. When it so tragically failed to function patriotically after such a military collapse, how can any one expect it ever to really function in the interest of the people in peace time?

“When peace comes, I believe we shall suffer not through the peoples we call our enemies today, I believe we shall suffer and be rendered less useful, maybe even useless, if the force we want most to combat, hate, should be more prevalent than it is even today. I know of no place, no movement, no church where it will be possible to carry forward the belief in the brotherhood of man as effectively as in the cooperative movement. Let us assume leadership now, a leadership through example, that demonstrates that there are groups left in the world which function, operate, let me say breathe, because they have love in their being; and this force negate this hatred, one must feel cannot possibly live side by side in the same organism. Let us therefore be watchful not to come out of the war as haters, with all that that implies, but to come out of the war as a constructive force, ready as ever to build the better world which lies beyond the horizon.”

IT’S CAPT. WERNER E. REGLI NOW

Werner E. Regli, whose name is widely known and respected in the Consumers’ Cooperative Movement as the Director of the Accounting Bureau of The Cooperative League, has been granted a leave of absence and has enlisted in the Army. His aversion to personal publicity prevents our publishing his picture in connection with this story. He has been a member of the Tour Committee of The Cooperative League and has actively participated in cooperative developments in Canada, Europe, Mexico and the United States. He has also been Chairman of the Committee on the Church and Cooperatives of the Federal Council of Churches. He goes to China and India as the Chairman of the Chinese Industrial Cooperatives, with the approval of the federal government, according to the announcement. He will accomplish much, and have much to tell us which will be of value to the cooperative movement when he returns. We all wish him a safe and successful journey. The Consumers’ Cooperative Movement is highly honored by his being chosen to undertake this important mission to help develop the program of cooperatives in China and India.

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“When peace comes, I believe we shall suffer not through the peoples we call our enemies today, I believe we shall suffer and be rendered less useful, maybe even useless, if the force we want most to combat, hate, should be more prevalent than it is even today. I know of no place, no movement, no church where it will be possible to carry forward the belief in the brotherhood of man as effectively as in the cooperative movement. Let us assume leadership now, a leadership through example, that demonstrates that there are groups left in the world which function, operate, let me say breathe, because they have love in their being; and this force negate this hatred, one must feel cannot possibly live side by side in the same organism. Let us therefore be watchful not to come out of the war as haters, with all that that implies, but to come out of the war as a constructive force, ready as ever to build the better world which lies beyond the horizon.”

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COORDINATION — KEYNOTE OF 1942 NATIONAL COOPERATIVE CONFERENCES

E. R. Bowen

The 1942 Cooperative Conferences of National, Regional and Local Staff Representatives were built around the keynote of COORDINATION.

Coordination was not only evident in the planning of the programs, it was not only talked about at length, but the coordination of the Consumers' Cooperative Movement in the United States was advanced materially by the actions which were taken.

Coordination in Programs. For the first time in the history of the Consumers' Cooperative Movement in the United States, the four staff groups, which might be termed the front line ranks of the Movement, assembled at the same time and at the same place in separate and joint sessions. These four staff groups are the ones who go out from the national and regional associations to guide in creating the cornerstones and walls of the Movement: Recreation, Education, Finance and Business. Meeting at Plymouth, Wisconsin, at the Mission House College on June 24-27, were the Cooperative Society of Recreational Education, the National Publicity and Education Committee, the National Association of Cooperative Accountants and the National Sales and Advertising Managers Committee. The coordination of the programs of the regional cooperative associations in the United States on a national basis has self-evident advantages of limitless significance, as has already begun to be generally realized in the Movement.

Coordination in Discussions. Both in the general sessions and in the smaller group and individual discussions, the spirit of Coordination was very much in evidence. This fact need not be stressed, since the actions which were taken prove conclusively that the representatives came there determined to achieve greater coordination, as they did at the close of their discussions.

Coordination in Action. The several reports of the four groups and the various committees meeting at Plymouth, which follow, tell of the detailed actions which were taken. A condensed summary is given below of some of the highlights of the actions which were taken:

- Plans for original epic pageant to be presented at coming Cooperative Congress.
- Decision to promote energetically the organization of Education Committees in every local cooperative and the provision of loose-leaf Education Workbooks for each committee.
- Adoption of widespread expansion program of Study-Action Groups within each local cooperative.
- Expansion of Joint Regional Midwest Management Training School Program, with Schools in Minneapolis and Chicago during the coming fall and winter.
- Inauguration of new Cooperative Correspondence Courses.
- Conclusion of Nationwide Radio Fund Drive on August 1st, with program to start on or about October 1st.
- Approval of designs for second series of six National Cooperative Posters to be issued monthly beginning in October.
- Consideration of five-year plan of Cooperative Movies and decision that next step is to be Newsweel of coming Cooperative Congress.
- Appointment of sub-committee of Publicity and Education Committee to consider plans for a national popular cooperative magazine and newspaper.
- Unification of illustrations, advertising and articles in regional cooperative publications.
- Standardization of local cooperative publications.
- Expansion of national leaders magazine, CONSUMERS' COOPERATION, by January 1st, 1943, into combination education and business technical journal.

PLYMOUTH ROCK — 1942!

PLYMOUTH ROCK, they called it, on the coast of what is now New England, and the year was 1620, when the small company of Pilgrims, hungry for a land of freedom and equality of opportunity, beached their boat and gave thanks for their new-found home. Little did they visualize the material and political progress man would make in this "new world" between that time and now.

In 1942, and the month of June, it was...
just Plymouth (in the lake-studded state of Wisconsin). But the Rock, we may find in years to come, was there again—in a different form, and the historic significance may be just as great though the paons are never sung as long and loudly.

The Rock? The Four Cornerstones of Cooperative Action—the complete and impregnable foundation upon which is being built in America the security-spraying, freedom-fostering and democracy-dealing Consumers' Cooperative Movement. The four cornerstones: the recreational, educational, finance and business functions of the Movement.

Cornerstone Workers Meet

Present at Plymouth, on the campus of Mission House College, were 150 leaders of the cornerstone workers in American cooperatives, gathered for the first joint planning conference in the Movement's history. From the score of regional cooperatives, serving the country's 5,000 local co-ops, came recreation directors, editors and educators, co-op accountants and credit men, sales and advertising directors—for joint annual sessions of the Cooperative Society for Recreational Education, the National Cooperative Publicity and Education Committee, the National Society of Cooperative Accountants, and the (new) National Cooperative Distribution Committee.

From June 24 to 27, in a series of separate and joint meetings, progress to date was surveyed, immediate problems were discussed, methods studied, and plans laid for expansion of membership and services, for greater coordination of efforts and functions, and for collaboration with other groups and the government in post-war reconstruction.

Reports to the conference brought assurance from J. Charles Luce, representative of OPA, of government assistance in expansion of consumer information services; data from T. A. Tenhune, manager of National Cooperatives, about the wartime supply program and showing 50% increase over last year's volume; description by Jack McLanahan, new Co-op League educational secretary, of an intensive coordinated educational program; interpretation by John Carson, Washington representative of the League, of advancing relationships between the government and co-ops; review by E. R. Bowen, League general secretary, of progress with other groups for cooperative development, and emphasis on the importance of expanding cooperatives both now and after the war as the "practical basis for building a people's program for peace and plenty."

Reports and Proposals

Reports, and specific proposals for action, now or later, were made for completion of the National Co-op Radio Fund and inauguration of the program; enlarging the format of the national co-op journal, Consumers' Cooperation and its editorial policy; development of a popular co-op magazine and a cooperatively owned national newspaper; production of additional co-op movies, expansion of co-op institutes and training school programs; and increased use of "pamphleteering."

In a meeting of co-op technical leaders, there is an abundance of thought and opinion, and little reticence to say what is thought. Each report period, therefore, was well-flowered into a discussion analysis of the thesis, and all of the ramified sessions then served as proposed action feeders to the concluding business sessions—wherein the work periods were crystallized into approved action programs.

At Plymouth Rock the Pilgrim Fathers launched the efforts from which stemmed the world's greatest political democracy. At Plymouth, Wisconsin, thirteen generations later, co-op workers launched plans for building the economic foundation—the salvation—of democracy for the world.

"TOMORROW morning after we have dismantled our school," Miss Neva Boyd, staff member, told the closing session of the National Cooperative Recreation School, "you won't find a single value lying around on the campus. We're going to take them all home with us, and, unlike our CO-OP soap, the more we use them, the bigger and better they'll get."

For two weeks, the 97 students who had been attending the National Cooperative Recreation School at Mission House College, Plymouth, Wisconsin, had been exploring various fields of recreational activity, with one idea in mind—to equip themselves to return to their communities better able to help the people, through recreation, to develop "human potentialities into some of those spiritual values that make life worth living." The students represented a large variety of community groups—about one-half of them came from cooperative organizations; others came from schools, settlement houses, unions, rural youth groups, American Red Cross, and colleges.

The classes in dramatics, under the direction of James Norris and Ruth Chorpennyng, offered many different types of dramatic experiences, from simple forms such as charades, pantomimes and tableaux to the fundamentals of acting and direction. The class in Dramatics II presented two one-act plays; the Simple Forms class, a mass chant which the group worked out; and another group presented an original one-act...
play which they "wrote" themselves.

There were classes in many types of folk dancing—play parties under the direction of Darwin Bryan; fundamentals of folk dancing and a class in general folk dancing taught by Alice Schweibert; special work in more advanced dancing taught by Miss Neva Boyd. Every evening there was a general folk dancing for the entire school, with American squares being the most popular dances.

Under the direction of John Steinbugler, students explored by experimentation, the fundamentals of design and worked out their ideas in posters, stencilled curtains, and scenery for the puppet plays. Mrs. Lydia Zmrhal conducted classes in painting and sketching and under her direction students made linoleum cuts and painted wooden plates.

For those interested in music there were classes under Dan Vornholt in music appreciation, instrumental music, and group singing and leadership. The construction of shepherd's pipes proved of interest to a number.

Helen Bryan had charge of the construction of fist puppets and the school had an opportunity of seeing those puppets which were finished perform in puppet plays directed by the dramatics department.

A class in story telling taught by Miss Boyd and non-musical games taught by Miss Schweibert completed the courses offered.

In addition to these activity classes, there were two lecture periods each day conducted by Miss Boyd—one on play activities and leadership and one on the structure and functioning of groups.

The one-hour evening seminar period included a number of activities: discussion groups on cooperatives and co-op problems; talks by Mrs. Charlotte Coppening, Goodman Theatre, Chicago; and E. R. Bowen, general secretary, The Cooperative League; movies of youth hostel ing and the co-op film, "Here is Tomorrow"; and business sessions of the school.

The school is entirely financed and run by the students who attend each year. At the two business sessions of the Cooperative Society for Recreational Education, which conducts the school, the students voted to apply for membership in The Cooperative League, to hold the school at Mission House College again next year, and elected the following board of directors to plan the school: Wilbur Leatherman, chairman; Frank Shulston, treasurer; Gertrude Garman, recording secretary; Ellen Linson, corresponding secretary; Carl Hutchinson, Darwin Bryan and Neva Boyd. An opportunity was given the students to discuss freely the courses and staff and to make recommendations to the board for next year's school.

"In this day of exacting piece-work production," Miss Boyd told the students, "people need more situations that call for unplanned spontaneous action. Pay provides this form of behavior in the most acceptable form. It releases them and keeps alive their responsiveness to life."

NATIONAL SOCIETY OF COOPERATIVE ACCOUNTANTS
HOLDS SEVENTH ANNUAL MEETING

Laurie L. Lehtin, Secretary

The accounts which are engaged in auditing and accounting work for cooperatives held the seventh annual meeting of their national organization at Mission House College, Plymouth, Wisconsin, on June 25-26.

The meeting was well attended, one-third of the entire membership being there. Numerous visitors from the national Publicity and Education as well as the Sales and Advertising conference, which were held coincidentally at the college, attended the sessions.

The three important decisions of the annual meeting may be summarized as follows:

1. Adoption of a resolution and appointment of a committee of 11 to further a national audit program for consumer and producer cooperatives. The resolution provides that the committee shall submit plans for a National Cooperative Auditing Service to the Cooperative League of U.S.A., National Cooperatives, Inc., National Council of Farmer Cooperatives, and such other cooperative organizations of a national character as might be interested. This committee as named includes P. T. Egan, manager of the Farmers' Union Accounting Services, St. Paul; Hans H. Lahti, manager of Cooperative Auditing Service, Minneapolis; W. O. Ridl, manager of Business Service Division, Des Moines; B. M. Rainsberg, chief auditor for Ohio Farm Bureau Cooperative Association; K. S. Alanne, H. H. Lahti, P. T. Egan, and F. K. Wadsworth, chairman.

2. The Committee on Cooperative Accounting Terminology, composed of two members from NSCA and two from the Publicity and Education Committee (Lahti and Lehtin, Miller and Alanne) brought in its report. The recommendations were accepted, except that the continued use of "gross margin" was preferred, the applicability of the term "member equities" to all occasions was questioned, and the alternative use of "savings" or "earnings" was agreed on. Some progress is also being made in securing standardization of cooperative financial reports, mainly because of the adoption of uniform accounting terms by the accountants.

3. Appointment of a Committee on Economic Affairs, of three mem-
Co-op distribution managers meet and organize

One more section of the Consumer Cooperative movement effected a permanent joining at the national conferences at Mission House College, Plymouth, Wis., in June. Meeting together for the first time, sales and advertising managers of the various regional co-op wholesales traded experiences and ideas and problems with each other and decided to keep on getting together three or four times a year as the National Co-operative Distribution Committee. Gordon Nevins of Midland is committee chairman and Arthur Jensen of CCA, secretary.

Steps were taken to expand greatly a national “pooled program” of purchases, plans and ideas. T. A. Tenhune, manager of National Cooperatives, Inc., Chicago, announced that a mat and copy service on Co-op advertisements is in the oven. He indicated a national testing laboratory is being considered for producers which are candidates for the Co-op label.

E. R. Bowen, executive secretary of the Cooperative League, challenged the S. & A. men to develop a scientific system of distribution through cooperatives.

“Cooperation releases science in distribution from the control of profit,” Mr. Bowen pointed out. “In distribution methods the cooperative movement alone can build on scientific truth for only under cooperation can a man’s spirit enjoy the luxury of integrity.”

“It is not possible for an advertising or sales manager either to write or speak the whole truth, or for the people to read or hear the whole truth, so long as profit is the motivation. Profit is the Achilles heel of business—in its weak spot.

“Under cooperation, however, an ad-

National co-op distribution committee

Those present at the organization meeting at Plymouth were, left to right: John S. Vandermyde, Midland; Gordon Nevins, Chairman, Midland; Harvey Sanders, Superior; T. A. Tenhune, National Cooperative, Homer Young, Kansas City; R. W. Mills, Michigan; Andrew Marlowe, Superior; Herbert Hedderjohn, Indiana.

Consumers’ Cooperation
STUDY-ACTION GROUP COMMITTEE MEETING

C. J. McLanahan, Chairman

A T Plymouth, representatives of seven regional cooperatives met for a day to discuss the place of small neighborhood groups in our cooperative educational program. These rapidly growing groups, which bring families together for study, action and a good time, were recognized as being of great significance in building stronger cooperatives as well as providing a medium through which people can build themselves into better cooperators.

It was agreed that while regionals would likely continue to apply their own names to these groups—such as "Councils" in Ohio, "Clubs" in Minnesota and Wisconsin, etc., that nationally they would be called "Study-Action Groups."

The conference proceeded as a working body to discuss techniques for developing this program. Regionals must, first of all, be firmly behind it. Support, where now lacking, might be gained through a more dramatic telling of the story of the groups, movies that show what the groups are doing and the bringing of cooperative leadership into personal experience with group meetings.

In getting Study-Action Groups underway, the staff worker is of great help; but a warning was sounded that volunteer leaders should be given as much responsibility as possible for leading out in organization and development.

For use in the groups, it was agreed that certain study materials should be prepared by the national office and others by the regional associations; these to be made available in attractive leaflet and pamphlet form.

In promoting action, it was pointed out that when a group was given freedom to make its own choice it would invariably find projects that were of real significance.

A close coordination of these groups to the regional’s central office was considered necessary. Minute books, letters and the use of questions to be answered and sent into the central office were suggested as aids.

A new sense of the importance of the Study-Action Group program is emerging, and Plymouth might well be the beginning of the most vigorous phase of this form of educational expression in United States Cooperative history.

Consumers’ Cooperation

MORE MIDWEST CO-OP MANAGEMENT INSTITUTES PLANNED

Merlin Miller
Chairman, Institute Committee

FOUR midwestern co-ops will hold two advanced institutes during the coming fall and winter to train grocery managers for their affiliated local cooperatives. This decision, reached at Plymouth, Wisconsin, during the Publicity and Education Conference, was a direct result of the success of the First Midwest Co-op Management Institute, held at George Williams College, Chicago, Illinois, last January and February. This was the Institute which paid 126% patronage refund on its tuition fee of $50.00.

The first of the two sessions for the coming year will be held at Minneapolis September 21 to October 31. The second will be held in Chicago early in 1943. The Council for Cooperative Business Training made possible the first Institute.

STUDY-ACTION GROUP COMMITTEE IN SESSION

WOMEN’S CONFERENCE

A CONFERENCE was held by Regional Co-op Guild, Women’s Committee representatives and other interested women during the National Co-op Conferences at Plymouth which they were attending.

Though no definite decisions could be made at this meeting regarding the relationship of the National Cooperative Guild to the cooperative movement, a progressive proposal evolved which would be presented for action to the Women’s Congress at Minneapolis to be held on September 27th, the day preceding the National Co-op Congress.

The proposal is that the National Guild become a women’s committee of the League. This step would abolish pay-ment of dues and should tend to interest more women in cooperative work. Some persons suggested that we work entirely through our co-op education committees and departments and abolish all thought of an organization such as the Cooperative Wholesale, Superior, Wisconsin; Midland Cooperative Wholesale, Minneapolis; Central States Cooperatives, Inc., Chicago; and Consumers Cooperative Association, North Kansas City, Missouri.

The sessions of the Institute are planned for advanced training for experienced grocery managers needed for the more exacting positions in the larger self-service co-op food stores. Training in classes will be supplemented by a supervised "internership" in a co-op food store.

Ruth Wright, President
National Cooperative Women’s Guild

August, 1942
LOOKING FORWARD TO NEXT YEAR’S NATIONAL AND REGIONAL STAFF CONFERENCES

Rudolf Treuenfels, Secretary
Council for Cooperative Business Training

ON Saturday afternoon, June 27th, cooperators from near and far dispersed after their yearly conference at Mission House College, near Plymouth, Wisconsin.

A well-planned schedule had provided opportunity for stimulating exchange between leaders in different lines of cooperative endeavor. The unprecedented attendance of executives from all four “cornerstones of the cooperative structure,” the peaceful atmosphere of these meetings in the midst of a shaken world, the sense of singular responsibility which cooperative thought and action carry in times of disruption and destruction, had made for an event of particular significance.

It was not surprising, then, that the four days had seemed all too short; that many problems had begged for more consideration, while others had had to be left untouched.

More Time Needed

The shortness of time, however, did not permit leaving an entire day or even an afternoon or evening free from pre-scheduled presentation. No place on the program could be reserved for an extensive and unconfined debate of the most pressing problems on the delegations’ minds. Among friends (and it was very evident that cooperators easily and quickly become friends, once they get to know each other), there exists unusual possibilities for challenging thought and question, criticism, which can perhaps be best utilized in meetings not fully mapped out in advance but left to the inspiration of the moment. At this first attempt to bring together the representatives of all the different lines of cooperative work, no experiments were made with any such unorthodox forms of obtaining expression and exchange of opinion on a broader scale. At the end of the meeting many have appeared to see that there had occurred a series of simultaneous conferences, rather than a joint conference enabling everyone to take full advantage of contributions from other quarters.

In order to satisfy to a fuller extent the urge for stronger and more effective expression between cooperators with diversified duties, it might be necessary to allow for more time. Among the delegates departing from Plymouth the question arose whether it might not be possible on future occasions to provide for a whole week, including two Sundays.

The first half of this period could then be devoted to sectional arrangements. Visitors might be welcomed and invited from one division to another, but no attempt ought to be made at integrated work. This period should be reserved for adequate consideration of the peculiar problems of each group. There then would be free everybody’s mind for giving the second half of the week to a coalition of these separate conferences into a joint one, in which the combined intelligence of all types of leadership could be brought to bear on certain topics of universal interest.

What could these topics be? What techniques should be adopted for their exploration? What kind of spirit should guide the participants?

The following suggestions are submitted only as a thought which may stimulate further meditation. They claim no conclusive validity.

An Inter-regional Staff Conference

Once we think of our midsummer conferences with full appreciation of their potentialities for joint action, aside from the benefits separate groups receive from meeting with colleagues of their own specific occupation, new vistas are opened. We then recognize the similarity of these national conferences to the regional staff conferences which are held at regular intervals by several of our cooperative regions. There heads of different departments convene with field men, with their editors, perhaps with their accountants—in order to discuss how to carry into effect the plans on which their managers and their boards have agreed. Once we assemble these same different species of cooperative workers under the same roof, their meetings, at least in part, can be understood as resembling—an on an inter-regional scale—the wholesale staff conferences. This may permit us the vision of a body which, even if it consists to start with of only an unofficial and loosely-knit aggregation, could grow into a well-coordinated, well-posted, well-equipped cooperative “general staff.”

Our second assumption has to do with the custom of meeting at such midsummer conferences in an atmosphere of detachment and seclusion. These annual events have been developed over the years as opportunities for the thorough exchange of views and thoughts, of experience and suggestions, aiming at constructive progress without any urge to fight for conquests and far away from the official spotlight to which formal conventions like our biennial congresses, for instance, must necessarily expose themselves. On the occasion of the biennial conferences and regional meetings delegates often find an account of its progress to its adherents and to the general public. Any criticism, if sounded at all, should be carefully tuned in order to avoid misinterpretation by not only skeptical but possibly even hostile observers who may know little of the movement’s standing. No such criticism is required when cooperators gather in the same style which they developed at Tiffin or at Ames or at Plymouth, with only a greater purpose and on a larger scale. There they will find it safe to be perfectly frank in reviewing what has or has not been achieved during the period since they last met. There warnings against wishful thinking will be not only permitted but expected.

Freedom for Action

Problems may be brought out in the open, doubts may be voiced, even disappointments confessed, without fear that the movement may be harmed. It is in this atmosphere that procedures in our locals, in our regions, in our national set-up can be put on trial, before those who, on one side, are concerned with the planning of details for operations, for publicity and education, for financial control, for recreation, and who, on the other side, are entrusted with the execution and supervision of these details. It is there that the wisdom of our measures—of our handling, for instance, of the relationships with other progressive movements, will be scanned and evaluated. It is there that ways and means of securing a broader following can come up for review and perhaps revision. It is there that our attempts to expand our commercial activities in habitual fields and into new ones, we well as their financial outcome, might be analyzed and recommended as examples worthy of general imitation or marked as not being commendable.

Need to Define Cooperative “Pattern”

The days ahead will demand more foresighted planning than any period before. We cannot predict in detail the outcome of this war while the clouds are hanging low and while we realize the apocalyptic dimension of the struggle still ahead for the United Nations. We may, however, aim at being well armed for the peaceful mission which may await us, once the monstrous forces still threatening the world have been overcome. It is possible that when this day arrives economic and psychological conditions will strongly favor the idea of cooperation. Our aims and convictions may then be able to furnish, if not the one answer, then at least one of the most constructive answers to the questions perplexing people of good will.
The degree to which this cooperative solution may be able to command public attention and general support will depend largely on the degree to which the cooperative movement is then ready to point to convincing accomplishment.

All our forces, even during war time, must be thrown into the battle for a strong preparedness at the time when this ordeal ends. This fight will not be easy on cooperators, because obstacles as yet undreamed of will in the near future stand in the way of further progress. All support the movement can possibly get from sympathizers in all walks of life will have to be mustered and mobilized. The message carried by consumer cooperation will have to be used to attract all those who have an understanding for the ideals it cherishes. Our cooperative "pattern" will have to be defined so sharply in the light of the hour that its appeal will radiate into the darkness of even the gloomiest night.

This then, might be a topic for the agenda not only of League board meetings, but also at a conference of all workers now on the job. If we agree that the showing made by our cooperatives at the end of the war may decide not only the destiny of our movement but human welfare to no small extent as well, it would not be surprising if the request to center next year's conference around this issue should meet with widespread approval.

Only a few words, then, about the technique which may help to cope with so large an order. In order to secure an appropriate level of the debate on an issue of such magnitude, it may be advisable to invite the handing in of papers covering at least some of the different ramifications of the problem, with a deadline set perhaps a month in advance. These could be mimeographed and distributed in time to all registrants before the joint conferences. Thus the participants could thoroughly familiarize themselves with the stand of those who would lead off discussions with only a brief condensation of their views. After such brief introductions, the rest of the meetings could be thrown open for a general debate, or, if scrutinizing in small groups should be preferred, ample time should later be given (and this is very important) to an evaluation of the summaries presented by the secretaries of these smaller circles.

Even if this method would allow delegates to unburden their minds in certain sessions devoted to pre-planned topics, it would not affect the advisability of one or two special meetings, scheduled with no program whatsoever except "a general exchange of opinions."

These would offer the opportunity to compare approaches used in one territory or another, to ask and answer questions on technicalities, to ventilate practical suggestions, to interpret past actions, to explore new alleys, to give expression to any concern, and to permit of forthright and down-to-earth examination of any success or failure worth mentioning.

Feeling of Interdependence Vital

Needless to say, everybody should be given a chance to seek acquaintance with whomever is around. At the beginning of the second half of the conference week, if not at mutual meals before, everyone should publicly introduce himself to everyone else, with a short remark on his background and activities. This will contribute to the sense of fellowship and kindredship which means so much to cooperative workers across the boundaries of regional units and across the dividing lines of professional distinctions.

It is this feeling of interdependence which, more than any other single factor, might determine the spirit of the conferences. No cooperator with any awareness of the tremendous mission of the movement, which now becomes more evident than at any time in its history in our country, can fail to hope "that we may rise to the occasion of these stern times."

Consumers' Cooperation
COME TO THE 13th BIENNIAL CONGRESS

Hotel Nicollet
Minneapolis, Minn.
Sept. 28-30

Now more than ever before do we need to BUILD COOPERATIVES STRONGER AND FASTER!

An outstanding panel of speakers has been chosen and everything indicates that this year's Congress will be one of the highlights in the history of the cooperative movement in the United States.

For further information write:
THE COOPERATIVE LEAGUE
167 West 12th Street
New York City

THE COOPERATIVE LEAGUE
608 South Dearborn, Chicago
167 West 12th Street, New York City
726 Jackson Place N.W., Washington, D.C.

AFFILIATED REGIONAL AND NATIONAL COOPERATIVES

Name
Am. Farmers Mutual Auto Ins. Co.
Associated Cooperatives, N. Cal.
Central Cooperative Wholesale
Central States Cooperatives, Inc.
Consumers Book Cooperative
Consumers Cooperative Association
Consumers' Cooperative Association
Consumers Cooperative Wholesale
Cooperative Distributors
Cooperative Recreation Service

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Publication
Coportunity
Cooperative Builder
The Round Table
Readers Observer
Cooperative Consumer
C. Calif. Cooperator
Consumers Defender
The Recreation Kit
The Cooperator
The Cooperator
Ohio Cooperator
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Grange Cooperative
Honier Farmer
Midland Cooperator

THE PROFIT ROAD vs. THE COOPERATIVE ROAD

Mr. Arthur H. Packard, who is described by his friends as "a man of many parts," unofficially the maker of Governors and Senators in Vermont, and officially President of the Vermont Farm Bureau, Director of the Farm Bureau Insurance Companies of Columbus, etc., etc., described the profit road and the cooperative road in these terms before the annual meeting of the Insurance Companies:

"The Profit Road has been good for one hundred and fifty years, but is now showing its weaknesses. It rewards a few people for ability and aggressiveness far beyond their needs, while it leaves millions of others under-fed, under-clothed and under-housed. This Profit Road cultivates greed, and forces Christian churches to condone it. It finds its way into higher institutions of learning so that young people adopt the wrong goal. This Road without question causes war with all its sufferings.

"The Cooperative Road rewards ability, courage and aggressiveness, but not to the point of rank exploitation of human beings. Its exponent believes it is Christianity in action.

"We, as a sponsoring group, are trying to tell these simple facts, and the best way so far seems to be by letting common folks discover these truths themselves, just talking things over through Advisory Councils."

We are often asked as to what is the difference between a Mutual and a Cooperative Insurance Company. One answer would be that when it has men on its Board of Directors who say such things, it is a true Cooperative, even though it might be Mutual in name because of legal requirements.

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. Cty., 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.
"I'M NOT A STUDENT OF POVERTY," said a businessman recently before a Senate Committee. It's high time every American did begin to study intensively both the results of and the reasons for poverty. The May issue of Labor's Monthly Survey, published by the American Federation of Labor, charts the weekly wage scale in twenty-two industries, and shows that in only three out of the twenty-two are the weekly wages above the Health and Decency Level. Public Housing, the Rt. Hon. William Mackenzie King, Prime Minister of Canada, delivered in Toronto in May, 1941:

"Much is being said today about a new world order to take the place of the Old World order when the war is at an end. If that new order is not already on its way before the war is over, we may look for it in vain. A new world order cannot be worked out in some given moment, and reduced to writing at a Conference table. It is born, not made. It is something that lives and breathes, something that needs to be worked out and prepared in the minds and in the hearts of men. It expresses itself in brotherhood, good will, and in mutual need. It is the application in all human relations of the principle of service and helpfulness. While the old order is destroying itself, a new relationship of men and of nations is already beginning its slow but sure evolution. Its name is brotherhood—its method, Co-operation."

Our curiosity was aroused as to whether Mr. King really knew what the word Cooperation meant when spelled with a capital C. So we turned to a book entitled COOPERATIVES TODAY AND TOMORROW: A CANADIAN SURVEY, published in 1938, and found there quotations from the testimony given by Mr. King when he was Deputy Minister of Labor in 1907 in favor of a Federal Enabling Bill on Behalf of the Cooperative Movement. In his testimony given 35 years ago, he said:

"I think the Labor Union Movement and the Co-operative Movement have been the two great movements of the past century for benefiting and bettering the conditions of the working classes."

We pass Mr. King with a 100% grade on his economics. HE KNOWS WHAT THE WORD COOPERATION REALLY MEANS.

PREPARE FOR PERMANENT PEACE

3. Organize Cooperative Community Committees

The solution of poverty and war must start in each local community. Each local community must become a place of peace and plenty before the nation and the world can realize the dream of heaven on earth. Sir Wilfred Grenfell rightly said that the trouble with most of us Americans is that we think of solving world problems first, then national problems, then state problems, when the real place where we must start to finally solve our problems is in each local community or neighborhood. Unless and until we eliminate poverty and conflicts in each community, there is no real hope for the future. A new world order cannot be worked out in some given moment, and reduced to writing on its way before the war is over, we may look for it in vain. A new world order cannot be worked out in some given moment, and reduced to writing at a Conference table. It is born, not made. It is something that lives and breathes, something that needs to be worked out and prepared in the minds and in the hearts of men. It expresses itself in brotherhood, good will, and in mutual need. It is the application in all human relations of the principle of service and helpfulness. While the old order is destroying itself, a new relationship of men and of nations is already beginning its slow but sure evolution. Its name is brotherhood—its method, Co-operation."

The way for each cooperative to start is by organizing a Cooperative Com-

Consumers' Cooperation

October, 1942
I SEE AMERICA THINKING

In rural Ohio, 1,000 neighborhood discussion groups, known as Advisory Councils, come together every month of the year. Here in their own homes farmers rediscover their neighbors, and work together in mutual self-help.

Would you like to visit one of these groups? It is dusk as we approach the home, leave our car in the crowded drive and enter the lighted door, which invitingly swings open before we have time to knock. The living room is full of people sitting intent, as if wrapped in one thought. Almost before we are seated a member picks up the thread of discussion by inquiring, "Why is the price of everything we buy going up, and yet hogs and grain prices stay about the same?"

"Yes, take groceries for example," this from the women's section.

"What about Co-op groceries? I see some of the Councils have been pooling their orders and getting them from Chicago."

Carl R. Hutchinson
Educational Department
Ohio Farm Bureau Cooperatives

"Yes, but do they save anything after paying the freight?"

"What about the quality?"

The Discussion Leader then observes: "Our Co-op Manager is with us tonight. Perhaps he can give us some information. Have you anything on the subject, Mr. Henry?"

"Just this. I have a grocery price list from the Central States Cooperatives, and it looks like a savings can be made on groceries if we plan it right."

"How do we go about it to get some of these Co-op groceries?" inquires one.

"If you want to order by the case," replied the manager, "the Co-op will take your pooled orders and order one can bring the goods to your next meeting to distribute. Our Co-op can handle these groceries on a narrow margin if you order by the case and pick up the goods at our warehouse and, of course, pay cash. This will allow a margin to the Council for handling and you will get a quality product at no greater cost than you would pay elsewhere."

After further discussion, the Council decides to try out the plan. One person is chosen to collect the orders and keep the records; and before Manager Henry left the meeting that night he received the order with this comment: "In helping yourselves to Co-op groceries you are also helping your Co-op maintain its volume. As you know, our supplies in various lines have been seriously cut because of priorities. Grocery volume will help keep your Co-op working for you."

Reports by Councils to Columbus

Dramatic scenes such as this are being repeated night after night in the homes of rural Ohio where Advisory Councils meet. The thrilling stories of their effective work come to the Columbus office in dozens of yellow carbon copies of their minutes. We receive approximately 30 of these each day, and from them glean a mine of human material in mutual self-help. A recent survey revealed that in the course of one month a total of over 900 subjects had been discussed, and of this number over 200 were different topics.

One is not only impressed by the range and vitality of the subject matter, but also by the quality of thought and the resourcefulness of people in taking appropriate action.

Material from Columbus to Councils

Material for discussion goes into the home of each Council family through The Ohio Cooperator.

In preparing this material, we are guided by the wishes and interests of the Councils themselves, as indicated in their minutes. In this manner a two-way communication is established between the 1,000 Advisory Councils and the State Office. "The Advisory Council News," in The Ohio Cooperator, becomes the voice of the people expressed both in the form of positive group action and burning questions.

Group Responsibility

An essential principle in the development and maintenance of Councils is freedom-with-responsibility. From the start, Councils are charged with the responsibility of making their own decisions and governing their own group life. This freedom-plus-responsibility is the key to the vitality of Councils. Through its operation, Councils are able to carry on with a minimum of outside help.

The spirit of self-reliance and self-help is engendered in a number of ways and begins early. For example, when a family is first approached with a proposal to form a Council, they are invited to make their own selection of friends and neighbors who would like to entertain in their own home. These folks in return will ask others, until the group is complete. In this manner, the selection is based on natural bonds, in which the members join with each other by free choice.

At the first meeting, the temptation is great to leave the initiative to a Farm Bureau representative from the outside. To do this would deprive the group of its sense of self-reliance. For this reason, the host or hostess usually calls the meeting to order and explains briefly that the purpose of the gathering is to learn more about Advisory Councils. A county leader may then be called upon to tell what Advisory Councils are doing and explain how they operate. He usually recalls how the old neighborhood spirit has been partly lost and how much we need these days to understand each other and work together.

The group is asked to decide for itself whether it cares to continue for at least a few such gatherings. If so, temporary officers are selected and necessary plans made for further meetings.

The essential spirit of these groups is friendly interest in each other as persons.
For Councils are more than discussion groups, or action groups, they are essentially social groups which carry on a variety of activities.

Co-op Action as Well as Study Groups

In two important respects, Councils meet the test of utility. In the first place, they are effective agencies in cooperative expansion, not only creating interest and loyalty in the principles of cooperatives but greater participation in the institutions of cooperatives. They meet the test of good cooperative teaching by giving people a vivid and pleasurable experience in cooperative living. We have abundant evidence to show that the impact of these informal groups on the life of the Co-op is positive as measured in such terms as patronage, financial support and leadership. Just at present the Advisory Councils are carrying on a wholesale campaign of education on the new Farm Bureau Group Hospitalization Plan. From March 11 to 31, 1942, minutes from 345 Advisory Councils were received at our office. Of this number, 82 groups reported discussion and activity in this field. During the same interval, 92 sets of minutes mentioned other phases of cooperative activity, mostly in the field of purchasing.

Thus, Council members in discussing the aims, methods and services of their Co-op are building favorable attitudes toward the products and program. They are also alert to any flaws in goods or services and do not hesitate to indicate in their minutes what they think is wrong. This gives Co-op administrators and employees the benefit of their suggestions. Most leaders would prefer to have the Co-op frankly discussed in a friendly Council than penned on the street corner.

The greatest incentive to action in the art of buymanship is to get the patron to participate in the judgment of the article so that the conclusion arrived at becomes the patron’s own discovery. But in forming this judgment the group must have free access to pertinent facts. Attempts at direct selling in Council groups tend to be self-defeating. Members may justly resent such pressure as invasion of their rights to draw their own conclusions.

If the matter is presented as a question for discussion rather than an article to be sold or an idea to be put across, the psychological situation becomes one which study-for-action groups really welcome.

It cannot be too forcibly stressed that Councils thrive on a sense of freedom and autonomy of action. They are quick to sense ulterior motives. To impress on their freedom is to invite resentment. On the positive side, Councils provide widespread opportunities for Co-op representatives to present their goods and services in such a way as to leave the question of merit to the judgment of the members. In this way the techniques of sales pressure are displayed by those of educational buymanship.

Foundation of Cooperative Communities

Another test of Council effectiveness is in the field of community building. The urgency at this time of fortifying our national unity is apparent. Arthur E. Morgan declares that, “Unless many people live and work in the intimate relations of community life, there never can emerge a truly unified nation or a community of mankind. If I do not love my neighbor whom I know, how can I love the human race? If I have not learned to work with a few people, how can I be effective with many?”

Advisory Councils are giving people a type of neighborhood experience in which they are learning to work in a friendly face-to-face group on the basis of mutual participation. A more creative arrangement of people would be hard to devise than the small, informal, neighborhood group. By voluntary participation in a stimulating social environment, these persons are restoring the democracy of the earlier American community, which in recent decades has been severely shaken.

Again quoting Dr. Morgan, “The new community can recover the precious qualities of the old, the fellow feeling, acquaintance, good will, mutual respect, the planning and working together for common ends, but it must have clearing houses for the exchanging of ideas and experiences.” Here is a fitting definition of an Advisory Council.

These groups are coming to the aid of our nation at a time when national unity is imperative. They are generating self-initiative which comes from knowing what the fighting is about. They are cooperating in numerous ways with federal agencies, and yet they firmly maintain their individuality and self-government. No better provision can be conceived to safeguard the traditional freedoms of American community life from being swallowed up in the machinery of government.

“Should there be a breakdown in the present social order,” declares Dr. Morgan, “the small community is the seed bed from which a new order would have to grow. If it now deteriorates by neglect and by being robbed of its best quality, the new order will not be good.”

The challenge of America today is to build and build swiftly the American community, the nucleus of which is the small neighborhood group. America desperately needs more Advisory Councils and more cooperative, neighborhood action groups, for our whole democratic culture will rise or fall on the strength of these primary social units in our national life.

Principles and Practices of Study-Action Groups

Education-for-group-action is based on these principles and practices which leaders will do well to observe. Among the more important are these:

1. People, if freed to use the intelligence they have, are to be trusted.
2. Informal, neighborhood groups, held together voluntarily around the mutual interests of the members are effective social units in educational action.
3. Such groups are not to be manipulated by sponsoring agencies or others toward pre-determined goals.
4. Sponsoring agencies have the responsibility of helping to provide a stimulating social environment in which the members of the group will use their own resources to the maximum in a process of mutual education leading to appropriate action.
5. A central agency is indispensable as:
   a. A clearing house for inter-group stimulation and action.
   b. A source of materials, leadership training and other helps.
   c. A force in the promotion of new groups.
   d. An instrument in the hands of the groups through which local group thinking may be translated into collective group action.
6. Knowledge is powerless unless motivated by emotional drives. To become dynamic centers of social action, these groups need to be educated emotionally as well as intellectually. An essential phase of their group activity is the development of attitudes, incentives, desires, drives, which activate the group.
7. Voluntary participation on the part of the members in activities of mutual concern characterizes Advisory Councils.
Preliminary Program

SPECIAL NOTE

Because of the emergency, it is not possible at the time of the printing of this preliminary program, for various national organizations to designate the speaker to represent them. But in every case, we are already assured that an outstanding speaker will be selected and be present.

13th BIENNIAL CONGRESS OF THE COOPERATIVE LEAGUE

Minneapolis, Minnesota, September 28-30, 1942

HEADQUARTERS, NICOLLET HOTEL

THEME: BUILD COOPERATIVES TODAY FOR DEMOCRACY TOMORROW

Monday, September 28

7:30 A.M. REGISTRATION OF DELEGATES AND VISITORS
Buy tickets for Monday noon luncheon and Tuesday night banquet

9:30 A.M. BIENNIAL REPORTS AND RECOMMENDATIONS
Welcome: Representatives of Midland and Central Cooperative Wholesales, hosts to Congress
Greetings and Introductions
Report and Recommendations of Executive Secretary—Summary of Printed Report, E. R. Bowen
Treasurer's Report, L. E. Woodcock
Appointment of Congress Committees and Adoption of Rules

Keynote Address by President, M. D. Lincoln

12:00 M. LUNCHEON: HIGHLIGHTS OF NATIONWIDE CO-OP DRIVE
Reports by Regional Representatives, Chairman, Glenn W. Thompson

2:30 P.M. BUILDING TOWARD THE FUTURE WE WANT
"Our Economic Problem," Dr. Henry Pratt Fairchild
"The Government Program," Representative of National Resources Planning Board
"The Cooperative Program," I. H. Hull

7:30 P.M. PAN-AMERICAN GOOD NEIGHBOR NIGHT
"Canada and Cooperatives," H. L. Fowler
"Mexico and Cooperatives," Mexican cooperative representative
"U.S.A. and Cooperatives," U.S. government representative
Recreation under direction of Cooperative Society of Recreational Education. Folk Dancing, Social Dancing, Movies, etc.

Tuesday, September 29

9:30 A.M. NATIONAL RELATIONSHIPS
"Religion and Cooperatives," Bishop Aloysius Muench, Rev. James Myers
"Schools and Cooperatives," National education representative
"Farmers and Cooperatives," Representative of National Council of Farmers Cooperatives
"Labor and Cooperatives," Representatives of American Federation of Labor, Congress of Industrial Organizations and Railway Brotherhoods
"Credit Unions and Cooperatives," Roy F. Bergengren

2:00 P.M. NEXT STEPS IN COOPERATIVE ORGANIZATION
"Next Steps in Cooperative Education," Robert L. Smith
"Next Steps in Cooperative Finance," Perry L. Green
"Next Steps in Cooperative Business," Howard A. Cowden
Group Discussions

4:00 P.M. TOUR TO TWIN CITY COOPERATIVES

6:00 P.M. BANQUET: WORLD COOPERATIVE NIGHT
Chairman, Murray D. Lincoln
"The Organization of the World on a Cooperative Basis After the War," Dr. James P. Warbasse, President Emeritus
"A World Cooperative Democracy," Neil S. Beaton, President Scottish Cooperative Wholesale Society
Recreation under direction of Cooperative Society of Recreational Education. Pageant—Toward a New Cooperative Community

Wednesday, September 30

9:00 A.M. NEXT STEPS IN COOPERATIVE ORGANIZATION (Cont'd)

16 Sectional Meetings of Divisions, Committees and Groups:
Publicity and Education, Distribution, Recreation, Accounting, Architecture, Rochdale Institute, Medical, Women, Housing, Campus, Labor, Credit Unions, Youth, Religion, Schools, Office Managers

1:30 P.M. BUSINESS SESSION
Reports of Divisions, Committees and Groups
Discussions of Officers' Reports and Recommendations
Resolutions
Other Business
Election of Directors

SPECIAL MEETINGS

Board of Directors of The Cooperative League, Saturday and Sunday, September 26 and 27
Nationwide Cooperative Women's Conference, Sunday, September 27
Rochdale Institute Dinner, 5:30 P.M., Monday, September 28

September, 1942
HERE'S AN IDEA —
FOR BRINGING IN THE CUSTOMERS

C. J. McLanahan
Educational Secretary
The Cooperative League

We can follow up. (5) Arrange exhibits; show price and quality comparisons, illustrate the co-op principles and have literature on display. (6) And don't forget refreshments and door prizes.

NATIONAL RECREATION SCHOOL HAS TWINS; MOTHER AND BOTH BABES DOING WELL

Ruth Norris
Eastern Cooperative League

The week of August 9-16 saw two regional recreation training schools in full swing, one at Bowling Green, Ohio, the other at Amherst, Mass. Both of them are offshoots of the Cooperative Society for Recreational Education which conducts a national school of two weeks every year earlier in the summer.

The Ohio school was sponsored jointly by the Ohio Farm Bureau Cooperative Association and the Ohio chapter of the Society. Nearly one hundred young people and youth leaders were registered for the school whose purpose was to train people to supply their own recreation and group activities. Courses offered which build toward that end included play leadership, folk singing, informal dramatics, crafts, folk dancing and parliamentary law. Neva L. Boyd, national authority on techniques of creative group action, lectured daily. Others on the staff were Janina Adamczyk of the faculty of Northwestern University; Lois Epps, Cleveland Art School; Ruth White of the Hindman Kentucky Folk School; and Darwin Bryan of the Ohio Farm Bureau Education Department. Both Miss Boyd and Mr. Bryan are veteran staff members of the National School and the others have served in that capacity at least once.

The Eastern Cooperative Recreation Leadership School at Amherst was the second session of the Eastern School, which is endorsed by the Eastern Cooperative League and the Pennsylvania Farm Bureau Cooperative Association. It was set up last year by Eastern staff members and students of the National School who felt the need of such instruction near home. A school meeting at the end of the session determined policies for the coming year, the staff and students meeting separately to discuss problems of staff and curriculum. Decisions were made on the basis of the reports of both groups and a steering committee chose the next year's school was elected. There were 43 full time students, a marked growth over last year's 25. The school was able to clear up last year's deficit and pay a patronage refund. The staff included Ruth Norris of the Eastern Cooperative League; and James Norris, son of the staff of the National School for six years; Gertrude Coffman of the Pennsylvania Farm Bureau, and board member of the National School; and Jac Smith of the Eastern Cooperative League, and Elsie Sexton of the New England Cooperative Federation. Both staffs met at the School School. Courses in folk dancing, crafts, dramatics, singing, square dance calling, social values of play, and principles of group organization were offered.

This year the Eastern School was held at the same time as the annual Eastern Cooperative League Institute and the evenings were joint meetings of both groups. This may have resulted in some misunderstanding of the movement on the part of visitors. One of them was overheard explaining to a friend, "Well, it's like this. These Cooperators get a store and have folk dancing every night."
PRISONERS OF DEBT —
THE AMERICAN CONSUMERS

John Carson
Washington Representative
The Cooperative League

There was inflation then, bank credit
and bank controlled inflation, perhaps
not as menacing as is inflation today, but
inflation nevertheless. Now, the Federal
Reserve Board declares its warnings and
its fears:

"When incomes are at high levels,
that is the time when people should
reduce their debts or get out of debt," the Board declares.

"We cannot spend their increased incomes and go into
debt for more and more things to
today without precipitating a price
inflation that would recoil ruin-
ously upon all of us," the Board declares.

The Board reports that consumer in-
stallment debt, which reached an all
time peak last summer," has begun to
decline. In the last four months of 1941,
the decline was at the rate of nearly
$125,000,000 a month; and since the
beginning of 1942, that rate of decline
has almost doubled. Sales of consumer
goods, most often made on installment
basis, declined also because the goods
were not to be had. For example, the
decline in sales of automobiles was
marked. Nevertheless, retail sales in
goods other than automobiles increased
in the value of goods by about 20 per
cent in the first three months of this year
as compared with the first three
months of 1941. The increased price of goods
accounted for this increase in total
"values."

CONSUMERS' COOPERATIVES IN RELATION
TO THE GOVERNMENT

(EDITOR'S NOTE: The growing encroachments
and limitations upon voluntary action by gov-
ernment, the world over, and an intense
and extensive discussion by the Directors of
The Cooperative League at a recent quarterly
sitting of "The Relationships of the Con-
sumer Cooperative Movement to Govern-
ments," which resulted in the adoption of the
following statement. The importance of this
statement cannot be over-emphasized. It
should be read and discussed by cooperators, who
should then carry their conclusions to the
people in every means of communications.)

"CONSUMERS' coopera of an
conomic means whereby the
people as consumers organize democratical-
ly into voluntary associations to estab-
lish business for the purpose of supplying
their needs in commodities and services.
They begin in a comparatively small way
and learn how to carry on supply busi-
nesses for themselves as the owners and
customers of the business. As these busi-
nesses succeed and grow they federate
into district and national supply organ-
izations. This growth and development has
almost doubled. Sales of consumer
goods, most often made on installment
basis, declined also because the goods
were not to be had. For example, the
decline in sales of automobiles was
marked. Nevertheless, retail sales in
goods other than automobiles increased
in the value of goods by about 20 per
cent in the first three months of this year
as compared with the first three
months of 1941. The increased price of goods
accounted for this increase in total
"values."

After a hundred years of uninterrupted expansion of this method of busi-
ness, it has now extended into nearly every country, and supplies more than one-
fourth of the population of the world with some of their needs. In some highly
civilized countries, it has approached a
status of becoming the dominant method
of business.

"In the United States these cooper-
aives are engaged in retail supply of
foods, household commodities and farm
necessities, in banking, insurance, medi-
cal service, housing, and recreation; in
wholesaling and in the manufacturing on
a large scale of feed, fertilizer, gasoline,
other petroleum products, and other con-
sumer needs.

"The failures in this form of distribu-
tive business are comparatively less than
those in the profit form of business. Fail-
ures of consumer cooperative retailing businesses are so rare as to be in-
considerable, although some of these
manufacturing industries, such as flour,
mills, bakeries, clothing and shoe fac-
tories are the largest of their kind in
their respective countries. A peculiarity
is that they produce for a known clientele
of consumers, their owners, with known consuming power. Accordingly, over-production and under-production are not their problems.

"Invested capital and the jobs of workers are more secure in consumer cooperative employment than in general in competitive profit industry."

"This form of business has existed in the United States since the founding of the nation. It is neutral in politics and represents consumers of all faiths and parties. There are in this country over 16,000 consumer cooperative associations with over 2,000,000 members and an annual turnover in business of more than $1,000,000,000. Their expansion has been especially noteworthy during the past twenty-five years.

"The Board of Directors of The Cooperative League of the U.S.A., a national federating of consumer cooperative associations, reconginizes the potential of departments, divisions, and bureaus of the Government, which have to do with these cooperatives, certain considerations for the encouragement of the people in self-help and in preventing the expansion of political control, administration, and ownership of economic enterprises. They shall do in the interest of democracy, the preservation of private ownership and initiative, the protection of free competition for excellence in business, the stabilization of our national economy, and the prevention of an advancing autocratic stateism."

"We recommend that Government funds which are allocated for relief and welfare purposes in the consumer field shall be loaned to cooperative consumer organizations in preference to being administered as direct philanthropies; that since the people needing such relief are not so organized, the Government shall carry on educational and organizational work making for such organizations, as is done by the Credit Union Division and other Government agencies.

"We recommend that in such fields as housing, medical services, and other similar projects, instead of setting up politically controlled branches of the Government, that the people needing these services be shown how to organize to administer them cooperatively, that they be required to make a contribution of their time and energy as well as such capital as they can contribute, and that their services, wherever possible, be left on of the field of state help and organized on the basis of self help. This is because there are available not only the successful examples of such cooperative enterprises, but also the standardized instructions for their organization and administration."

"We recommend that in the services which have been set up by the Government on a partial cooperative basis, with government funds and control, such as in the Rural Electrification Administration and the Farm Security Administration, the people organizing these services shall be assisted in making themselves independent of Government help and in developing their own autonomous control."

"We recommend that this principle be extended to the unemployed, and that they be shown how to organize themselves to secure the benefits of the W.P.A. successfully practiced in the depression years of 1932-35, thus lifting themselves out of the field of the indigent into that of self respecting and self controlled labor."
The Road We Are Traveling, by Stuart Chase. New York: The Twentieth Century Fund. 106 pp. $1.00.

Our own reactions, after reading Stuart Chase's new book, The Road We Are Traveling, which is the first of a series of six books he is writing to be published by The Twentieth Century Fund, were so closely in line with the review by Joseph E. Goodbar which appeared in The New York Times Book Review section of June 7, that we are quoting largely from Mr. Goodbar's review.

He quotes Chase as saying: "It is Germany we are up against now. . . . No nation in this dangerous world of 1942 is meekly going bankrupt because some textbooks say it ought to. . . . Well, who is going to pay for it? It is being paid for right now with the mental and physical work of those who are producing and moving the goods."

Then the reviewer goes on to say: "What Chase does not mention is the fact that we might ourselves pay for our own war effort in this same way if taxes were levied to meet the money cost and were made payable in production rather than cash. That would be practical physical economics. . . . Without denying the fact or the harmfulness of over-savings, other economists isolate at least one other condition even more fundamental—which Chase ignores entirely—the lack of automatic balance between money incomes and production. . . . More attention to physical economics, and the lack of balancing production against money income and money income use, may well provide a more comfortable and inviting key to prosperity than the dog-chasing-its-tail economics toward which Chase is urging us."

Goodbar's conclusion is that: "Stuart Chase is attempting two things in this book—one, to convince the reader that far-reaching changes are in the making and cannot be avoided; two, to persuade the reader that a state-planned economy is both desirable and inevitable."

As to these two attempts, as interpreted by Goodbar, he says relative to the first: "His work as a herald of imminent change is a most constructive ferment in American thought." As to the second, that: "This remedy, presented as desirable and inevitable, moves a long way in the direction of regimented economy."

This book is worth reading for an analysis of "The Road We Were Traveling," as John Chamberlain suggests it should have been entitled. But cooperators will do well to recognize its significant omissions in the way of conclusions, its failure to urge decentralized self-help cooperative organization, and its sugar-coating of centralized state aid.

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Name                                                                 Address                Publication
Associated Cooperatives, N. Cal.                              815 Lydia St., Oakland     Cooperative Builder
Central Cooperative Wholesale                                   Superior, Wisconsin        The Round Table
Central States Cooperatives, Inc.                            2501 S. Millard, Chicago   Readers Observer
Consumers Book Cooperative                                       N. Kansas City, Mo.       Cooperative Consumer
Consumers Cooperative Association                               Amarillo, Texas            The Producer-Consumer
Consumers' Cooperative Wholesale                               7218 S. Hoover, L.A.       S. Calif. Cooperator
Cooperative Distributors                                           116 E. 16th St., N. Y.    Consumers Defender
Cooperative Recreation Service                                    Delaware, Ohio             The Recreation Kit
Eastern Cooperative League                                       135 Kent Ave., Brooklyn   The Cooperator
Eastern Cooperative Wholesale                                    135 Kent Ave, Brooklyn    The Cooperator
Farm Bureau Cooperative Ass'n                                    Columbus, Ohio            Ohio Cooperative
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
Grange Cooperative Wholesale                                     Seattle, Washington       Grange Cooperative News
Indiana Farm Bureau Coop. Association                          Indianapolis, Ind.        Hosiery Farmer
Midland Cooperative Wholesale                                   Minneapolis, Minn.        Midland Cooperative
National Cooperatives, Inc.                                     Chicago, Ill.             
National Cooperative Women's Guild                               608 S. Dearborn, Chicago  Review
Pacific Coast Student Co-op League                               Berkeley, Calif.            Campus Co-op News Letter
Pacific Supply Cooperative                                       Walls Walla, Wash.         Pacific N.W. Cooperative
Pennsylvania Farm Bureau Coop., Ass'n                           Harrisburg, Penn.          Penn. Co-op Review
Southeastern Cooperative League                                   Carrollton, Georgia        Southeastern Cooperator
United Cooperatives, Inc.                                        Indianapolis, Ind.        The Bridge
Workmen's Mutual Fire Ins. Society                              227 E. 84th St., N.Y.     The Bridge

FRATERNAL MEMBERS
Credit Union National Association                              Madison, Wisconsin        The Bridge

CONSUMERS’ COOPERATION
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PEACE • PLENTY • DEMOCRACY

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HEAR PRESIDENT NEIL S. BEATON SPEAK

Those who are fortunate enough to be able to attend the Congress of the League will have the opportunity of hearing Mr. Beaton’s longer address to the Congress. Those who cannot attend may hear him over the radio the night of September 29th. As an indication of what to look forward to, we quote below a few extracts from his address before the British Cooperative Congress this spring, of which he was chairman:

“"The Cooperative movement is the embodiment of all for which democracy stands... It is the physical expression of an idea.”

“"One of the most influential conservative papers (The London Times) has said that we cannot achieve freedom from want and freedom from fear unless and until we ‘make the consumer, not the producer, the starting point of policy. The organization of consumption takes precedence over the planning of production’.”

“In total war there must be planning and organisation. If the very lives of the people are to be conscripted for the benefit of the whole nation, then the profit motive in production and distribution must be eliminated. Total war emphasises the essential fact that production and distribution must be for use and not for profit.”

“"By education and practical example our Movement has sought to prove that the poverty of the many can only be supplanted by plenty for all when competition makes way for Co-operation as our rule of life. What is true of national affairs is also true of international affairs.”

“The old order passes, and all it stood for shall go.”
BUILD CO-OPS STRONGER AND FASTER

Report to 13th Biennial Congress of The Cooperative League of the U.S.A.
E. R. Bowen, General Secretary

We meet in a time of great change. We, the consumers, have a great responsibility. We are today's custodians of a great truth.

We meet to confess our failures over not having converted others faster to the spiritual truths of Cooperation and not having built stronger the material structures of Consumers' Cooperatives. We meet to recount our progress over the past two years, with humility over what we have not done, but with joy over the greater accomplishments of the Consumers' Cooperative Movement.

We meet to plan again for the next steps ahead. We meet to gain a greater vision of the goal of a world of liberty, equality and fraternity to which we are dedicated and which can only be achieved through Cooperation. We meet here to write another page in A People's Program of Peace and Plenty.

We pay tribute to our Cooperative Pioneers. To the Rochdale Pioneers of England and the Fernwick Pioneers of Scotland. They laid down the foundation principles and practices on which we are building toward the future world cooperative organization. We pay tribute to the cooperators of all other countries who have applied the basic cooperative principles to the changing times since 1844, and the lessons they have taught us.

Though "the mists of the battlefields arise to obscure the sight of future arms," the rainbow flag of Cooperation, on whose folds are the clasped hands of Brotherhood, leads us on. It is said that the ideal of the real is laid in heaven. We honor our Pioneers by building here the real, in the form of Consumers' Cooperatives, toward the ideal of A Free Society which they envisioned. We know that the truth will prevail only if and as we human beings carry the torch.

We pay tribute to our Democratic Pioneers. With deep sorrow for our share in the social sins which have brought on another world war, we again highly resolve that those who die in the cause of liberty shall not die in vain, and that those who remain shall carry on the unfinished task of freedom to its ultimate completion.

The primary task for which the Consumers' Cooperative Movement was organized is to realize the fourth freedom—freedom from want. From our forefathers we inherited religious, educational and political freedom. It is our task to achieve for ourselves and pass on to future generations the benefits of economic freedom. Our task is to abolish poverty—to emancipate the poor and the rich to break the chains of monopoly. The primary responsibility rests on our shoulders as Consumer Cooperators.

We re dedicate ourselves to Cooperation and Democracy in every social organization—church, school, government and economy—and everywhere.

4. Inasmuch as it is now ten years, or a decade, since the writer of this report made his personal decision to leave profit business and prepare to enter the Consumers' Cooperative Movement, as the one and only hope he could see to free the people, it is natural that the attempts at exter exterior political government regulation of producer groups could not achieve the goal of plenty-parity but only of poverty-parity. Abundance for all can only be gained by Consumer Cooperatives, which are being developed to become the common denominator of producer groups, and to release businesses and organizations from their natural tendency toward monopoly restrictions. The consumer incarnates the public welfare. External political government regulation of producer groups, without a strong internal economic control by Consumers Cooperatives, can only eventually result in bureaucratic dictatorship. As the famous Gustav Cassel of Sweden said ten years ago, "(Political) planned economy always tends to develop into dictatorship." When we call upon the political government to do as that for which it was not intended, and which we could and should do far better ourselves, it is only natural that the attempts at exterior political control of the economy, which should be largely self-controlled from within by consumers' organizations, should lead toward dictatorship rather than democracy. Let us take upon ourselves the responsibility to organize into Cooperatives to achieve an internally controlled economy of abundance and freedom, rather than an externally politically controlled economy of scarcity and compulsion.

Third, I declared my conviction that Consumers' Cooperatives were the primary force which could cast off the chains of middleman-monopoly with which we were then and have been increasingly bound, as the headlines are now teaching the people while the advertisements are attempting to deceive. "Even after Dunkirk," when democracy was fighting with its back to the wall, the Truman Committee reported, the international cartels planned for the increasing resumption of their activities in binding the world with their chains. "For a few pieces of silver" the people were betrayed. So it has always been, and so it always will be, just so long as we, the people, fail to realize our dynamic potential powers as consumers and organize into Consumers' Cooperatives to throw off the chains of monopoly. When the people awaken to their powers as consumers, when consumers arise and organize, then, at long last, we shall be free indeed. Justice Louis D. Brandeis once truly said, "The people as consumers as consumers and organize into Consumers' Cooperatives, can only eventually result in bureaucratic dictatorship. As the famous Gustav Cassel of Sweden said ten years ago, "(Political) planned economy always tends to develop into dictatorship." When we call upon the political government to do as that for which it was not intended, and which we could and should do far better ourselves, it is only natural that the attempts at exterior political control of the economy, which should be largely self-controlled from within by consumers' organizations, should lead toward dictatorship rather than democracy. Let us take upon ourselves the responsibility to organize into Cooperatives to achieve an internally controlled economy of abundance and freedom, rather than an externally politically controlled economy of scarcity and compulsion.

Consumers' Cooperation

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two years will demonstrate that the challenge was accepted and accomplished.

In general, the Cooperative League is the educational arm of the Consumers' Cooperative Movement in the United States, and National Co-operatives, Inc., is the business arm. The membership of these two national organizations is in large part overlapping, as well as the Directorates interlocking. The Cooperative League and National Co-operatives have together 23 regional members. Three additional regional groups have been accepted into membership in the Cooperative League since the last Congress, and two in National Cooperatives. The two national organizations include about two-thirds of the large cooperative purchasing groups in the United States.

We submit a summarized report which follows the organizational outline adopted by the Directors of The Cooperative League.

It is becoming increasingly clear that in the beginning we built the Consumers' Cooperative Movement in the reverse order to that which is natural and logical. The primary matter of determination should be as to what the people want and need most to do together. We believe that we have now learned the right order in which to build cooperatives. We believe that the cooperative movement is not so much an instrument of production as it is a method of production. It is the method by which we can carry on with neighborhood recreation programs of a cooperative non-profit nature, which is the only way to safeguard our future.

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and Italian Fascies, in preparation for the early arrival of Mussolini. A blackout was staged the night we were there.

These impressions of danger ahead, together with the lessons learned later in Stockholm and elsewhere about the need and ability of the Consumers’ Cooperative Movement to get on a cash basis and to get out of debt, led to the beginning of an intensive drive to these ends upon our return. When war finally broke out in September, 1939, the cash and capital drive was intensified.

Furthermore, we learned in Europe the need of diversification of lines and of the possible savings from production. Accordingly, we have strongly advocated ever since the necessity of going into groceries and other family supplies, and of going all the way back to production in the lines where large volumes had been built up, such as fertilizer, feed and petroleum.

Research on such financial and business matters is carried on by the staff of the League without a special assistant, for the benefit of the regional and local cooperative association members. Articles based on such research are published from time to time in the national magazine, CONSUMERS’ COOPERATION. It might well be considered the advisability of adding to the staff a Research Secretary as private business is beginning to do in the form of post-war planning management. Recent American Co-operatives have previously done so.

ARCHITECTURE. During the past two years a permanent Committee on Architecture, made up of representatives of the regional members, has been organized; while Cooperative Design Service committees on the national level have been functioning as a division of the League. This committee has had several meetings and has done good work in stimulating the modernization of buildings and equipment, standardization of color schemes, etc. A pamphlet on Cooperative Architecture is in preparation.

PERSONNEL. The problem of Personnel in the Movement is naturally acute, as a result of war conditions. However, we should not minimize our advantages over other businesses. We have a double appeal—not only the appeal of stable employment at reasonable compensation, but the appeal of satisfaction of social ideals. Furthermore, the Movement appeals to and can use women workers to a greater degree than most businesses. The selection and training of personnel is more largely done by the regional cooperatives in collaboration with the local cooperatives, rather than on a national basis, for a country of this size. A pamphlet on this importance of cooperative employment is planned.

RELATIONSHIPS. One of the outstanding steps ahead which have taken place during the past two years has been that of national Relationships. Previously, friendly working relationships had been established with the leaders of religious, educational and other national groups. This year, in particular, increasing contacts have been made by the Officers and staff with other cooperative groups and with farm, labor and government groups. Meetings have taken place between the Officers and members of The Cooperative League with the National Council of Farmer Cooperatives, the Credit Union National Association, the American Federation of Labor, the Congress of Industrial Organizations, the Railway Brotherhoods and various Government Departments. Recently, by authority of the Director, cooperation with the United States Film Service in American cooperative history, the position of organized consumers on taxation before the Senate Finance Committee, and the program of the League to prevent inflation and deflation.

A nationally read magazine has said, “If a nation does nothing drastic now, post-war unemployment in the United States may reach 18,000,000. Such a state of affairs could blast this country into chaos and give the domestic Communists and Fascists their long-for chance to fight it out for control of the ruins. Thus could perish American democracy, the very thing we are fighting to preserve and defend.” It is only as the democratic forces in America cooperate that such a possibility can be avoided. The Consumers’ Cooperative Movement is actively working to develop such cooperation.

These are matters of particular note, for the implications for the faster progress of cooperation and democracy in the future are clear to all. We have provided a special session on the Congress program for National Relationships, on which representatives of such organizations will appear, and which will enable us to judge the significance of this further development.

PUBLICITY. It was said by a prominent advertising journal in 1938, that the Consumers’ Cooperative Movement had received a million dollars worth of free publicity during the year. These efforts have been continued under the direction of Mr. Wallace C. Campbell, Assistant Secretary in charge of Publicity. No detailed enumeration of the articles which have appeared, the radio and other addresses which have been made, and the literature which has been distributed, will be made. The outstanding further development which has taken place during the past two years has been the realization of a far greater degree of national coordination between the regions in the way of three things: posters, films and radio, all incorporated in a Nationwide Co-op Drive. A series of six uniform posters was published last winter, and another series is now being paid for national film, “Here Is Tomorrow,” was made and has been widely shown and favorably received. It is worth noting that films can be readily made self-promoting by charging only a few cents per person for each showing, if so desired. One recent radio program, paid for national radio program, inaugurated and developed democratically by the Publicity and Education Committee of The Cooperative League, goes on the air for thirteen broadcasts in the near future. The raising of $20,000 by individual members, supplemented by local and regional cooperative contributions, proves that we reallywant and mean to tell our neighbors about CO-OPS over the radio.

EDUCATION. It is passing strange that, although The Cooperative League is the national educational arm of the Consumers’ Cooperative Movement in the United States, we have not had the funds since the Movement became self-financing, previous to the last few months, to add a full-time permanent Educational Secretary to the staff of the League, as has now been done in the person of Mr. C. J. McLanahan. This is quite largely due to the fact that we do not fully appreciate the wide difference between mass publicity and the more basic need of group Study. We still largely think in terms of mass appeal — mass meetings, mass newspapers, mass radio programs, while the primary need for all of us is GROUP STUDY AND ACTION. As members and employees, we all need to organize ourselves into small groups for STUDY AND ACTION. Such groups have already been organized on a comparatively small scale in the Consumers’ Cooperative Movement, stimulated by the example of Nova Scotia and Sweden, to take care of any other national economic organization in America. We need to expand our thousands of such groups into tens of thousands. They are the missing link in democracy between individual study and mass meetings. The first requirement has now been answered in adding a full-time permanent Educational Secretary to the national staff to coordinate all of our educational activities. The next requirement is the development of active Organization Committees in each local cooperative with sub-committees covering the four activities of recreation, publicity, education and public relations. Local and national manuals for such local committees have been agreed upon by the National Publicity and Education Committee, and the preparation of coordinated material on a general-national and a special-regional basis is under way. All of this offers hope for the greater development of study and action among both the members and employees.
LITERATURE. While The Cooperative League has stimulated the publication of much Literature, in the form of leaflets, pamphlets and books on the Consumers' Cooperative Movement, there is need of a greater coordination of such material, which the addition of an Educational Secretary to the national staff will increasingly make possible. This likewise makes possible the preparation of leaflet material for more widespread distribution than by pamphlets and books.

LEGISLATION. At the time of the last Congress, the Washington Office of The Cooperative League had only been recently opened. During the past two years the absolute necessity of such an office has been convincingly realized. The work is multitudinous, and much more than implied in the word Legislation. It involves constant contact with Administrative and Legislative Officials, in both of which divisions of the government our Washington representative, Mr. John Carson, was personally active for many years. We are fortunate that the office was set up when it was, in view of the greater centralization of the direction of affairs in Washington which has occurred. The training of the director of our Washington office in newspaper work has proven highly beneficial in his being able to interpret the national news for our members from a consumer viewpoint.

FINANCE

CAPITAL. During the past two years, local and regional cooperatives have been plowing back their earnings into capital and reserves, as well as increasing their capital structures by direct Investments. The Movement is determined to and is becoming internally owned by its members, rather than externally owned by its creditors. The progress is highly gratifying. Only recently, two regional members of the League and National have paid off all their bank indebtedness at the time when their borrowings were highest in previous years, as a result of going on a cash basis. We are battenings down the hatches for the dawn of deflation, after the present inflation, in order to be able to ride out the storm. Cooperative Insurance has made steady and, indeed, spectacular progress. There is an increasing realization being expressed of the need of national Cooperative Insurance organization. I am happy to be able to report that, in spite of delays, final steps toward the organization of a national cooperative Finance Association are being made. Little progress has been made in cooperative Banking as such. It would seem advisable and urgent for more banks to follow the lead of those who have already begun to re-lease the capital stock of going banks and convert them into cooperatives. The progress of the Credit Union Movement, which is a fraternal member of the League, will be reported on by the Managing Director during the Congress, and is most gratifying.

ACCOUNTING. The National Society of Cooperative Accounting is a strong division of the Movement and constantly expanding its activities. Progress has been made during the past two years in inter-regional auditing which should eventually lead to national auditing and the unifying of our regional cooperative accounts in such a way that vital comparisons can be made for increased efficiency. The open book principle of the Movement is one of its strongest features, plus thorough auditing by trained cooperative accountants who also act as financial and business advisors for the Movement. The Society is making a notable contribution to the Movement, and has under way the discussion of a more permanent national auditing association for still greater service.

I have also referred, under other divisions, to progress which has been made in going on a cash basis in a few cases, and the ideal followed by the Swedish Cooperative Movement in normal times, of neither giving nor accepting Credit, is still a long way ahead. I am restating it in order to re-emphasize it.

We have been taught by the profit system to depend on debt. The reason is quite simple but little realized. It is because the reverse of the coin of profit is debt. If there were no debt, there would be no profit. Let me illustrate for clarification. Assume that the total production of any nation was, in its early days, $1,000,000 at retail prices. Assume that the profit-money paid out for production and distribution was $900,000. There would be left in the hands of the owners $100,000, of goods, after they had consumed all that they could, for which there would be no market, since the producers and distributors could only buy back the money represented by the goods they received. The only way to dispose of the excess $100,000 worth of goods, which represented the profit of the owners, would be to sell them on credit and take IOU debt tokens in some form. This process, repeated during the life of the United States, has resulted in 2% of the people owning 80% of wealth. It has resulted, in England, in 6% of people owning 80% of the wealth. It is the elimination of the principle of a price-profit economy under which we have been living.

It should be clearly seen that, not only do the cooperative movement result in democratic control by all through the principle of voting on the basis of persons rather than property; but that the principle of patronage returns on purchases results in the internal control of a cooperative economy on the basis of cost without profit, rather than price including profit. No time on the basis of price including profit, it must be done in part on credit—which eventually results in the transfer of ownership of nearly all productive property, as well as the distribution of an excess amount of consumption goods into the hands of the insiders.

Today, most consumers own little but their clothes and the few sticks of furniture they sit and lie down upon. Yet one of the three inalienable rights of man, according to John Locke, who originally formulated the statement, is “property,” with life and liberty. Since the word “property” was changed to the phrase “pursuit of happiness,” we have been pursuing the will-o’-the-wisp ever since and losing the foundation of ownership of productive and personal property on which happiness unalterably depends.

The conclusion should be clear that the Cooperative Movement in eliminating profit also eliminates price and, accordingly, is based on the control or exchange of goods on the basis of cost of production and distribution, rather than of market price as is the present system. Furthermore, that while the profit-price system makes possible the ultimate end of the cooperative movement is to eliminate both profit and debt.

The moral for us is to follow the lead of the Swedish Cooperative Movement and educate ourselves to get out of debt individually, and to get our local, regional and national cooperatives out of debt as well. This can only be done by a long process of re-education, but it can and must be done.

INVENTORIES. In concluding the report of progress in cooperative finance, I would also again emphasize the danger of piling up Inventories bought on credit. What goes up must come down. When prices of goods rise, as they are now doing, there is an inclination to gamble on the rise. The habit grows; and when the break in prices comes, there follows in many cases the breaking of the business. The rise is usually slow and steady, but the break is precipitous and allows the insiders to get out and leave the outsiders to get out from under.

There are headaches enough in the necessary increase in inventories in dollar values in a rising market, without turning cooperatives into speculative inventories. There is a need of re-educating ourselves to get out of debt, and turning Cooperative Movements from debt to I.O.U. debt tokens. The pages should be turned back and the lessons of 1929 re-learned back from 1929 by who are inclined to doubt the wisdom of this advice, which is repeated out of the recommendations of the National Society of Cooperative Accountants unanimously approved by the Directors of The Cooperative League.

Consumers' Cooperation

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BUSINESS

SERVICES. Not too much progress has been made during the past two years in the development of services. Cooperative Housing is only slowly growing; and is now further delayed by the limitation on private building and the stimulation of public housing. Medical service should advance more rapidly after the favorable decision in the Group Health case in Washington. Burial cooperatives continue to save their members unusual amounts, but do not duplicate in other communities as rapidly as they should. It may be that they lack the stimulus of regional support, such as the Scottish Cooperative Wholesale Society gave to this type of cooperative service with rapid results. Cooperative Utilities continue to develop in the form of rural electrification associations, public utility districts and municipal ownership of utilities. The opposition is ever alert and strong in this field, but the progress of the greater service and economy of cooperatives is prevailing.

COMMODITIES. The development of cooperative Commodities is coordinated under the general direction of National Cooperatives, of which Mr. T. A. Tenhune is now general manager. Two great forward strides have been made during the past two years.

DIVERSIFICATION. The first has been in diversification of lines. Strangely enough, the feeding of ourselves cooperatively has been the largest, to judge by the evidence of the past two years. This has been brought about by the Consumers' Cooperative Movement in the United States, which has been largely built upon feed, fertilizer and petroleum. Fortunately, however, the need and possibilities in the larger volume of human food purchases have come to be realized, after repeated presentation of the statistics, to the extent that while the income of National Cooperatives from purchases of tires has greatly reduced, the income from the purchase of groceries has greatly increased. The demand from the members of cooperatives is growing and bringing about a realization on the part of managers generally of the necessity of going into groceries. Speed the day! When a cooperative begins to handle groceries, then it really realizes that it is a Consumers Cooperative, and the members that they are consumers, as is not so readily realized when only farm supplies are handled. The pressure of priorities in metal lines is also stimulating the grocery consciousness of the Movement.

PRODUCTION. The second great stride forward has been in production. We have proven during the past two years the truth of the statement made by Mr. Lancaster, Secretary of the Cooperative Wholesale Society of England, that "production is the life blood of the Movement." We have gone into greater production of feed, fertilizer and petroleum, as was logical, since we have built up enormous volumes in retail and wholesale distribution in these common commodities. The financial results have been truly phenomenal. We have demonstrated the truth of the statement that "factories are free for cooperators." They have been and are being paid for out of savings in a comparatively few months. Original research which should lead to the development of new processes and inventions is now under way.

STAFF CONFERENCES

This year has witnessed another series of national and regional staff conferences, held separately and jointly at Plymouth, Wisconsin. The purpose of this part of national boards of Directors as policy making bodies is clearly realized. Not so clearly realized has been the growing importance of the development of national and regional staff groups and their conferences over the past few years. This year's conferences brought together for the first time the national and regional staff members in whose hands are the primary responsibilities for the laying of all of the four cornerstones and walls of the Consumers' Cooperative Movement: Recreation, Education, Finance and Business. They are discharging their responsibilities seriously and are increasing rapidly, as they should be, the turnover of ideas, the clearing house for suggestions and the policy-recommending bodies of the Movement.

It can be said for the first time that we have perfected the national organization of the Consumers' Cooperative Movement in the extent that every division of the Movement is coordinated either by a staff member, by a department, by a Committee, or by an affiliated group. The culmination of this development in filling out the outline of national organization adopted by the Directors has taken place. This should be the occasion of congratulation and joy on the part of everyone. The cornerstones and foundation walls have been well laid. What are the next steps ahead?

INTERNAL ORGANIZATION

As regards the internal organization of the Consumers' Cooperative Movement in the United States, the primary need is to build more vigorously on the foundations which have been laid. More cooperative recreation, more cooperative education, more cooperative finance, more cooperative business. All will be developed as rapidly as they should be, and further and more fully during the next two years. The details as to which task to undertake from time to time will be clear as the months go on, and cannot be predicted in advance in such troubled times as these. We should here renew our faith in the power of the cooperative movement to meet any crisis; a faith which is a part of its strength. We should have faith in the power of the cooperative movement to meet any crisis; a faith which is a part of its strength. We should continue to build cooperatives stronger and faster.

We need to realize more clearly than ever before that our Movement must become more democratic. We must become more democratic to the extent that every cooperative in every community must be heard in its voice, and that our democratic principles must be carried in everything we do. We need to recognize and emphasize the importance of the building of the cooperative movement as a whole, and to make sure that everyone understands the democratic principles which underlie it. We need to recognize and emphasize the importance of the building of the cooperative movement as a whole, and to make sure that everyone understands the democratic principles which underlie it. We need to recognize and emphasize the importance of the building of the cooperative movement as a whole, and to make sure that everyone understands the democratic principles which underlie it. We need to recognize and emphasize the importance of the building of the cooperative movement as a whole, and to make sure that everyone understands the democratic principles which underlie it. We need to recognize and emphasize the importance of the building of the cooperative movement as a whole, and to make sure that everyone understands the democratic principles which underlie it. We need to recognize and emphasize the importance of the building of the cooperative movement as a whole, and to make sure that everyone understands the democratic principles which underlie it.

NATIONAL RELATIONSHIPS

I have previously referred briefly to the progress which has been made in national relationships; but its importance deserves special and further mention, as it will be an increasingly important factor in the more rapid development of both Cooperation in particular and Democracy in general. We speak of four great social organizations which the people have developed over the course of the centuries to realize their social needs: religion, education, politics and economics; or, as commonly expressed: church, school, government and business. We will progress only as these great groups de-
velop closer relationships in working togeth

ing bribery in establishing still closer contac

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their official representatives at this Con

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ty to the staff to do full time work in mak

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special study material, and stimulating consumer thinking.

INTERNATIONAL ORGANIZATION

In addition to the need of spending more time on national relationships, it is urgent that today more time be spent by the Officers on international relationships. It goes without saying that the Cooperative Movement is playing its part in the struggle for democracy during the war. Two great forces are at war: the one is war itself; the other is whether the war is over: the first, reconstruction and the second, reorganization. For the world must be both reconstructed and reorganized if we are to achieve the ideal of A Cooperative World. There are mighty forces of reaction which would lead us back to the old order. We know we have such forces in the United States as well, allied with the forces of the old order. We know we have such forces in the United States as well, allied with the forces of the old order. We have neither achieved internal nor external peace. We, today, seek a state of permanent peace, both internally and externally. We need only more education and more willingness to make of this A World of Peace and Plenty, which artists have imagined and painted, and of which poets have dreamed and written. We can almost reach out our hands and grasp it. Build Cooperatives Stronger! Build Cooperatives Faster!

NECESSARY ECONOMIC STEPS TOWARD "A JUST AND LASTING PEACE AMONG OURSELVES AND WITH OTHER NATIONS"

(These papers and the addresses of the speakers of which will have co-equal functions in their respective fields, if a world dictatorship is to be prevented and a world cooperative democracy is to be built. In view with fear and trembling upon the many proposals for world federation which would subordinate economic functions under the control of a political federation, and which fail to realize the necessity of a separate and co-equal economic federation to handle economic functions if A Free World is to be built. The dream of a Democratic World Political Association is doomed to disappointment unless and until it is based upon and preceded by the organization of a Cooperative World Economic Association. This is a great task which we cannot throw off our shoulders except at the peril of Cooperation everywhere, humble as we may be in approaching it.

BE VIGILANT

The conclusion of this report is simple. I am happy over our accomplishments of the past and yet disturbed over the problems of the future. I wish I could urge every cooperator to be jubilant over having a part to play in building A Free Economy. But our joy as cooperators is shadowed by world tragedy. I urge every cooperator to be increasingly vigilant; for in our hands, as consumers, Cooperatives is the building of a World Democratic Political Association, which would have co-equal functions in their respective fields, if a world dictatorship is to be prevent

The great economic unfinished task of the time of your Officers to a greater extent is the relation of the government and business in the building of a free society, as before the great issue was the relation of the government and the church. I believe that if either government or business endeavors to control the other it can only result in a failure of the nation, will force a small group to control is from above and from the top down. Freedom means control from within and from below. This is why our task is of such great importance today. It is no less than the preservation of the three freedoms we have inherited—religious, educational and political—for the building of a self-con

sumed and self-controlled economy by democratic consumers and producers or

ganizations. This means primarily the development of a working relationship between farm, labor and consumer organiza

In the view of eventually publishing after revisions have been made as the result of suggestions. It is my feeling that the great issue of the time of your Officers to a greater extent is the relation of the government and business in the building of a free society, as before the great issue was the relation of the government and the church. I believe that if either government or business endeavors to control the other it can only result in a failure of the nation, will force a small group to control is from above and from the top down. Freedom means control from within and from below. This is why our task is of such great importance today. It is no less than the preservation of the three freedoms we have inherited—religious, educational and political—for the building of a self-con

consumed and self-controlled economy by democratic consumers and producers or

ganizations. This means primarily the development of a working relationship between farm, labor and consumer organizations who will work hand in hand to ward the building of a non-profit cooperative economy.

It is well-known to all that today there are tragic differences between farm and labor groups both economically and po

litical. Only consumers can be the catalyst to resolve those differences. As we, as consumers, develop friendly rela

tionships with the leaders and member

of farm and labor producer groups, just so far will we help to solve their conflicts, and together with them be able to achieve economic freedom the more rapidly. It is for these vital reasons that the Officers of the League plan to and will spend an increasing amount of time during the coming biennium in establishing still closer contacts with producer groups, within the membership of which organizations of consumer consciousness is increasing growing, as will be reported in detail by their official representatives at this Congress. The delegates should consider if it is not timely to add a Labor Secretary to the staff to do full time work in making contacts with labor groups, providing special study material, and stimulating consumer thinking.
The abolition of both excessive poverty and riches, the emancipation of both the poor and the rich from the chains of greed, the elimination of scarcity and monopoly.

To achieve these ends, we declare:

1. That only as we prepare and take steps now toward “A People’s Program of Peace and Plenty” will we achieve such a goal after the war. We must increasingly put into practice the principles of peace and plenty, day by day, here and now.

2. We humbly confess our share in the economic sins of the world. “We look upon our treasures and the furniture of our houses, and the garments in which we array ourselves, and try whether the seeds of war have any nourishment in these our possessions or not.” We find there, to our sorrow, resulting from our ways of producing and distributing our food, goods and services, poverty which breaks character, unemployment which forms vicious habits, tenancy which kills initiative—all of which also breed disease, crime and war.

3. We set as our goals the achievement of life, liberty and property for all—justice in the distribution of income, employment and ownership of both personal and productive property.

4. We recognize that we must so reorganize our economy as to achieve an institutional balanced system of private, cooperative and public business institutions—that thereby individual wealth will be subordinated to social welfare—that thereby service will supersede profit. We support the need of the larger growth of non-profit, democratically controlled voluntary consumers’ and producers’ cooperatives, and of public ownership of such utilities and natural resources as are of a public nature, in order to act as yardsticks to the tendency of private business to develop excessive profits and monopolized scarcity.

5. We advocate the extension of taxation based on ability to pay and not on necessity to consume; of unemployment, sickness and old age social security; of minimum wages for workers and prices for farmers; of the organization of employees into labor unions and the greater participation of employees with employers in management and ownership.

6. Increased centralization and bureaucratic control are natural accompaniments of war; they should be relaxed as rapidly as possible after the war while maintaining employment and minimum standards of living during the adjustment to peace time economy.

7. We advocate the organization of post-war relief and reconstruction by both private and public agencies on a cooperative basis, which will not only relieve distress more adequately and economically but also prevent pauperism and induce the building of permanent co-operative associations by the people.

8. We call upon the people of all nations to support the establishment of a World Cooperative Economic Association, co-equal and independent but interdependent with a World Democratic Political Association, as the necessary and basic economic and political organizations of a Free World. The international organization of finance, materials, trade, communication, labor standards and other economic functions should be under the direction of a World Cooperative Economic Association; as the international organization of disarmament, policing, justice, immigration, colonies and other political functions should be under the direction of a World Democratic Political Association.

9. To these ends, we pledge our spirits, our minds, our lives and our fortunes.

COOPERATORS SHOULD VOTE THEIR CONSUMER INTERESTS

THE Cooperative League USA, through its representatives, appeared before the Senate Committee on Finance and specifically opposed a general sales tax which would prevent the confiscation of the wholesale business of consumer cooperatives. The Senators listened and said nothing. Within a short time thereafter the Committee were at least six Senators each with a large cooperative constituency. The Senators listened and said nothing. Within a short time thereafter the two Senators, one with a cooperative constituency of at least 100,000 families, declared emphatically for a general sales tax.

The Cooperative League USA, through its representatives, appeared before the House Committee on Ways and Means and a sub-committee of the Senate Committee on Interstate Commerce, to support an amendment to the Guffey Coal Act which would prevent the confiscation of the wholesale business of consumer cooperatives. On the House Committee were a number of Congressmen with large cooperative constituencies. The request of The Cooperative League was denied, and one Congressman with a large cooperative constituency fought the cooperative appeal on the floor of the House. On the Senate sub-committee were two Senators with large cooperative constituencies. The only consideration given the cooperative appeal was a kind word from the sub-committee, and a promise of future consideration.

BOOK REVIEWS

How to Teach Consumers’ Cooperation, by C. Maurice Wieting. Harper & Brothers. Regular Bookstore price $2.50. Special Cooperative Edition price $1.50. Order from The Cooperative League of the U.S.A., 167 West 12th Street, New York City. Announcement of another book on cooperatives would once have caused quite a stir in the cooperative world. It would have sent us off post haste to buy a copy, and wee unto him who disturbed us before we had read it from cover to cover. Of late, books on the subject have come out with such rapidity that we are hardly able to finish reading one before another is announced, and many of us are already two down with a couple to go.
The mere announcement that C. Maurice Wieting has written and Harper & Brothers has published a book about cooperatives is hardly enough to send us scurrying to the book market. However, this is a very special kind of a book. Entitled *How to Teach Consumers' Cooperation*, it meets a long-felt need in the cooperative field that will easily earn for it the-book-of-this-and-many-another-month-for-some-time-to-come award.

Teachers who have wanted a book to guide them in teaching cooperation in the classroom, school supervisors who have wanted to introduce the cooperative movement into the curriculum, librarians of teachers' colleges who have wanted to build up an adequate reference shelf, cooperative educators who frequently are asked for information and suggestions on teaching the cooperative movement and just plain ordinary members who are anxious to see that cooperation is adequately presented in the schools will be jubilant. Collectively, they will utter a prayer of thanks to Mr. Wieting for this timely production.

The author has carefully prepared the book. It is logical and factually supported by quotations, tables and footnotes. It is not thrilling reading but it is satisfying because the stuff is there where you can get at it. The volume is almost handbook in style and will serve as an excellent reference for anyone whose desk is concerned with cooperative affairs.

The book is divided into two parts. The first is background material describing the extent and importance of the movement. Mr. Wieting has taken a good bit of space to present this overview but the teacher or average reader will be very grateful. There will be no need to hurry off to other sources to find out essential facts about the movement. While this background material is old stuff to the well versed cooperator it will not be found dull. The information is presented clearly without any lengthy description of the cogs and gears that make the cooperative wheels go around. It is up to date and conveniently indexed.

The second part of the book gets down immediately to the subject of the relationship of the cooperative movement to the schools. There is a survey of the extent to which it is taught at the present time with a detailed report of courses in universities and colleges as well as in the secondary schools. The summary of school cooperatives that have been organized is unusually complete. The chapter dealing with patterns of curriculum organization will appeal to the classroom educator because of its practical suggestions for ways of gearing the subject into the day by day curriculum. Dr. Wieting has done outstanding work at Teachers College and his ideas on curriculum planning will be readily accepted.

The chapter which presents 7 units of cooperative study will probably be hailed as the highlight of the book. These units with their introduction, outline, suggested activities and evaluation are really excellent. They are especially designed for introducing the subject into the classroom, but can be used readily by any person or group interested in a discussion of the cooperative movement. Each one covers a broad field and the range in topics is from "The Consumers' Cooperative Movement" through "Cooperative Finance" and "Determining Quality of Goods" to "Vocational Opportunity."

Mr. Wieting says "The purpose of this book is to study the relationship of the consumers' cooperative movement to the public schools and to suggest units and materials suitable for use in various types of curriculums." He adequately fulfills this purpose and there is little doubt that the book will stimulate interest in and speed up teaching the cooperative movement as nothing else has done in recent years.

I do not know where you happen to be in your reading list of cooperative books but you would do well to put in an index marker right where you are and pick up a copy of "How to Teach Consumers' Cooperation."

—Jack McLanahan
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 Thirteenth Biennial Congress of The Cooperative League of the U.S.A., which was held at the Hotel Nicollet in Minneapolis, September 28-30. Within these covers are condensed versions of all the major addresses at the Congress, group meetings and resolutions.

To meet Postal Regulations this November-December issue is singly numbered, Volume 28, No. 11. Published monthly except on alternate years Nov.-Dec. issues bi-monthly.

Additional copies of this Congress issue may be secured for 25c. per copy.

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CONSUMERS' COOPERATION
OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT
PEACE-PLENTY-DEMOCRACY

A FEAST OF REASON FOR STUDY AND DISCUSSION

This issue gives you in permanent form the condensed story of the Thirteenth Biennial Congress of The Cooperative League together with the resolutions adopted by the delegates and the reports of the affiliated group meetings held during the Congress.

It also gives you in condensed form extracts from the twenty major addresses delivered at the Congress. They have been boiled down to give you the meat of each address and are in every case the words of the speaker and not a reporter's story.

In this condensed form they are together more readable than if they were full length. You will find in them many ideas of importance for your own study and for discussion with others in small groups.

This Special Congress Issue of Consumers' Cooperation should be purchased by cooperators and cooperatives and widely distributed to present and prospective members.
NATIONAL CONSUMERS ECONOMIC CONGRESS MEETS AGAIN

Only once in two years does the National Economic Congress of consumers meet in the United States and then only for three days. Only once a year do National Political Congresses of producers meet and then only for a short time. Yet the National Political Congress of citizens meets once every year and remains in continuous session for months. In times of emergency, such as today, it does not adjourn at all.

One National Political Congress represents everybody as citizens. One National Economic Congress should represent everybody as consumers and producers. If we were prophesying, rather than reporting, we would discuss at length the many reasons for the transferring of economic activities, now being undertaken by the National Political Congress, over into the hands of a National Economic Congress, which would have two divisions—a consumers division, where everybody would be democratically represented by duly elected Consumer Representatives chosen through Consumers' Cooperative Associations, and a producers division, where each vocational group would be democratically represented by duly elected Producer Representatives chosen through Farm Marketing Cooperative Associations, Labor Unions and Professional Associations.

But all of this might rather follow the subject of the story of the Thirteenth Biennial Congress of The Cooperative League of the U.S.A. However, now that the Congress is over, one is strongly inclined to vision what future Congresses, long years ahead, may eventually become when we, the people, have studied through the natural relationship and democratic functioning of our national political and economic organizations.

But to get on to the story of the Congress which was held in Minneapolis, Minnesota, at the Nicollet Hotel, on September 28-30, with Midland and Central Cooperative Wholesales of Minneapolis and Superior as hosts. There will be time for longer visioning of the future in later issues of CONSUMERS' COOPERATION. This issue is dedicated as a SPECIAL CONGRESS ISSUE.

I. Detailed Advance Arrangements Made Wheels Roll Smoothly

The first stage of the Congress started officially about nine months before, when the advance preparations were begun. The Staff of the Cooperative League prepared tentative suggestions as to programs, displays, publicity, etc., for discussion. These suggestions were then submitted to a meeting of the National Publicity and Education Committee, consisting of the Editors and Educators of the regional members of the League, who discussed them thoroughly and made their recommendations. The conclusions were then submitted to a meeting of the Directors six months ahead of the time when the Congress normally meets. Each section of the program was gone over in detail and possible subjects and speakers considered. The location of the Congress was selected, the dates determined upon, a Local Arrangements Committee was elected, and the Staff of the League authorized to proceed with efforts to line up speakers and to work out all of the necessary and innumerable details in connection with the local committee.

Eleven hundred cooperators attended the World Cooperative Night Banquet. Among new highlights of the 1942 Congress were:

1. Foreign cooperative leader as the principal speaker.
2. Daily printed Co-op Congress.
3. Large U.S. relief map showing regional members of the Cooperative League and National Cooperatives.
4. Murals and friezes illustrating the activities of the Cooperative Movement.
5. Pageant by over 100 cooperative members.
6. Unusual coverage of newspaper stories in metropolitan press.
7. Remarkable series of local radio station programs.
8. American hemispheric broadcast.
9. European broadcast in eight languages.
11. Over eleven hundred in attendance at the banquet.

When the advance preparations are well made, the wheels roll smoothly and quietly, particularly when lubricated with normal cooperative courtesies toward one another. It is indeed remarkable as to the number of cooperators who played a part in handling the details of the Congress and how well they did it, with little division after their assignments were made. To pay tribute to some would be to omit others, and their names must largely go unrecorded. In all, there were three full rewritten pages of single line details from the National Staff and the Local Arrangements Committee compiled and which were carried through with few bobbles, and such as did occur were caught quickly and remedied.

Midlandmen and Midlandwomen naturally carried the brunt of the details of the Congress arrangements, under the general direction of Glenn Thompson, Secretary of the Local Committee, the other members of which consisted of Andrew Jensen, chairman, William Lilian- tainen and Ed. Whitney. The four Assistant Secretaries of the Cooperative League were present and were each assigned to major functions: Wallace Campbell to publicity, John Carson to radio, Ellen Linson to recreation, and Jack McLanahan to literature. With such splendid assistance from everyone, the General Secretary was left largely free to follow through the Congress program.

II. Congress Program Inspiring and Informing

Those who spend their money and time to come to a Biennial Congress always anticipate receiving full value in the way of inspiration and information. Those who attended the Thirteenth Biennial Congress received both in full measure and running over, as never before.

Eleven Hundred Cooperators Attend World Cooperative Night Banquet

Eleven hundred cooperators, by far the largest cooperative banquet audience ever assembled in the U.S.A., were privileged to hear addresses by two of the world's greatest cooperative leaders. The person of Neil S. Beaton, president of the Scottish Cooperative Wholesale Society of Glasgow, Scotland, and Dr. James P. Warbasse, president-emeritus of the Cooperative League, with President Murray B. Lincoln and Vice-president Howard A. Cowdren sharing the responsibility as presiding officer. The Scottish Bagpipers, who preceded Mr. Beaton, enlivened the proceedings with their accompaniment to the tall leader's flourishing drumming, the like of which American cooperators
seldom if ever had seen. The audience sang enthusiastically, while the spotlights for the newsreel cameras played off and on upon the speakers’ table. Mr. Beaton's coming to the Congress by Clipper, with the approval of his Directors and delegates, was an event of unusual significance and greatly appreciated, as was the message which he delivered. It was plainly evident by the spirit in which he spoke publicly and in which he greeted cooperators individually that he represents within his own person the ideals of the Cooperative Movement to a high degree.

Not on the banquet program, but greeted with outbursts of applause, were Dr. Shi-chi Hu, Secretary of the Cooperative League of China, who flew to the Congress from three-fourths of the way around the world, and Joseph Martinek, formerly an official of the Czechoslovakian government.

When the banquet was over, the stage was cleared for the presentation, under the direction of the Cooperative Society for Recreational Education, with Gwen Goodrich of Midland as production director, of a pageant in which more than one hundred cooperative members from Midland’s District VI participated. The pageant dramatized the theme “Toward A New Cooperative Community.”

Millions who were not in attendance personally were included in the listening audience and heard a broadcast by Mr. Beaton, introduction by Mr. Lincoln, over a telephonic hookup through the courtesy of the Columbia and Canadian Broadcasting Systems, which was also shortwaved to South America. It was indeed a World Cooperative Night.

First Day’s Congress Program Reports on Past and Looks to Future

As usual, the beginning of the morning session of the opening day was given over to personal and written greetings from prominent cooperators and cooperative organizations both at home and abroad. Personal greetings were extended by the following:

Neil S. Beaton, President, Scottish Cooperative Wholesale Society
W. L. Wieland, Manager, New York Branch of the English Cooperative Wholesale Society
W. C. Good, President of the Canadian Cooperative Union
I. M. Brooks, President of the Cooperative League of China
Maurice Colombain of the International Labor Office
Florenc Parker of the Department of Labor
O. S. Sindelka of the Czechoslovakian Cooperative Movement
T. A. Tenhune, General Manager, National Cooperatives

Written messages of greetings were read from:
M. S. Shaw, President of the Cooperative League of China
H. H. Kung, President, Chinese Industrial Cooperatives
Rewi Alley and Lewis Smythe, Chinese Industrial Cooperatives
Albin Johanssen, President and Mauritz Bonow, Secretary Swedish Cooperative Forbundet
M. Mairi, President and Mr. M. Meil, Secretary, Finnish Cooperative Union
William Bradshaw, President and R. F. Lancaster, Secretary, Cooperative Wholesale Society, Ltd.
R. A. Palmer, General Secretary, Cooperative Union, Ltd.
Walter Frost, President and Laurie Pavitt, Secretary, Scottish Federation of Farmers Cooperatives
A. H. Saunders, President, and A. J. Evill, Secretary Enfield High Cooperative Society
W. J. Lovell, President and A. A. Dunning, Secretary, Grants Cooperative Society
C. H. Remy, President and W. C. Daines, Secretary London Cooperative Society
F. Comerton, President and F. G. Burch, Secretary Royal Arsenal Cooperative Society
J. F. R. Buttle, President and H. C. S. Ganley, Secretary, London Cooperative Society

J. F. R. Buttle, President and H. C. S. Ganley, Secretary, London Cooperative Society

Consumers’ Cooperation

Marlow, Secretary South Suburban Cooperative Society
A. FabraRibas, South American Cooperatives
Emmy Freundlich, President and Theo Naftel, Secretary, International Cooperative Women’s Guild
H. A. Palmer, Vice-president and H. F. Pulley, Administrative Secretary, International Cooperative Alliance

Then followed the Report and Recommendations of the General Secretary, E. E. Bowen, with the introduction of the Assistant Secretaries of the League: Walter J. Campbell and Ellen Linson of the New York office, John Carson of the Washington office and C. J. McLanahan of the Chicago office, after which the President and President-emeritus, Dr. Worth, presented Mr. Murray D. Lincoln, his successor as President, who delivered the Keynote Address and then took over the responsibility of conducting the Congress.

Due to an unavoidable conflict in reservations, the morning session and noon luncheon, at which reports were made by representatives of the regional members of the Highlights of the National-wide Co-op Drive, were held in the Minnesota Terrace of the Nicollet Hotel, which was the headquarters of the Congress. The room was necessarily over-crowded and the heat intense due to the News Reel spotlights which played almost continuously to the cooperation of speakers and audience.

When the delegates and visitors assembled for the afternoon session they were relieved when they entered the spacious and comfortable ballroom, where all the remaining sessions were held. As they entered they were instantly enthused at the sight of a large U.S. relief map, which was hung in the center of the wall behind the speakers’ table, on which the typical members of the Cooperative League and National Cooperatives were represented as lighthouses, with the inscription “Beacon Lights of a New Cooperative Society” and which graphically illustrated the widespread sweep of the national organization of the Consumers’ Cooperative Movement in the United States. On each side of the map were hung large banners showing the Pine Tree and Co-op Insignia of the two national organizations.

“Building Toward the Future We Want” was the general subject of the afternoon program with an unusually able group of speakers to present the various aspects. Dr. Henry Pratt Fairchild first brilliantly diagnosed the fundamental and fatal fault of our present economic system in its failure to produce and distribute plenty to all as being that of unconsidered profits between the price to consumers and the pay to producers. The Director of the National Resources Planning Board, Charles W. Eliot, then presented “The Government Program,” and I. H. Hull, President of National Cooperatives, presented “The Cooperative Program” to solve “Our Economic Problem” as outlined by Dr. Fairchild. Questions by the audience were then answered by the speakers on the program.

Those who were not satisfied with their efforts to digest the feast of reason in the afternoon program, and who would hardly wait for more, then assembled around radios to hear a national broadcast over the Mutual System by Messrs: H. L. Fowler of Canada, H. A. Cowden of the United States and F. Javier Gaxiola, Jr. of Mexico, all of which was preliminary to the evening Pan-American Good Neighbor Night Program which followed.

At the evening session the subject of “Canada and Cooperatives” was presented by H. L. Fowler, Secretary-Treasurer of Consumers Cooperative Refineries, Ltd. of Regina and W. C. Good, President of the Canadian Cooperative Union. A written message from Javier Gaxiola, Jr., Minister of National Economy of Mexico, was read describing “Mexico and Cooperatives.” The program concluded with an address by Hon. Jerry Voorhis, U.S. Representative, on the sub-
The results of the efforts to establish friendly relationships with other national organizations and their support of the Consumers' Cooperative Movement were evidently visible and clearly expressed in the second day of the Congress.

A striking array of speakers of ability and national prominence greeted the Congress when it assembled. The subject of "Religion and Cooperatives" was presented by Bishop Aloysious Muench, President of the National Catholic Rural Life Conference and Rev. James Myers, Industrial Secretary of the Federal Council of Churches. The relationship of "School and Cooperatives" was discussed by Carlton Washburne, President of the Progressive Education Association. Dr. O. B. Jesness, Chairman of the Bureau of Agricultural Economics of the University of Minnesota spoke on "Farmers and Cooperatives." Mr. Elmer E. Milliman, representing the American Federation of Labor and the Railway Labor Executives Association, and John Brophy, representing the Congress of Industrial Organizations, then discussed the subject of "Labor and Cooperatives." The morning program was concluded by an address on "Credit Unions and Other Cooperatives" by Roy F. Bergengren, Director of the Credit Union National Association.

Three cooperative executives were the speakers on the afternoon program. "Next Steps in Cooperative Education," was first outlined by Robert L. Smith, Educational Director Eastern Cooperative League and Wholesale. Perry L. Green, President of the Ohio Farm Bureau, followed with a discussion on "Next Steps in Cooperative Finance." The third speaker was Howard A. Cowden, President of Consumers Cooperative Association, who spoke on "Next Steps in Cooperative Business." The audience asked questions of each speaker at the conclusion of his address.

Many of those who attended the Congress for the Tours to Twin-City Cooperatives which followed the afternoon session. Other special tours were arranged by the Midland representatives, including a special advance Congress Tour to Cooperatives in Midland District VI on Sunday for the delegates from Ohio.

The second day's Congress sessions concluded with the banquet which has already been described.

III. Business of the Congress

Decentralized and Unified

The business of the Cooperative Congress is not only carried on by the Delegating body as a whole, but is decentralized and handled by democratically elected committees and by a large number of national groups which are more or less autonomous, but are all closely affiliated with the Cooperative League and National Cooperatives. Sixteen group meetings were held on Wednesday morning which gave the delegates and visitors the opportunity of gathering together in smaller numbers, as they chose, and participating to a greater extent in the discussions. Reports of the sessions of these meetings were later presented to the afternoon general business sessions of the Congress.

The first subject of the afternoon session was the report of the Credentials Committee by J. E. Keltner, Chairman, the other members of the Committee being Al. Howatt and T. A. Tenhune. The Committee reported a registration of 196 delegates, 27 fraternal, and 877 visitors. Then followed the report of the Treasurer, L. E. Woodcock.

Three major committees had been elected by the Congress from nominations made by the regional members of the League, which had conducted lengthy sessions, as follows:

Committee on Committees and Nominations

Homer Young, Chairman, Consumers Cooperative Association
Benjaimin Naunmoff, Secretary, Eastern Cooperative Wholesale and League

C. E. Banning, Pacific Supply Cooperative
Anthony Lehner, Penn. Farm Bureau Cooperative Association
William Lismatatinen, Central Cooperative Wholesale
James R. Moore, Farm Bureau Cooperative Association and Farm Bureau Mutual Auto Insurance Co.
J. L. Proebsting, Central States Cooperatives
Glenn Thompson, Midland Cooperative Wholesale
Byron Olson, American Farmers Mutual Auto Insurance Co.

Resolutions Committee

Hartley W. Cross, Chairman, Eastern Cooperative League and Wholesale
Merlin G. Miller, Secretary, Consumers Cooperative Association
Ed. Bath, Farm Bureau Cooperative Association
George Dunlap, Farm Bureau Mutual Auto Insurance Co.
A. J. Hayes, Central Cooperative Wholesale
Jacob Liukku, Central States Cooperatives

Harrison Nolt, Penn. Farm Bureau Cooperative Association
Jery Shea, Midland Cooperative Wholesale

C. E. Banning, Pacific Supply Cooperative

Morial Committee

V. S. Alanne, Central Cooperative Wholesale
Iver Lind, Midland Cooperative Wholesale
H. K. Martin, Penn. Farm Bureau Cooperative Association
Bruce McCully, Consumers Cooperative Association
Waldemar Petrell, Central States Cooperatives
Ruth Steva, Farm Bureau Cooperative Association
George Tichonar, Eastern Cooperative League and Wholesale

Ed Wise, Farm Bureau Mutual Auto Insurance Co.

The Committee on Nominations reported that the terms of the following directors had not expired: A. P. Jensen, W. Niemela, J. L. Proebsting, D. D. Townsend, J. P. Warbas and L. E. Woodcock, and nominated the following to fill the places of those whose terms had expired: Charles Baker, R. N. Benjamin, H. A. Cowden, P. L. Green, A. J. Hayes, I. H. Hull, William Lismatatinen, M. D. Lincoln, and A. J. Smaby, which nominations were unanimously approved by the delegates.

The report of the Resolutions Committee was then presented. The resolutions presented by the Committee and by delegates from the floor, which were approved by the delegates, are printed on later pages of this issue.

After the report of the Memorial Committee, the delegates rose and stood silently in remembrance of those who had passed beyond. This report is also included on later pages of this issue.

Due to the pressure of time, the reports from representatives of the group meetings were necessarily condensed. They will also be found on later pages of the magazine.

At the close of the afternoon, the president declared the Congress adjourned, upon vote of the delegates.
Other Business Meetings

Prior to the Congress the Directors of the League met in two full-day sessions on Saturday and Sunday. Reports of the President, General Secretary and the four Assistant Secretaries were presented and considered at length. During the meetings the application for membership of Cuna Supply Cooperative was unanimously accepted and other important business transacted. The entire evening session of the first day was given over to an informal discussion by the Directors with our guest of honor, Mr. Neil S. Beaton, who outlined at length, in answer to questions, the many adjustments which the Scottish and English Cooperative Movements have made to meet the emergency, as well as the plans which are being made for future post-war reconstruction.

Likewise, on Sunday, prior to the Congress, a full day’s National Cooperative Women’s Conference was held. The Group Health Federation of America also met in a full day’s session on Wednesday. A Rochdale Institute dinner was held on Monday evening between sessions. Even the close of the Congress on Wednesday afternoon did not prevent the many meetings which were held. The National Publicity and Education Committee was called to meet on Wednesday evening to consider a number of vitally necessary matters on which action had to be taken, such as the postponing of the radio program and the appropriate action to be taken, the approval of poster designs, the deciding of various questions to be taken, the approval, of poster designs, etc. The Congress News Reel which will now be projected at Congress, and before movie audiences all over the country. The second question is as to how much of the time to devote to addresses and much material discussion. This time we devoted more of the sessions to addresses and less to discussion. Because if the desire of the Directors to include more prominent speakers on the program before the session to discussion by the delegates was necessarily reduced. More of such speakers means far more national publicity for the Consumers’ Cooperative Movement, which is vitally important, particularly at this time. The most possible worthwhile participation by the delegates is also important. It is a question of the best balance between addresses and discussion at each time the Congress is held.

The third question is as to member vs. employee control of the Cooperative Movement. Each regional member of the League determines for itself as to who it sends as delegates to the Congress. Whether they send only employees or only members is for them to determine by their own democratic action. Such delegates can be selected by the annual meetings or by the Directors of the regional. The national Directors are nominated by a Committee, which, in turn, is composed of representatives nominated by each regional member, and are then elected by the Delegates to the Congress. It is of vital importance that the national Directors be fully familiar with and be able to devote a sufficient amount of time to national matters. Whether the national matters can be best handled by those who are members and employees or members only is a question of importance. In some countries all national Directors are also employees, in others only part of them are.

A fourth question which is raised has to do with the composition of the speakers and delegates as to any sex, race, color, age, or any other characteristic. The usual practice is to do with the composition of the speakers, as there are only part of them are.

IV. Publicity Sets Much Higher Mark

Those who come to a Congress in person might be inspired and informed to a high degree, and also exercise good judgment in conducting the business of the Congress, without the possible greater results of a Congress being realized. A Congress, however, offers the greatest opportunity of all to turn the national spotlight on the Consumers’ Cooperative Movement, and is not complete without every effort to that end.

It is not to compare unfavorably our previous efforts to get national publicity to say that far greater heights were reached at the Thirteenth Biennial Congress than ever before.

International and national speakers are the foundations of getting good publicity. We had far more speakers on our program at this Congress of international and national reputation than ever before and benefited accordingly in far greater publicity.

In addition to a national, a hemispheric, and an international broadcast, the local radio stations were more than generous in scheduling 12 programs during the Congress. Newspaper stories were many more in number than before, quoting the statements of the distinguished speakers both within and without the Cooperative Movement.

However, the publicity will not stop with the period of the Congress itself. This time preparations had been made by the League Staff and the National Publicity and Education Committee to continue the publicity indefinitely. Subscriptions to a printed daily CO-OP CONGRESSMAN, edited by Davis Douthit of Midland, carried the detailed story of the Congress to many people “back of the Congress to many people.”

Where the League gains more attention, it is the only one we know which means “a man made world.” It is to be hoped that the Consumers’ Cooperative Movement, which is vitally important, particularly at this time. The most possible worthwhile participation by the delegates is also important. It is a question of the best balance between addresses and discussion at each time the Congress is held.

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A fourth question which is raised has to do with the composition of the speakers and delegates as to any sex, race, color, age, or any other characteristic. The usual practice is to do with the composition of the speakers, as there are only part of them are.

The evidence seems to be quite clear that the Consumers’ Cooperative Movement has learned how to tell its story to the people by the use of the most modern and effective publicity methods.

V. Considerations for the Future

Cooperators are “uncontented characters” generally. We know that, no matter how well we may have done a job, it is still not well enough for the future. We know that, no matter how well we may have done, we have still much more to do to solve the world’s problems and to bring to pass plenty and peace.

Accordingly, when one Congress is over, suggestions are immediately in order as to how to do a still better job the next time.

The first question is as to the democratic handling of the Congress. It is not always easy for those who only attended a national cooperative meeting once in two years to see clearly the way in which the wheels turn around. It should be said that the program and details of the Congress are democratically determined upon the action of the National Directors themselves, after consultation with the National Publicity and Education Committee, and through the appointment of a Local Arrangements Committee to work with the Staff of the League. The only Committee which the Directors are empowered to elect is the Credentials Committee. The rules of the Congress are democratically approved by vote of the Delegates, as well as the appointment of all other Committees. The appointments of the members of the Delegates are taken care of itself, in a neutral movement such as ours, if the principle of neutrality is followed as it should and must be to be true to the Movement. The usual selection of men as speakers and delegates is, undoubtedly the result of the practice and habit of “androcenticism.” If this word is not self-explainable, it is the only one we know which means “a man made world.” It is to be hoped that the Consumers’ Cooperative Movement will take a greater initiative in the future in bringing women and youth into prominence on the right kind of basis of equality with men.
VI. In Retrospect

After the temporary exhaustion of the League and local Regional Staffs as well as the Delegates from the strenuousness of the occasion, from which we soon recover, we all begin to view the Congress in perspective. One letter which we have received, we believe, sums up the consensus of judgment:

"Since returning home and looking at the three-day Congress in more or less retrospect, I am more and more convinced, that it was one of the most outstanding cooperative gatherings of all time." 

The enthusiasm and energy in the Consumers' Cooperative Movement necessary to carry on the theme of the Congress "BUILD COOPERATIVES TODAY FOR DEMOCRACY TOMORROW" was extraordinarily well demonstrated and will bear much fruit.

THE WORLD NEEDS A BIG DEMOCRATIC IDEA!

Murray D. Lincoln, President
The Cooperative League

The world is on fire! It is in revolution. The cause of the revolution was scarcity—a scarcity derived from the inadequacies of the economic structure, both within nations and among them. The Axis leaders led their nations in a revolt against political democracy, as if that were a real cause of scarcity and insecurity. Progress demands that political democracy be expanded—not contracted. But progress also, and even more urgently, demands that economic democracy exist side by side with it.

To really win this war and the things it is being fought for, we must give a better picture of the possibilities of democracy to the whole world, including the people in the Axis countries. It would be well if the same could be done for those non-Axis countries now suffering from imperialism. Unless we can engender a deep and sincere and compelling belief in the minds and hearts of most of the people of the world, this crisis will result in our not setting anything, or even in our going backwards.

In cooperatives we have the soundest basis for economic democracy. We cannot wait until after the war for economic democracy. We must work toward it now—and work hard. It is a positive necessity.

In recent history in this country, and other countries, people's organizations have been given more voice and more power. The right to labor organization is the most recent to become recognized.

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The farmers' producer interest was recognized and written into law in the early twenties. The producer interest of businessmen has always been with us, and they have had the dominant power right along. The recognition of producer interest is proper and fitting and necessary. But it is not enough. Producer interest tends to divide. Producer interests tend to conflict. The consumer interest, on the other hand, tends to unify. It tends to reconcile. The consumer economic interest is co-extensive with the general public welfare. Of one thing I am certain. If we would start as consumers to solve our problems we would make greater progress. We can not secure universal action for the general welfare as producers.

It is perhaps too much to expect that our cooperative movement can come, in the next two or three years, to a place where it can be said to be the dominant economic power. However, I believe it is wholly within the realm of possibility to expand at an increasingly accelerating rate—and soundly. To keep large numbers of people from despairing that democracy can really work for all the people, we have only to show them a concrete, workable alternative to give them enough hope of a democratic solution. We must clearly demonstrate upon a large scale that there is an economic program in the world with enough vitality to cope with basic problems and cope with them in a consistently democratic manner.

One sign of progress has to do with our study-action programs. There has been increased interest and activity everywhere in organizing neighborhood groups of people to discuss their economic problems. This educational technique which is so adaptable to the cooperative program may be the most important work we are doing. These study-action groups form an undergird which immeasurably strengthens the cooperative. They should be promoted without delay. We all know that the cooperative method is usually a relatively slow one, but improved techniques can speed up education and organization without loss of any fundamental cooperative values. Extra effort on the program of Advisory Councils, Fireside Forums, Neighbor Nights, I believe will help greatly.

In another field we are making progress—that of finance. We are happy to mention here that the Credit Union National Association and the Cooperative League have established a joint committee to explore ways in which the two organizations can better work with each other. This, I think, is a great step forward.

On the commodity side of our operations during the past biennium we have made considerable progress. All wholesale sales have made significant increases in capital accumulation, in acquisition of added facilities including many for production, and in volume of goods handled.

There is an encouraging interest in groceries on the part of farmers, in territories where this has not been true to date. Some organizations whose membership was mainly agricultural, have been quite active in the cooperative purchasing of production supplies, but have failed to become conscious of their purely consumer interest—that is in household and family goods. To some it was a surprise when they were told that 15% of their expenditures went for store-bought food—the largest single item in their budget. In Ohio, if I might be pardoned for being provincial on this point, it was our Advisory Councils who took the lead in getting the state board and management to do something about getting into the grocery business—which illustrated two points to us: one, that the study-action group type of adult education was making progress, and second, that farmers are identifying their economic interests more and more with non-farm consumers.

Along with the events that give us encouragement and enthusiasm there are still our usual hundred problems unsolved.
Among these might be mentioned, in the field of relationships, our ability to get widespread interest and participation of labor organizations in our movement. Perhaps one of the biggest steps we will have to take next if the movement is to become general and widespread is to enlist the active participation of the labor people. In Britain the urban working people have been the main bulwark of cooperation.

Another problem in the field of relationships involves that of cooperation among cooperators. There are in this country a number of large purchasing cooperatives who are reluctant to enter our program. Some of the problem has to do with fine points of philosophy; some with personalities; some with competition between co-op wholesales; some the traditional distaste of farmers for the word "co-op," whom they conceive to be the "fellow in the city" who is agin 'em. Whatever the reason, the stakes are too high to cease trying to find ways and means of enlisting the willing support and participation of the organizations who are, in effect, doing what we ourselves are doing.

Another problem that is with us can be summed up in the question of "How Far Should Cooperatives Go in Participating in Affairs of Government?" Personally, I think we must recognize that vital decisions are being made by governments these days, many of which affect cooperatives, both directly and indirectly. I don't think it is necessary to get politicians-minded to see that we are represented wherever we think there is a need for our representation. We would be making a tragic mistake, however, if we sought to make any great or permanent progress through government action, or if we were to let our emphasis on economic organization decrease by one iota.

Another problem which has always been with us, both wholesales and retail, has been that of underfinancing. We all know that co-ops are too often started on a bare minimum with most future capitalization coming out of earnings. This is not enough. Investment in co-ops is anti-inflationary in the same sense that paying off the mortgage is anti-inflationary. Very few, if any, of our co-ops are ever in a situation where they do not have some program waiting for capital. We need more people educated and organized to furnish more capital.

Although the war now rages and we are doing our utmost to win it, it is necessary for men of good-will everywhere to give considerable thought to the post-war picture, both from the standpoint of immediate relief and reconstruction, and to speed the evolution—from the present towards—of a democratic and abundant economy throughout the world. We must keep our eyes focused on the international picture, while we are building and demonstrating at home.

I believe that there is power in the word "abundance" to capture the imagination of people. Cooperatives by their very nature are interested in distributing abundance, instead of dividing up scarcity. Both their selfish and their ideal interests compel them this way. It is not an abundance for just chosen segments of our population, nor even for just chosen segments of the world. No class or nation or race must enjoy abundance at the expense of someone else's poverty. It must be abundance for everyone—the low-income workers, the sharecroppers, the peasants of every land—all who now carry the yoke of economic tyranny or even of economic stupidity.

But there is a missing element in the picture which is vitally necessary if we are to have a progressive, expansive economy. The consumer interest must come increasingly into play. Adam Smith said, "The sole end and purpose of production—and the interest of the producer should be attended to only insofar as it enhances the welfare of the consumers." Today the eminent British economist, is saying that "sound economics must start with the consumer." The consumer interest demands abundance. It is the great organized force with a vested interest in abundance.

It is up to the cooperatives—and cooperators—to keep everlastingly at it, both by spreading the word and by action. I like the statement of John Stuart Mill, who eighty years ago observed that "nothing is more certain than that the improvement of human affairs is wholly the work of the uncontented characters." Let's all be "uncontented characters." A new day has arrived. Mr. Hayakawa, the semantics expert from Chicago, is guilty of the mixed metaphor, "Cooperatives are on the ground floor of the wave of the future." I believe they can look forward to an increasingly important part in the "new day"—for America—and for the world.

BUILD CO-OPS STRONGER AND FASTER

E. R. Bowen, General Secretary

The Cooperative League

At the 1940 Congress, the Secretary challenged the Movement to "Build Co-ops Stronger and Faster." The challenge was accepted and accomplished.

The Cooperative League and National Cooperatives have, together, 23 regional groups. Three additional regional groups have been accepted into membership in the Cooperative League since the last Congress, and two in National Cooperatives. The two national organizations include about two-thirds of the large cooperative purchasing groups in the United States.

We submit a summarized report which follows the organizational outline adopted by the Directors of the Cooperative League.

1. Recreation

We can congratulate ourselves upon having developed leadership within the Movement which can carry on with neighborhood recreation programs of a cooperative non-profit nature.

2. Education

It is to be hoped that we may in some future day be able to formulate a balance sheet showing the personal progress of the members of cooperatives in developing more abundant lives, as we now show our progress in finance and business. As members, we too largely starve ourselves recreationally and educationally. We are still too much of a middle-income group movement in our membership. We must become, to a far greater degree than we now are, a missionary movement reaching out to include the low-income groups as well.

The principal internal economic subject before the American people is that of preventing inflation today and deflation tomorrow. Research on such financial and business matters is carried on by the staff of the League for the benefit of the regional and local cooperative association members.

During the last two years a permanent Committee on Architecture has been organized; while Cooperative Design Service continues to carry on art functions.

One of the outstanding steps ahead which has taken place during the past two years has been that of National Relationships. Previously, friendly working relationships had been established with leaders of religious, educational and other national groups. This year increasing contacts have been made by the officers and staff with other cooperative groups and
with farm, labor and government groups.

The principal publicity development which has taken place during the past two years has been the realization of a far greater degree of national coordination between the regions in the way of posters, films and radio, all incorporated in a Nationwide Co-op Drive.

We Americans do not yet fully appreciate the wide difference between mass publicity and the more basic need of group study. As members and employees, we all need to organize ourselves into small groups for Study and Action.

The absolute necessity of the Washington office has been convincingly realized. The work is multitudinous. It involves constant contact with Administrative and Legislative Officials.

3. Finance

During the past two years, local and regional cooperatives have been plowing back their earnings into capital and reserves, as well as increasing their capital structures by direct investments.

Cooperative Insurance has made steady and, indeed, spectacular progress. Final steps toward the organization of a national cooperative finance association are being made. The progress of the Credit Union Movement is most gratifying.

The National Society of Cooperative Accountants is a strong division of the Movement and has under way the discussion of a more permanent national auditing association.

We have made much progress in going on a cash basis. Yet the ideal is still a long way ahead. We should educate ourselves to get out of debt individually, and to get our local, regional and national cooperatives out of debt as well.

I would also again emphasize the danger of piling up inventories bought on credit. What goes up must come down. The rise is usually slow and steady, but the break is precipitous.

4. Business

Not too much progress has been made during the past two years in the development of services. Cooperative Housing is only slowly growing. Medical service should advance more rapidly after the favorable decision in the Group Health case in Washington. Burial cooperatives continue to save their members unusual amounts, but do not duplicate in other communities as rapidly as they should. Cooperative Utilities continue to develop in the form of rural electrification associations, public utility districts and municipal ownership of utilities.

The development of cooperative commodities is coordinated under the general direction of National Cooperatives. Two great forward strides have been made during the past two years. The first has been in diversification of lines. The demand from the members of cooperatives is growing and bringing about a realization on the part of managers generally of the necessity of going into groceries. The second great stride forward has been in production. We have gone into greater production of feed, fertilizer and petroleum, as was logical, since we have built up enormous volumes in retail and wholesale distribution in these commodities. The financial results have been truly phenomenal.

It can be said for the first time that we have perfected the national organization of the Consumers' Cooperative Movement to the extent that every division of the Movement is coordinated either by a staff member, by a department, by a committee, or by an affiliated group. The cornerstones and foundation walls have been well laid.

Next Steps Ahead

As regards the internal organization of the Consumers' Cooperative Movement in the United States, the need is to build more vigorously on the foundations which have been laid. More cooperative recreation, more cooperative education, more cooperative finance, more cooperative business. All four walls should be raised further and uniformly during the next two years.

I have previously referred briefly to the progress which has been made in national relationships. We will progress only as the great democratic social groups develop closer relationships in working together for democracy.

In addition to the need of spending more time on national relationships, it is urgent that today more time be spent by the Officers on international relations. You, as delegates, will need to support the spending of the time of your Officers to a greater extent on following up of the proposals for a World Cooperative Program if the Consumers' Cooperative Movement in the United States is to play the part it should in the material and spiritual building of a world of peace and plenty.

I urge every cooperator to be increasingly vigilant; for in our hands, as consumers primarily, lies the building of the future.

OUR ECONOMIC PROBLEM

Dr. Henry Pratt Fairchild, Past President
American Sociological Society, President
Consumers Book Cooperative

I wish I had felt justified in taking this opportunity to tell you at some length how greatly interested I am in the Cooperative Movement and how proud I feel to have a very small part in it. However, I have a message to give and I have a limited time to give it in, and so I will turn directly to the subject on which I have been asked to speak.

You could not pay a man $7.00 to make a pair of shoes for you and then expect him to turn around and buy the shoes back for $10.00. And yet the whole capitalistic system—or we might better call it the Price and Profit System—rests solely upon the idea that you can sell a product to a man for more than you have paid him for making it.

The reason it seems so simple as I have just stated it, is that we have limited its scope to a very personal relationship involving two or three or four people. But it is exactly as true if you multiply it by one hundred, or by a million, or by fifty millions as we would have to do if we included the whole wage earning body of the United States.

Why then is it that we have not realized it before? For two major reasons I think. First, we all suffer under the illusion of numbers. We think that the application which can be true of fifty million people cannot be true in our own...
little village or of a handful of people. Second, the factors represented are not divided clearly in our population between two groups of people. If that were actually the situation this relationship would be crystal clear. Class A, the employers could not pay Class B to make a product which, when finally finished, belonged to Class A, and then turn around and sell the product to Class B for more money than they had been paid for making it.

I am sorry that this problem forces me to be very academic and forces me to ask you to be equally academic. Perhaps you are not quite as used to it as I am but I hope you will put yourselves in that mood for the time being.

Let us very briefly review the basic economic set-up of this peculiar monstrosity of so-called cultural evolution that we call CAPITALISM, or the PRICE AND PROFIT SYSTEM. We all know that in the ordinary economics textbook the factors of production are classified as four—LAND, LABOR, ORGANIZATION AND CAPITAL.

The reason why we call this the Capitalistic System is that within the last century and one-half, the factor of Capital has suddenly emerged to be the dominant element. In many ways that is a misnomer because the other systems that are possible will certainly not undertake to dispense with capital.

There can be no production without Land. Land is absolutely the starting point of all material production. It is for that reason the landlords, ever since the institution of private property and land came into existence, have been the favorite element in society—the privileged classes.

The third element in production is Labor. And certainly there can be no production without labor. Labor itself is absolutely indispensable.

And then there is the fourth factor which we call Organization or Management. Management or Organization is essentially mental. It is that particular capacity which puts these other factors together—organizes them, integrates them and gets them into a going concern.

All of this is perfectly clear. But the truth which has not been grasped is that there is a fifth factor in business, and that is the unit itself—the going concern. Now it is indicative of the faulty development of thought and theory along this line that we have not accepted and generally recognized a word for that fifth factor, and I have found no better term to apply to it than the word BUSINESS SYSTEM. Businessmen have become a separate group of people. Landlords have become a separate group of people. Managers have become an independent and distinct element in our economic system and what is left? What is left is the ownership of the business itself, and that has reached its epitome in the modern corporations.

Let us analyze the structure of the modern corporation and see how it corresponds to this analysis. A corporation is an artificial aggregation of factors created for the conduct of some economic activity. In its strictest and simplest form of corporate organization, it does not own the capital. It borrows the capital by issuing bonds, and on the bonds it pays a reward called interest. It rents the land from the landlord and in return pays a fixed sum called rent. It does not own nor contribute the labor—it hires the labor and pays the laborers' wage. It does not own or provide the management. It hires expert managers and pays them salaries. What then does the corporation itself own? And who represents the corporation? The corporation owns the business and is represented by the common stock holder.

Now that is the greatest single antisystem of interest that you could possibly imagine, and why? Because, whether on a large scale or a small scale, the owner of the business has to pay all the other factors. He has to pay rent; he has to pay interest; he has to pay wages; he has to pay salaries. Those are fixed charges upon his own resources. And what does he get out of it? He gets what is strictly called, PROFIT, when he gets it.

PROFIT, correctly interpreted, is the reward for the ownership of a business and it is nothing else—in spite of all the confusion and money thinking that you can find in the textbooks. Consequently profit is an absolutely unique and distinct type of income, not only contrasted with all the other forms of income, but antagonistic to them because profits are residual rewards. Profits are what is left after everything else has been paid.

However, the total monetary purchasing power of the community is the total amount paid out in wages, salaries, rent and interest, and it is that purchasing power that the business owner counts upon to buy his products. A price and profit system rests upon the assumption that business owners can sell their product for more money than the cost of production. It is sheer illusion—it is a physical and a mathematical impossibility.

There is, however, one way out for the business owner. You can't expect the man that you have paid $7.00 to make a pair of shoes to buy them from you for $10.00. You can't expect a hundred men that you have paid $700 to make you shoes to buy them back at $1,000. But there is one thing you can do. You can sell seventy pairs of shoes for $10 each and get back your $700 but that leaves you with thirty pairs of shoes on hand. And if your neighbor, who makes suits of clothes or pianos, or motor boats, or automobiles is following the same procedure, he will have goods left on his hands and not money.

Well, why not? The reason why not, is that we as people are not content to take our profit in consumer goods. If we were there would be no serious problem. We insist on taking our profit in money and turning that money into more producer equipment, to turn out more goods and still further increase the margin between what can be sold and what we hope to receive. That is inherent weakness of our profit seeking, mercenary system. It is that insatiable greed for money and what we can buy with money in order that we may get more money—that insatiable greed to save and increase that is the Nemesis of the capitalistic system.

Now cooperation knows the answer. Cooperation is one of the absolutely sure solutions that is going to be adopted in the world to come as it is being adopted now, because it strikes at the very heart of the whole difficulty. Cooperation by its very nature aims to enable producers and consumers alike to get back what they need in the form of consumer goods and to allow for expansion of capital and productive instruments only insofar as the need of the community for consumer goods expands correspondingly and gives them a basis for the further extension of the productive methods. Cooperation therefore is just as sound in its economic conception as it is appealing in its emotional and personal aspects.

The one thing that I believe we must concentrate on in our thinking and in our talking and in our public relations is that profit, first of all, is an absolutely distinct and unique form of income, and not only unique but intrinsically set off against, with contrary interest, all other possible forms of income. And secondly, what you need to drive home to a lot of people is that cooperation represents the substitution of a logical and workable scheme of economic organization for something that is completely antiquated, outworn, and can never be made workable.
WAR TIMES PLANNING FOR AFTER THE WAR

Charles W. Eliot, Director
National Resources Planning Board

Situation

Among the situations in which we may
find ourselves at the end of the fighting,
there are several general types with end-
less combinations and permutations.

1. Victory in one field of battle and
necessity for continued fighting in
another.

2. War weariness and "Back to Nor-
mality" cries which will face our leaders
at the end of the fighting.

3. Extremes of hope and fear will
inevitably be present—the fear of a de-
pression; the hope of a "boom."

I think our plans should be based on
the theory that in the American democ-
yry our government cannot divest itself
of responsibility for either our political
or our economic freedom. For main-
tenance and development of our economic
freedom, our government must have and
hold authority and leadership.

Assumptions

We assume, of course, total and com-
plete victory for the United Nations. Ac-
cording to the economists, we should also
assume that at the end of the principal
fighting the national income will be over
120 billions of 1940 dollars and that up-
wards of 70 billions of that income will
be expended on war activities; that is
the measure of the economic whole which
must be filled up with post-war activity.

Objectives

Our objective is a new bill of rights:
1. the right to work; 2. the right to fair
pay; 3. the right to adequate food, cloth-
ing, shelter, and medical care; 4. the
right to security; 5. the right to live in a
system of free enterprise; 6. the right
to come and go, to speak or to be silent,
free from the spyings of secret political
police; 7. the right to equality before the
law; 8. the right to education; 9. the
right to rest, recreation, and adventure.

While everyone would doubtless prefer
his or her own statement of these objec-
tives and would arrange them in differ-
ent order with different emphasis, we have
found general agreement that these rights
or duties are all included in our "objec-
tives."

Proposals

The "tools" which are likely to be
needed for "winning the peace" should
be fashioned now during the war. The
National Resources Planning Board sug-
gests in its publications "After Defense—
What" and in the pamphlet released yest-
yard "Post-War Planning" an agenda
of framework of related subjects. In our
peace "preparedness" campaign we will
want to develop the "tools" which seem
likely to be needed for each item of this
agenda.

The agenda starts, of course, with plans
for demobilization. The Selective Service
Act directs that arrangements be made
for the return of men to their previous
jobs when they are let out of the Army.
Plans are being made to that end. We
must also have definite provision for the
men let out of war industries. We must
have plans for the demobilization of the
war industries and how they can be con-
verted to production of goods wanted in
the world after the war.

The second item on the agenda is plans
for public private enterprise which are also be-
ing pushed forward by the new Commit-
tee on Economic Development sponsored
by the Department of Commerce, the
Labor Department, the National Plan-
ing Association and many industrial
groups.

We must have definite plans for vari-
ous kinds of public activities, not only for
public works, for which we need new
legislation to get the drawings and speci-
fications ready, but also for rebuilding
our cities and terminals, for rural public
works and for valley developments, new
transportation facilities, and for other
fields where mixed public and private in-
vestment calls for new enterprise.

The fourth item on the agenda is in
the field of services for health, nutrition,
and medical care, for education, recrea-
tion and research.

Fifth, we must have plans for security
and the broadening of our present work
relief, social insurance and public assis-
tance programs.

Item six is the part of labor and its par-
ticipation in the new expanding economy.

The seventh item on the agenda is the
participation in planning by regions,
States, communities, private citizens, local
enterprises, and professional groups.

Item eight is a problem of finance and
fiscal policies, on which the Board has al-
ready issued a pamphlet entitled "After
the War—Full Employment."

Finally, item nine is plans in the inter-
national scene, on which we are collabor-
ating with the Department of State and
the Board of Economic Warfare.

We need to see more and more clearly
the kind of work toward which we are
headed in order to maintain the fighting
spirit of our armed forces and the ardor
of our industrial workers. We need to
stir the imagination and aspirations of
our people for new objectives, new goals
which can be obtained when the war is
won. To win the peace we must call on
those deeper resources of the spirit which
provide patience and endurance through
crisis and which light the future with vi-
sion and with hope.

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November-December, 1942
THE COOPERATIVE PROGRAM

I. H. Hull, President
National Cooperatives

THE first speaker this afternoon pointed out the weaknesses and challenged the profit motive in business. The profit motive has served its time, has been weighed in the balance and has been found wanting. The next speaker offered one answer—the government to fill in where the profit system has failed.

I would like to point out what seems to me to be some difficult situations that we are about to face. Each of them is attended by a severe problem, but each of them is attended also by an outstanding opportunity.

The first one of those things I would like to mention is that, to my mind, it is perfectly clear that we are confronted after the war with some kind of a new way of doing business. To a large extent of course, the profit system isn’t going out of existence all at once—I hope it doesn’t. It is serving a certain purpose and let’s only supplant it as we can discover and provide something better. Don’t try to legislate it out of existence. I don’t want the profit business of America to have any disadvantage over the cooperative way of carrying on business.

However, I feel pretty strongly that the profit system in business has been responsible for a good share of our national civic and business ills. To illustrate, I was told not long ago, that the American Tobacco Industry paid more net earnings to five major Tobacco Companies in the way of dividends at the end of the year than that industry paid to all the tobacco growers of America. And any of you that have seen those poor negroes raising tobacco, living in conditions that you folks wouldn’t ask your hogs to live under, would have to stop and wonder why that system of business comes to an end every once in a while—well, the answer is because we didn’t distribute the earnings of the tobacco industry generally. If those earnings had been distributed out among all of those folks to keep up their buying power, the tobacco industry could have gone a long way toward avoiding the ups and downs of business.

That unbalance in business is one of the indictments that must be brought against the profit motive in business. We can add the waste of effort and the waste of natural resources because of the profit motive in business. Let’s summarize by saying that the profit motive in business has been the responsible cause for bringing us into the position we are in, and I am including in that the war itself. I say to you that the greatest enemy of mankind is not Adolf Hitler. He is a tool. The enemy of mankind is the profit motive in business.

So far I think we all agree completely this afternoon. We agree that the old way of doing business is going out. Some new system must take its place. However, I am afraid our government agencies will go too far. We can have it happen here. I don’t think that Germany or Russia adopted their socialistic regimes deliberately. I think that, because the people failed to group themselves together to assume their own individual and collective responsibility, because they tried to turn things over to some central government agency to get away from responsibility, that little by little they slipped into the conditions they now have. I am admitting that we must have some kind of a substitute, but let’s don’t rest on our oars and say that government action is to be the only final outlet. It is the job of this group that has been selected by the cooperatives of America and given the responsibility of working out our own salvation through our own enterprises to work out these problems.

Now getting back to the thing that was said by the first speaker. We can’t have a price that carries with it a profit and keep business stable. In my opinion one of the greatest things that the cooperative movement can contribute to society after the war will be a sound method of fixing prices so that you can live on them, but at the same time fix the prices so that they are neither too high nor too low.

Another thing that I think we must face is the tax situation that all of us as cooperatives are going to be confronted with. One statement I saw in the paper that we would have a debt of one hundred eighty billion dollars after the war. The statement compared that figure with one hundred ninety billion dollars that passed through the Treasury from the time George Washington became President in 1789 until Pearl Harbor.

Whatever way the money is raised, in my opinion it is going to force cooperatives and every other type of business to integrate their business from the ground up. I mean by that, like our petroleum business is in Indiana. We own the wells and when we get a couple more like the last one we brought in we will supply the refineries. We own a pipeline to the refinery and we own the refinery. We own the transport trucks which haul to our local station and we own the local station and the trucks that haul to the farm—a system where there is no transaction to be taxed between the well and the fellow that gets the oil—no profit to be figured and the entire industry integrated from the farm that pumps the oil to the farm that uses it. As I said before, I think we are going to have to integrate our various enterprises if we stay in business.

My guess is that taxation is going to force us to integrate our enterprises, our cooperative organizations, and to build back into the production of the various things we want to use.

There is one further thing that I want to mention. The cooperatives have an unusual opportunity at the present time because of the fact that nearly all of them right now are enjoying good incomes.

It happens that cooperatives in the food business are not hampered very much. Cooperatives handling farm supplies have not been injured. Most of the cooperatives are making quite a bit of money and I am bringing out this challenge this afternoon. I am going to urge and recommend that every dollar of the savings that we make between now and the end of the war will be put back into the cooperatives and no cash dividends paid. I am not saying something that we are not doing. Our combined cooperatives in Indiana this year will apparently make three million dollars. Right here my guess is that ninety-five per cent of that will be put back into the integration and building of the business. About five per cent of it will probably be paid out in cash dividends.

How are we using that money? Well,
the locals are buying up the competitors.
I was up in a county the other day where one of our county managers was urging that procedure and he made, I think, about the best speech on competition that I ever heard. “Why,” he said, “the competition is just like weeds in an alfalfa field. If you get too close to the others, you’ll take care of the weeds.”

So he went out and bought up all of the competitive branches in all the corners of the county.

We are not conceited enough to think we ought to do all of these things by ourselves. We are ready to talk with Ohio about buying a coal mine, a lumber mill, a lubricating oil refinery and three or four other things that we have already got in mind.

And finally our county managers have been coming to us with this statement: “Let’s take the money that we would be paying out in patronage dividends this fall and built up the finances of our cooperative bank to the point where it can finance our operations.” And I guess probably that is going to be done. I am not finding fault with the Farm Credit Administration. But we have gotten to the place where we have got to build our own financial structure with our own savings so that we are not going to be dependent on any one else for money when the time comes that we need that money.

We have the opportunity because of the fact that business is changing to build our co-operative program. We have an opportunity to develop the cooperative method of fixing prices. We have an opportunity to integrate our business at the present time and maybe to take over those businesses that can’t operate on a profit basis. And then we have an opportunity, because of our income of money, to build our own financial structures so that we can use them when the time comes that we need them.

The opportunity is here. The challenge is here. It now depends on whether or not this gang of folks is equal to the job that has been put on them. The only thing I am afraid of in this whole program is not the outside competition. It isn’t what the other fellow is going to say. Is it whether or not we ourselves are going to do our stuff; whether or not we are going to get prepared and get our people trained and prepared for the kind of a job that lies ahead. We don’t take seriously enough our responsibility in the job that they have given us to do. If we recognize the importance and need of training and keep in mind the special opportunities that we have been talking about, there is no reason why we can’t go out and build a cooperative democracy in the United States of America.

**CANADA AND COOPERATIVES**

H. L. Fowler, Secretary-Treasurer

Consumers’ Cooperative Refineries, Ltd., Regina

I am very conscious of the privilege of telling you something of the story of the Cooperative Movement in Canada. I first bring you greetings from the cooperators of the Maritime Provinces. We are indebted to them for having pioneered and established the study club technique. From the United Farmers Cooperatives in the province of Ontario, I bring greetings—from Quebec, the birthplace of the Credit Movement on this continent; Next British Columbia, where the fruit and vegetable growers cooperatively control 100% of the marketing of their products.

Last the Prairie Provinces—Manitoba, Saskatchewan and Alberta, where we have had a tremendous growth in Cooperatives. 

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The three prairie Wheat Pools have a total of 1,716 elevators scattered throughout the West. There is scarcely a hamlet or railroad siding where there is not an elevator owned by the farmers of the Province. The three Pools operate ten terminals, and have a total storage capacity of over 35,000,000 bushels.

In each of the Prairie Provinces there exists a strong and healthy Wholesale Co-operative. Increases in volume of 25%—50% is the rule. Our Saskatchewan Wholesale has branched into production through ownership of coal mines, flour mill, feed mixing plant, etc. Only a few months ago it added the wholesale distribution of groceries to other lines.

Our Cooperative Refinery is owned and operated by some 250 local cooperatives. The net earnings have been in excess of $1,000,000, but its greatest achievement is in narrowing the spread between a gallon or crude oil and a gallon of farm fuel from 17½c. to less than 7c.

Our Cooperative Savings Bond program has grown to such an extent that for two years the Refinery has not found it necessary to secure outside financial assistance, even in the times of peak inventories.

We also have 86 Credit Unions, with total assets of approximately $240,000. The vast majority are in rural areas. We have further provided a clearing house for all cooperative funds, whether they be of cooperative organizations or Credit Unions, through the medium of our Saskatchewan Cooperative Credit Society.

In 1939 the Legislature of the Province of Saskatchewan investigated the high cost of farm machinery. The report reads: “The Committee is of the opinion that the only true and permanent solution to the problem of farm implement prices is to be found in Cooperative effort.”

Surely, there is a tribute to our Movement! As a result of this inquiry, we are now in Western Canada in the process of organizing a farm implement coopera-tive. We have something over 25,000 members, and expect to double that number within the next year.

As cooperators, we are going to wipe out the 49th Parallel as an economic boundary, and every other man-made boundary over which someone has said “goods shall not pass without a tribute.”

If we are to have a new world, a new Order, when shall it start? In this connection, I would like to read an excerpt from a speech of the Right Honorable William Mackenzie King, Prime M-inister of Canada:

“Much is being said today about a New World Order to take the place of the Old World Order when the war is at an end. If that New Order is not already on its way before the war is over, we may look for it in vain. A New World Order cannot be worked out in some given moment, and reduced to writing at a Conference table. It is born, not made. It is something that lives and breathes, something that needs to be worked out and prepared in the

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minds and in the hearts of men. It expresses itself in brotherhood, good will, and in mutual need. It is the application in all human relations of the principle of service and helpfulness. While the Old Order is destroying itself, a new relationship of men and of nations is already be-

ging its slow but sure evolution. Its name is brotherhood—its method, Cooperation."

Ours is the day of opportunity. We must not give the historian of the future the opportunity to say that the contribu-
tion of the cooperators in this great crisis was too little, and too late.

MEXICO AND COOPERATIVES

NOT only is Mexico a firm believer in the advantages of the Cooperative System, but she also wishes in these difficult moments through which the American continent is now living, that the principles upheld by it be a further bond of unity and understanding among all the peoples of the Americas.

For several years past the government of Mexico has been devoting particular attention to the development and the fostering of cooperatives. They are looked upon as a desirable substitution for worn-out colonial systems of exploitation and as an effort to obtain a fairer distribution of wealth. Besides this they stimulate production to the benefit of the producers themselves of our economy, both sectional and national.

The Ministry of National Economy, by means of intensive education and the most indestructible fiscal and credit facilities, has succeeded in the organization of co-

operative associations. Over them it preserves permanent control, not with the idea of curtailing their corporate standing or autonomy, but in order to help them to solve their social, technical, and economical problems as they are liable to meet in the unfolding of their activities and to safeguard them against certain disturbing influences that are harmful to the very spirit of Cooperation. In actual practice, the peculiar secret of our national

production has led to the adoption of systems differing from systems introduced into other countries for the promotion of Cooperatives. For this reason the State in Mexico has found it necessary to undertake the technical management of certain angles of their activities and to impart a careful consideration of such financial as-

stance as might be necessary to enable Cooperatives to start up or carry on their work.

This policy of encouragement of Cooperatives as adopted by the Minister of National Economy has yielded very satis-
factory results. There are at present 1,979 legally organized cooperatives with 177,146 members and initial capital of 17 million pesos. As these undertakings are now functioning on an entirely normal footing, we are warranted in predicting that the benefits to the country of this system will soon become apparent.

Cooperation, however, is not a movement peculiar to Mexico alone. If its de-

velopment as a system is to become a reality of true collective benefit, it must be coordinated with similar movements of the other countries of the Americas. To this end relations between them should be drawn closer as to learn the problems of a general nature affecting the move-

ment in other countries and to turn to useful account insofar as possible their experience and teaching.

This Pan-American Cooperative night is one of the initial steps taken for the stated purposes. For this reason our Mexican Cooperative Movement is most grateful to the Cooperative League of the USA for the opportunity thus offered to it of participating in this Congress which will undoubtedly mark the beginning of a fuller and better understanding of the Cooperative Movement on our continent.

POLITICAL AND ECONOMIC FREEDOM

IN THE WORLD OF TOMORROW

Congressman Jerry Voorhis

It is a very great honor to me to be permitted to take part in this most important Congress of the Cooperative League. Particularly do I regard it as an honor to appear on this platform with representatives of our sister American republics, whom we are proud to call our good neighbors.

The relations between our American republics in the future after this war has been won will depend to a very great extent upon how the people of each country are getting along economically. To the achievement of full employment, full production, and a full volume of consumer demand for goods in the United States will, in my opinion, con-

stitute one of the most important keys to a further extension of the Good Neighbor Policy after the war has been won.

An old world is dying all around us. It started to die in 1929. It was sick even before that time. It cannot possibly survive this war. Only people with cour-

age to build a new world, preserving as much as they possibly can of that which was good in the old one can expect to

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benefit mankind in the months and years that lie ahead of us. My interest in the Cooperative Movement has its roots in my belief that it is the one answer to the economic problems of the people which at the same time builds self-reliance instead of increasing the power of the government and the dependence of the people upon it. The Cooperatives can be and we must make them one of the foundations on which that new world can be built.

My speech tonight, however, is primarily an analysis of some of the developments and changes that have taken place in the field of finance and banking and an attempt to appraise the present situation in this field.

It is clear that there is a vast difference, not only economic, but also ethical, between the private business of lending money and the governmental function of creating it and regulating its value. Today we have it just turned around with government doing a large share of the business of lending money which should be private and private banks performing the entire function of money creation, which should be governmental.

And it is very clear, at least to me, that it is a bad and dangerous thing in a nation that would be free for the government of a nation to be in the business of deciding that the John Jones Company shall be able to get credit and the Pete Smith Company shall not. Such decisions should not be made by governments. They should be made by private bankers, preferably by independent private bankers and certainly that means cooperative bankers who are free to make their own decisions and are not mere puppets of huge financial chains.

And it is equally clear to me that the power to create money is equivalent exactly to the power to levy taxes. It should be plain to anyone that whenever a bank buys government bonds without giving up a cent of previously existing cash or credit to pay for it, that bank is levying a tax upon the labor and resources of the whole American people—a tax which it will collect as the interest and principal on the bond are paid to it.

The first tendency was for the banks to acquire more and more exclusive and complete control over the creation of money, taking this function out of the hands of government.

The second tendency was for banks to acquire larger and larger control over ownership of industry.

Now as I understand it right here at this convention you are going to consider the setting up of a cooperative finance company to be a sort of clearing house for the finances and investments of the various going Cooperatives. Here is a truly great opportunity as I see it. I want to get the government out of the banking business after this war quite as much as I want to get the banks out of the government business.

I believe the first step must be to establish the principle of our Constitution—namely that Congress shall coin money and regulate the value thereof. I do not believe the tremendous economic power of creating and destroying the medium of exchange of this great nation can safely be left to the chance operations of 13,000 banks.

But when it comes to the banking business—the business of taking in deposits and making loans—that business should not only be private but it should be conducted not for the purpose of fostering the position of monopoly but for the purpose of promoting and expanding production, of fostering new and honest competition, of expanding the supply of the goods the people need.

My great hope as I address you here tonight is that once again as they have already done in so many other fields—insurance, food, seed, fertilizer, agricultural credit, electricity—the Cooperatives can introduce an element of healthy, dean, and effective competition into this financial field of our national economic life. I hope with all my heart that this cooperative finance investment corporation or whatever its name is to be can do a real banking business. I hope in a way it can be a sort of central credit union for the Cooperatives. I hope the various cooperative business enterprises of our country will deposit with their own central financing agency their surplus funds. And then I hope the cooperative finance investment corporation will make the loans and advance the capital which is needed to enable cooperative production to be increased, to make free enterprise possible for the thousands of people of small means who make up the cooperative movement. I hope this new cooperative banking business will always view the financing of industry as something that is done not for the purpose of gaining control over industry or of deciding whether production shall take place but rather as a sort of handmaid of the type of industry that exists in order that the lives of people as consumers can be richer and fuller and more secure.

Here again is opportunity for this cooperative movement which I address tonight to prove to the world that it is possible for the people of a great nation, without the loss of liberty, to solve their economic problems, to end unnecessary poverty where there might be plenty and to make the machine, yes, and the financial institution, the servant and not the master of man.
all costs the fine ideals that have carried it onward to greater and greater progress since it began its march out of Rochdale to a better world, not more than nine decades ago. These ideals are best summarized by the great virtues of Christian humanism—Social Justice and Social Charity. Let me explain each in its turn.

Social Justice is the virtue that disposes men to direct all their actions toward the common good. Justice disposes a man to give to his fellows in society that which is their due. Inspired by social justice he will direct all his actions to the common good. The cooperative movement will gain much if it will emphasize the obligations of social justice each cooperator has to promote the common good of their cooperative undertaking by showing himself ready at all times to give in fullest measure, even at personal cost and sacrifice, what he owes his cooperating associates, so that all, and he with them, will benefit from their joint association.

What is true of social justice is true also of social charity. An eminent writer has well said, "Social charity is the soul of the social order." Social charity is a much misunderstood virtue. Pagan humanism has narrowed down its love-embracing meaning to that of giving a mere dole or handing out relief. If social charity is not to be identified with pauperizing doles and degrading handouts of relief, what is it? Briefly, social charity's prime purpose is to cause men, who have been endowed with a social nature and were intended, therefore, by Him to live together one with another in social life, to cooperate with one another in a spirit of kindness, and benevolence, helpfulness.

If cooperators are truly actuated by a spirit of social charity, they will lay aside petty jealousies and rivalries, hurtful bickerings and cutting controversies, ill-will, dislikes, and conflicts. It is my firm conviction that unless the ideals of social charity are kept high in the cooperative movement, it too will find its way to the scrap-heap of human undertakings that promised much but lost their soul, and in losing their soul lost all. No meeting of cooperators should, consequently, ever be held which will not in one way or another feed the flame of cooperative fellowship with the oil of social charity. Social charity is not only the bringer but also the keeper of peace. The cooperative movement promises much to mankind. It will not fail to make good its promises if it is ever carried forward by the powerful ideals of Christian humanism which started it in the decades of the forties a hundred years ago.

Ethics and economics must not be separated. Surely, they must never be separated in the cooperative movement. This would be fatal. Indeed, it would be a betrayal of the sacred ideals of Christian humanism which the Rochdale Pioneers raised for all posterity to follow.

RELIGION AND COOPERATIVES

Rev. James Myers, Industrial Secretary
Federal Council of Churches

The church needs to be specific in judging all economic systems by the measuring rod of religion. By their fruits, you shall know them. What are their effects on human life and human personality? Do they provide the best opportunity for the development of self-support, self-respect, and the higher attributes of human character? Do they tend to perpetuate or to abolish the four-fold scourges of humanity—unemployment, poverty, tenancy and war?

It has seemed to many religious leaders that, judged by such standards, consumers cooperation comes the nearest of any economic system to providing a vehicle for the expression of religion in economic life. In ways in which I have not the time to describe this morning cooperation tends to abolish unemployment, poverty, tenancy and poverty, and offers an economic basis for permanent world peace. To the extent to which it does or can do these things it deserves the blessing of religion, and the active cooperation of all truly religious people.

In addition to these economic results consumer cooperation has important effects upon the human conditions. It is economic democracy in action. Democracy alone throws the way to make people responsible to give them something to respond for. Eventually it will be discovered that wider ownership of industry by the common people is the only way to allay the dangerous industrial unrest out of which all revolutions are born. There is only one sure way to make the masses of people reasonably conservative, and that is to give them something to conserve.

Furthermore, cooperation provides a system through which the service motive of religion can operate freely. The basic purpose of a cooperative is service. The Son of Man came "not to be ministered unto but to minister." Consumers cooperation, in its very system of doing business, new close to the line of the Christian ideal of service.

Logically, consumers cooperation should flourish and render its largest service among the lowest income groups. I commend to your very serious study and conscientious concern the fact that this is not generally true, either on the farms or in our cities. We need very seriously to question ourselves why it is that there is some danger of the cooperative movement's becoming an aristocracy of consumers, rather than specializing in the service of those who need cooperation the most.

Another danger signal for the cooperative movement looms ahead on the road to "bigness." It is perhaps not premature for us to recognize now that the larger an institution becomes, the more difficult it is to keep it democratic. There develops a tendency for a comparatively few men, sitting upon the boards of many subsidiary cooperative corporations, to determine the policies of the entire movement without too much rank and file participation. I believe we are on guard against this danger and by still greater emphasis on education, upon
small groups and autonomous local societies, by the device of district federations and other means, we shall keep our movement under democratic controls while at the same time expanding rapidly into new and wider fields of service.

A consumers' movement also needs to be on guard lest it do injustice to producers or to its own employees. The generous traditions of the cooperative movement, constructive experiments in producer-consumer cooperation, and the organization of cooperative employees into labor unions of their own choosing, are the safeguards upon which we must rely to protect ourselves from even any unconscious injustice to other groups.

Finally, I am sure that we all realize that no economic system, however perfect, can build a cooperative world, unless each of us cultivates within himself a cooperative spirit. Cooperators do not always cooperate. We need to catch such an overpowering vision of the mission of our movement for the welfare of men and women throughout the world and for its future peace, that we shall be filled with a new humility, ashamed to let any petty concern for our personal prestige stand for one moment in the way of the sacred cause to which we are committed.

SCHOOLS AND COOPERATIVES

Carleton Washburne, President
Progressive Education Association

To many of us the cooperative movement is not merely a matter of personal convenience or a satisfaction of personal needs. It is, rather, a social philosophy, a possible avenue for economic reconstruction in the direction of economic democracy.

Since we know that any real learning must be based upon experience, it is evident that schools which hope to give children a basic understanding of the cooperative movement must provide experience in the various aspects of this movement. It is my purpose here, therefore, to give some concrete illustrations of how this experience is being provided under widely differing conditions.

I have just returned from four or five months of study of primary and secondary schools in several South American countries, and I have seen there promising beginnings of cooperation in the field of production, distribution, and financing.

There are springing up in practically all the South American countries vocational schools which are seeking to give a

In Colombia, in the State of Boyaca, near the village of Sogamosa there is an attractive new little school with its gardens well developed. The children have experimented with various kinds of chemical fertilizers, found one that was satisfactory, and fertilized alternate strips of soil to compare the growth of wheat and potatoes where the fertilizer is used and not used. They have built beehives, not only for their own school, but for other agricultural schools. Each child, as a condition to attending this school, has been granted by his father a small parcel of land as his own experimental farm—usually a quarter of an acre to an acre. Each child is a member of the cooperative which runs the school experimental farm.

The cooperative distributes one-fourth of the net proceeds of the experimental farm to its members. The balance goes into a revolving fund used partly for capital improvements on the experimental farm and partly as a credit union from which the children may borrow, at four per cent, money for seeds, fertilizer, and so on, for their home plots.

This school, established in November, 1941, is the first of seven such schools which were in operation by April, 1942, and the five hundred which it is hoped to open during the next five years.

In Brazil at some distance from the capital is the village of Pinhal. Here in a rural agricultural school for children who have completed four grades of primary, and in some cases have had some secondary school work, was one of the best examples of cooperation that we found on the continent. A section of the school is on the fazenda (hacienda). The part in the village has a department for girls, where they learn various forms of needlecraft, homemaking, and child care, and have a mothers' and babies' clinic as part of the school. Here, too, are the shops for boys. There is woodworking related to the type of construction and materials used on the fazenda.

Consumers' Cooperation

In November-December, 1942
SEEN AT THE CONGRESS

Dr. Shih-Chia Hu and Neil S. Beaton.

E. R. Bowen (center) with four assistants: left to right: Jack McLeranich; Ellen Lincoln; Wallace J. Campbell; John Carson.

Eight cooperators send message of hope and encouragement in seven native tongues by short wave to old country cooperators.
the finest kind of spirit and a beautiful example of efficiency.

Let us turn now to a totally different environment. Winnetka, Illinois, is just about everything that South America isn’t. Its schools are among the most advanced in terms of educational method, South American schools among the most retarded—and so on. Yet in Winnetka one finds cooperative experience as feasible and as profitable a part of education as one does in South America.

In the Skokie Junior High School of the Winnetka System the cooperative movement is best developed and economic citizenship is practiced on a scale unequalled as far as I know in any other school anywhere.

The oldest enterprise is, of course, the cooperative school store. It is run on strict Rochdale principles and has been a successful and thriving institution for many years. It handles a great variety of school supplies, does wholesale buying, works out sales price, builds up a working capital, makes regular distribution of savings to members in accordance with their purchases.

The credit union, run by the junior high school students who range from eleven to fourteen years of age, again follows orthodox cooperative credit union principles, modified, however, in terms of the type of loan and the term of loan characteristic of junior high school children. The credit union also serves, of course, as a savings and thrift institution for its members.

One unique cooperative enterprise at Skokie School is the Cooperative Mutual Insurance Company, which insures children against losses from the breakage of dishes in the school lunchroom. After a number of catastrophes had occurred, and children had found their allowances gone for weeks ahead to pay for the dishes, the children themselves in the Student Council got the idea of establishing an insurance company. They made a careful investigation of the total amount of breakage which occurred the preceding year, they discussed insurance with those who had specialized knowledge, and then set up an active company.

Experience in strictly cooperative enterprises such as these would lose some of its educational value if it could not be contrasted with other forms of corporate management. The Skokie School therefore has other economic enterprises that are run on the public ownership plan and on the limited private capital plan.

There is a public-owned bank which handles the funds of all the economic enterprises and on which the various ones can draw checks. Management is strictly democratic, but it belongs to the school as a whole.

Private corporate management is also an important experience and is necessary as a means of giving better understanding of cooperative management. In this category falls the Skokie Livestock Corporation. It received its charter from the Student Council, which is the governing body of the school. It sells stock and pays dividends in accordance with the amount of stock owned. This corporation raises, boards, and buys and sells, rabbits, guinea pigs, and similar pets, and makes suitable cages and houses for them. It has a regular board of directors and is operated along the general lines of any well planned private corporation.

Through direct experience with private corporate management, public ownership, and cooperatives the children can get a real understanding of the values and limitations of each. Furthermore, criticism that the schools are propagandizing for cooperatives is effectively prevented, as they are not indoctrinating toward one or another form of management, but are giving children a real understanding based on actual experience, of each type.

If, as many of us believe, the cooperative form is in many ways and for many purposes the most desirable form, an honesty and fair comparison with the other forms of management will result in children realizing the value of cooperatives.

One-sided indoctrination is the antithesis of education. The schools are not a place for propaganda, but the values of cooperative enterprises speak for themselves when children have a fair chance to experiment with and discuss freely the various forms of economic cooperation.

Through the extension of consumers’ cooperatives which are, of course, very easy to establish in a school and which can do a great deal of educative work in the analysis of products, the studying of costs, and the utilization of the Rochdale principles, and through the establishing of other parts of the cooperative cycle—producers’ cooperatives, marketing cooperatives, and cooperative financing, all as parts of the total cooperative movement for the public good—our schools can give an education far more realistic than in the past. They can apply education into the community. They can lay the ground for economic democracy.

FARMERS AND COOPERATIVES

Dr. O. B. Jesness
University of Minnesota

I AM very glad that the last speaker referred to the prominence of farmers in this movement and also that your chairman, Mr. Lincoln, referred to the fact that rural cooperatives are pre-eminent in our cooperative development. This is specially true in the state of Minnesota.

In this movement I am wondering whether we have not perhaps tended to draw too much of a cleavage between our farmers’ cooperative marketing organizations and consumers’ cooperative organizations as such, particularly since we commonly include with the consumer cooperative our farmers’ purchasing organization—and, after all, the objectives of farmers in buying their supplies for use in production cooperatively are exactly the same as their objectives in selling their products cooperatively. The farmers have gained experience over a longer period of time, and I’d like to see closer working relations between the farmers’ marketing groups and the purchasing and consumers’ groups as such. And, further, I, for one, would like to see a growing expanding movement to represent the consumers as such, because I believe in that group we would come closer to having a representation of the interest of the nation and the interest of us all, and I would like to see such a group in existence today participating in the development of policies that are being developed in our nation’s capital. I think it would have a very excellent tempering influence.

I think that we should also in our consideration of problems in the cooperative movement pay more attention to the weaknesses that are within, more attention to getting our side of the picture as white as we possibly can and not pointing too much at the other fellow’s picture and saying, “See how black that is.”

After all, the cooperative movement is nothing but a means to an end; it is not an end in itself. I cannot agree with a people who seem to think that an organization is supreme and that the members are there to serve the organization. Our cooperative are merely instrumentalities to an end, and they must serve that end and if the organization doesn’t serve the members, if they don’t produce a better world, a better situation for mankind, cooperatives ought to go out of existence, and our efforts should be to make cooperatives serve that end.
AS your Chairman has already indicated in introducing me, I am here in what might be called a multiple capacity. I represent the American Federation of Labor. I represent also, the Railway Labor Executives’ Association. I also speak for the Brotherhood of Maintenance of Way Employees, of which I am President.

I am here to bring to you the greetings of these great organizations and to extend their best wishes for a most constructive and successful meeting.

I have a fundamental belief in the principles of Consumer Cooperation. In fact, I think I would be inconsistent were I to proclaim the ideals and benefits of cooperation in trade unionism, and not proclaim the parallel ideals and benefits of Consumer Cooperation.

In 1932, I had the honor to represent the American Federation of Labor at the British Trades Union Congress at Newcastle-on-Tyne, and while at that convention, I had an opportunity to see British Cooperatives in action. I was so much impressed by their accomplishments that I made, as part of my report to the American Federation of Labor, rather extended observations on cooperation and consumer cooperatives.

In 1940, I was instrumental in presenting to the annual convention of the American Federation of Labor, in convention at New Orleans, a resolution calling on the Federation to appoint an official committee which would confer with a committee from your organization to investigate your methods and plans and to study this whole field, its opportunities and advantages, to cooperate with your organization and to take an active part in the formation of Consumer Cooperatives if it was found feasible to do so. That resolution was amended to order a study and a report on Consumer Cooperatives. The report has now been completed and it will be presented at the forthcoming convention of the Federation at Toronto next month.

I like to think of "Consumer Cooperatives" as an organization of hands joined in friendship of men united with other men for mutual benefit and the common welfare. So, too, I think of organized labor—as a cooperative organization. I like to think of the great farm producer cooperative organizations, which have an objective similar to that of organized labor—as groups of men, united in bonds of friendship, associated for mutual benefit and the common welfare.

Despite the fact that we agree there is a common purpose which we must serve if we are to survive, we must also be realistic and admit there is far too much of selfishness within our organized groups. As individuals and groups of individuals, we have the task of minimizing that selfishness.

I am confident that you have read the stories of the fabulous incomes and wages of workers on our railroads, and I would like to use this as an illustration of what I mean when I say that misleading publicity and propaganda create misunderstanding and lack of cooperation among industrial workers and the farmers of the nation.

To illustrate my point, let us consider the 900,000 railroad employees, other than the Train and Engine Service Employees, represented by our Standard Railway Labor Organizations. Their average rate today is 74 cents an hour, and I would like to make it clear that this average hourly rate includes all those from the highly skilled shop and maintenance of way mechanics, including foremen, and technical office specialists, down through the semi-skilled and so-called "unskilled" workers—(although there is little place in the railroad industry for the totally unskilled laborer today). This average of 74 cents an hour for 900,000 semi-skilled and highly skilled workers in the railroad industry is 4 cents an hour less than the 78-cent average hourly rate paid totally unskilled and in many instances, newly hired, common laborers in this nation’s 26 largest manufacturing industries.

Only recently it was found by the Administrator of the Wage and Hour Law that there were approximately 75,000 employees in the railroad industry who were receiving less than the rock-bottom wage necessary for social decency as established by the Fair Labor Standards Act.

Several of our railroad labor organizations have just completed hearings in Chicago before an Emergency Board appointed by President Roosevelt, where certain railroads were contending that they ought not to be required to pay more than the 33 cents and 36 cents per hour then being paid to some of their impoverished workers.

Despite this fact, statistical charts are carefully prepared and displayed to farmers to make them believe that the income of all labor in industry and on the railroads has risen with frightening speed. On the other hand, I have no doubt that certain statistics could be compiled, through careful selection of certain farm incomes, to prove that the income of farmers has risen with frightening speed.

Obviously, there is something wrong with the economic system under which we have been living, and it seems to me that it is my duty and obligation, and your duty and obligation, to try to find out just what is wrong.

I believe that we, in organized labor, have a responsibility and, to the best of my ability, I am going to try to get the members of organized labor to understand and appreciate the opportunities in Consumer Cooperation. I hope we have made a real start through the report which will be made to the forthcoming convention of the American Federation of Labor.

The members of organized labor in cities and towns can and must be told this story of Consumer Cooperation; that only through controlling both ends of the pay envelope will the workers find their way out. Experience has taught them the lesson, and the experiences through which they are now going are teaching them again, that increased dollars in the pay envelope does not solve the problem. They know that the prices of goods they must have to live, the cost of housing and the cost of all services rise as rapidly, and usually far more rapidly, than does their income from wages.
It is conservatively estimated now that approximately eleven million wage earners are organized. As the families of workers are, as a rule, the largest of families, it is safe to multiply eleven million by four and estimate that there are forty-four million persons, all consumers, represented in the ranks of organized labor. They have already learned the value of organizations and the necessity of being united for mutual benefit and the common welfare. Their very membership in labor organizations proves that.

I like to think of the day when this group might be a part of a great national cooperative development which will include all the elements of our society. There is a place for all of us in this picture—producers and consumers. The success of the cooperative movement in the Scandinavian countries and in the British Isles proves this.

I conclude by again urging you to continue your great work of education as to the values of Consumer Cooperation, by pleading with you not to be blinded at any time by the forces which have been inspired by selfishness and seek to divide and conquer. I know you will not falter in your task, and I say to you, that I and many others in organized labor will, to the extent of our ability, our time and our opportunity, join hands with you in friendship and in the effort to develop a desire to understand the problems of the other fellow.

ORGANIZED LABOR
AND CONSUMERS’ COOPERATIVES

IT IS a rare privilege to appear before this biennial Congress of The Cooperative League of the U.S.A. as a representative of organized labor. There has not been enough contact between labor organizations and organizations of consumers in this country in the past. The labor movement and the cooperative movement have much in common in point of view, in objectives, and in methods, and they should work together more and more closely as time goes on.

It is not too much to say that the free farm organizations of this country which truly reflect the views and feelings of working farmers, the free consumer cooperative movement, and the free labor movement, are the first bulwarks of our American democracy and our American liberties against the black tide of bitter reaction which seems at times to be engulfing the entire world in these tragic days.

I have come here to extend the warm greetings of organized labor and of the CIO in particular, to the organized consumers of America represented here in this magnificent Congress. The CIO has gone on record in convention after convention in support of the consumer cooperative movement and it has been and is our hope that the ties between organized labor and organized consumers will be drawn closer year by year.

The labor unions which compose the CIO are comparatively young. They have been concerned for some time primarily with elementary problems of self-organization, of winning recognition from employers, and of protecting their simple rights under the law of the land. As we pass out of this early phase of our development our unions become interested in new problems. They find they have the time and the resources to go into other questions. One of the things that I believe and hope they will do is to begin the establishment of more and more consumer cooperatives in our industrial centers.

Thus far your movement has been largely a farm movement, with its greatest strength in rural areas. I hope that in addition to a growing collaboration between organized labor and the cooperative movement there will be a broader and broader development of cooperatives established by trade unions and city central bodies of organized labor. Thus we may forge a natural bond of economic interest and understanding between city and rural, for worker and farmer alike must learn to face together our great national problems of production and consumption.

I am concerned to place before you today, in the interest of that growing understanding, a brief statement of the objectives of organized labor in the domestic field as they are beginning to crystallize at the present time.

The Congress of Industrial Organizations has made a number of proposals for dealing with our domestic problems, beginning not after the war, but now. These proposals together have come to be known as the Murray Industry Council Plan. The essential elements of the Murray Plan are economic planning and economic democratization.

Our fundamental purpose must be the full employment of the country's industrial resources, together with the provision of purchasing power adequate to take the product off the market, and the balancing of these two factors. In this way our economy can operate on a pay-as-you-go basis, without having to have government funds pumped into it continuously, and without the need for further extensive government borrowing and spending.

This means a high degree of social control over industrial processes. It is for this reason, in order to avoid excessive centralization, that the CIO has urged the establishment of what we refer to as Industry Councils. Industry Councils are agencies established in each industry, composed of equal representation of management and labor, with a Government chairman, entrusted with the great responsibility of developing and administering an industrial plan for each of their respective industries which will gear into and be part of the general overall national economic plan we have been talking about.

As an additional guarantee of truly democratic control under the national economic plan, we have urged the establishment of a top economic planning board composed of representation from management, labor, and government. From time to time among us it has been pointed out also that any such planning must also have adequate representation of organized working farmers, and of the free and democratic organizations of consumers.

I urge you as spokesmen of the organized consumers of America, and in a sense as representatives of the farmers of America, to give thought to these proposals of organized labor, to let us hear from you about them, and to consider how we may work together toward their accomplishment.
You may fairly ask, how do these plans tie in with the objectives of the cooperative movement? I would answer that I believe that economic planning and the development of democratically controlled cooperatives are trends which supplement and assist each other.

Suppose we set ourselves these great goals: a democratically planned domestic economy; and an international order, politically and economically democratic. The achievement will mean that farmers, consumers and laborers must become together a far more powerful voice in our national political councils than they have ever been before.

COOPERATIVE CREDIT

Roy F. Bergengren, Director
Credit Union National Association

I bring you greetings from four million credit union members. They are organized in more than twelve thousand credit unions, spread from the Hawaiian Islands to Newfoundland. There are credit unions in every State of the American Union, in all of the nine Provinces of Canada, in Newfoundland and the Canal Zone and they are served by the 49 State and Provincial Leagues in which they have membership. These Leagues are united in the Credit Union National Association which it is my privilege to represent.

There are credit unions composed of all white people, all negroes, brown people, and all sorts, credit unions in Catholic parishes, Protestant churches, Jewish synagogues, in mines and among fishermen, among farmers and day laborers, among white collar workers and in communities, organized on a community basis. There is a credit union in the White House and another one of negro sharecroppers in North Carolina; there are over 100 of them in Armour and Company which have loaned so far better than $40,000,000, and 628 credit unions of school teachers. The splendid development in Nova Scotia is almost entirely on a community basis and there are credit unions on the Canal Zone and in the United States which serves the same approximate membership as that of the cooperative in Hawaii. We are one organization which very truly knows neither race, nor creed, nor color, nor political persuasion. We are a cross section of free America and are proud of it.

Allow me to thank you again for your courtesy in inviting me here to meet you and address you. I hope that organized labor and organized consumers may have many occasions in the future to exchange visits of spokesmen, to exchange views, and to consult together generally for the great purposes and objectives which we hold so firmly in common.

The voice of the American people, organized consumers, organized labor, organized farmers, must be so powerful in 1944 that it may demand and obtain the domestic and international measures which we have been talking about.

Where do we fit in this meeting? What is our place in the whole cooperative structure? When I am asked that question—which is quite frequently—I always answer it one way by quoting an old adage: "Money makes the mare go." I have never known of a cooperative which did not need money at the time of its inception and, generally in increasing amounts, money or credit as it developed. I doubt if even the Rochdale Pioneers would have been able to compete with the modern chain store, with its enormous buying power and its well developed consciousness of obligation to give the public good service.

I recall the first credit union I organized within a consumer cooperative group. This cooperative was long established, progressive, efficient and successful. They were selling, an appreciable part of their business, on a credit basis in competition with chain stores which were charging cash for their goods. This was their greatest problem. I never yet knew of an enterprise which operated on a "Credit and Delivery" basis which could successfully compete with an efficient "Cash and Carry." I had a most difficult time convincing this group that they should organize a credit union to sell the credit while the store was selling the potatoes. We finally organized and for many years this credit union served no real purpose. No one seemed to sense its potentialities. Finally, however, the notion began to take hold. The credit union grew to a membership of over 700 and assets close to a hundred thousand dollars. It helped the cooperative in innumerable ways.

It did not, however, reach the realization attained many years ago by one of the oldest credit unions in the United States which serves the same approximate membership as that of the cooperative stores within which it originated. This credit union, organized in 1914, now has assets of more than a million dollars. I recall attending a meeting of its Board one evening when the matter of a loan to the cooperative to build a new bakery came up. The amount was several thousand dollars and it took less than five minutes to dispose favorably of this item. This cooperative now has created for itself a reservoir of bank credit. Surely that is a highly desirable objective for any cooperative.

The stock in trade of a credit union is money. The job of the credit union is to teach its members how to handle their own money for their own maximum good. Under most of our laws, other than natural persons can have membership in a credit union. In other words if a credit union is organized within a consumer cooperative the cooperative, as such, can have full membership in the credit union. That means that if a group of people want to organize a cooperative store and will have patience enough to first organize a credit union certain results will follow more or less automatically: 1. In the process of developing the credit union they will learn a few fundamental things about cooperation; 2. Their members will accumulate some money which will enable them to buy shares in the cooperative; 3. The cooperative when formed can have membership, including the right to borrow from the credit union; and 4. After both the credit union and the cooperative are functioning the credit union can sell credit, leaving the cooperative in the clear to sell cabbages.

It seems to me that all this is now worthy of your most serious consideration. We have helped the Farmers Union to organize many credit unions in North Dakota. We have organized many credit unions within cooperative oil groups. We have credit unions in the Farm Bureau Federation, but we have never yet been able to sell the cooperative movement of the United States on the extraordinary potential value of the credit union to this
movement. I make no criticism of banking when I venture the prophecy that the cooperative movement will never come to complete fruition in the United States until it controls its own sources of banking and credit. Just as there are homeopaths and allopaths and osteopaths, all equally honorable members of the medical profession, who, however, approach medicine from quite different points of view, so we need banks which will understand what we are driving at within the cooperative movement and approach banking cooperatively.

So I conclude that other cooperatives should utilize the finance cooperatives, that you should appreciate how essential is the control of money and that the credit union is a long step in the direction of such control.

**NEXT STEPS IN COOPERATIVE EDUCATION**

Robert L. Smith, Education Director

Eastern Cooperative League

The topics assigned for this session of the Congress put the emphasis in the right place. The world is moving too fast for much time to be spent looking backward. Our focus, whether it be in the field of Business, Finance or Education, must be on "Next Steps." Yet one of the vital ingredients of a formula for progress is hope, springing from past achievements. Let's look at a moment at the highlights in the field of Cooperative Education in the two years since the last Congress.

To me, the success of CCA in reducing credit trading dramatically is an educational achievement that is almost unbelievable. The fact that the value of cash trading could be dramatized so successfully to 278 members and patron Co-ops by CCA after years of operation contrary to good cooperative practice has far reaching implications for our government and the nation as a whole.

The importance of including education expense as a definite part of the operating budget was underscored heavily when the Ohio Farm Bureau Cooperative Association formally adopted a policy of allocating 1% of volume for education, and urged the same policy on each of the county units. The result has been the addition of approximately 20 county education directors to the staff in the last two years.

In the past two years, Indiana has perfected a type of cooperative newspaper which is unique. At the present time 42 county papers are published, each containing four pages of news prepared in the state office, and four pages of local news. A study of the counties using this educational instrument shows definite increases over the counties not using the Farm News:

Last winter the Pennsylvania Farm Bureau Cooperative Association turned the top floor of the organization’s warehouse into a dormitory and classroom and expanded the payroll allotments of the Employees Cooperative Cafeteria, groups of Directors, County and State fieldmen, warehousemen, petroleum service men and bookkeepers totalling 300 were brought in for two and three day schools.

In the East, several recent developments point possible directions for unique educational programs. The Eastern Cooperative League has launched a nutrition study program with a follow through in the stores themselves. A pamphlet "Food Joins the Colors," which the City of New York’s Health Department designed to dramatize calories, proteins, minerals and vitamins by the use of gay color designations, is the basis of this effort to give housewives nutrition information at the point of purchase. Over 150 groups have secured the discussion materials.

In an attempt to be prepared to meet the growing interest in organizing Cooperatives, ECL has experimented with a training course for Volunteer Advisors—a selected group of cooperators who have been through the mill in their own Co-op, and who will volunteer at least one night a week to supplement the paid staff in helping new groups get started properly.

When registration for the spring course in food store operations directed by the Council for Cooperative Business Training at Rochdale Institute showed 11 women and 17 men, they marked a new point in employee education in the United States.

One of the most impressive bits of evidence of the degree to which unity is developing in our movement was the National Management Institute sponsored by four of the regional wholesalers in January and February, 1942, in Chicago. The collaboration of three wholesalers on the preparation of two correspondence school courses by V. S. Allan is another evidence.

Perhaps the biggest achievement in this direction was the production of the national movie, "Here Is Tomorrow." By this time it has been shown to more than half a million consumers. It took five years from the time the idea of a national movie first developed to achieve the degree of integration necessary to get the financial backing of eight Regionals. Yet more than a year it has been possible to raise several times this amount of money to put Co-ops on the air coast to coast.

The hiring of an Education Secretary is another forward step. It is difficult to believe that a movement which has always recognized that its future depended on a sound and vital education program should have not been able to support at least one full time staff member with specific responsibility for coordinating education materials and programs.

For the record and for the press we can find much satisfaction in the advances in Cooperative Education which the years 1941 and 1942 have seen. But the immensity of the job yet before us is sobering. To help us plan and check our progress, I’d like to propose a few projects that are reasonable next steps. Then I’d like to ask you to think about some longer range planning.

Could we set some specific immediate objectives for every local Co-op?

1. **An effective education committee.** It may come as a distinct surprise to many that the majority of local Co-ops now in the League’s membership have never had a committee charged with the specific responsibility of developing an education program. Our cooperative movement needs to have as a goal a high in education, on the world we live in, Cooperative concepts, and the training of Co-operators to perform effectively in extending our Movement.

2. **New member packet.** Few of our cooperatives have a smoothly functioning routine to acquaint a new member with his rights and responsibilities, and to give him a picture of the scope of the organization he is joining and the ways in which he can function in its activities. The universal practice of presenting a new member with an introduction to the Cooperative Idea, to the structure of the movement, to the local Co-op and to its by-laws would seem to be an effective first step.

3. **A literature display rack installed in every existing Co-op and designed as part of the equipment of every new Co-op should do much to advance our educational efforts. It might be interesting to experiment with carrying literature on the regular wholesale price list instead of as a service from the education department.**

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4. A check chart for cooperators. Once a year such a guide might be used to take a personal inventory. a. Do I know my Co-op’s A B C’s? How it started? Why it started? When it started? Where it can go? What it expects of me? What I can expect of it? Its range of services? b. Can I convince my neighbors of the importance of consumer ownership and control? Of extending democracy to business? Of an economic foundation for world peace? Of consumer controlled quality? c. Have I backed my beliefs with my checks? d. Capital investment to provide life blood? In purchases to keep it circulating? In bonds or preferred stock to get back to production?

5. A Check Chart for Local Co-ops. Such questions might be very helpful in checking progress. a. Do we introduce a new member to his Co-op and the Movement with a literature packet? b. Do we find out what a new member’s interests and capacities are? c. Do we provide a definite education budget? d. Do we get a Co-op publication into every member’s home? e. Do we participate in regional meetings, conferences and institutes? f. Do we have a well-rounded education program covering Organization, Publicity, Relations and Recreation?

At the regional level we might also set ourselves some specific objectives.

1. A competition for excellence in co-op advertising and merchandising. In our advertising and merchandising, much of the educational work of our Cooperatives gets done—not done—or undone. Not since Co-ops pioneered with open formula in the farm supply field and the combination grade and informative labeling in the grocery field, have we done an outstanding job worthy of the unique opportunity that is ours.

2. A plan for communicating with new board members. Only in the past year in the East have we been able to communicate directly with every Board member of each local Co-op right at his home. Undoubtedly a number of other Cooperatives have had such communication facilities for some time. We have come to realize that we are failing to use one of the best opportunities for education of Board Members that exists. Knowing every election takes place and who the new members of the Board are, it would be simple for the Regions to write a letter of congratulations enclosing a pamphlet like Anthony Lehner’s “What Every Cooperator Ought to Know.”

After a half dozen years of association in our Publicity and Education Committee, I believe all editors and education directors would agree on the value of the frank give and take of committee sessions and the steady rise in performance and achievement which have developed from this group exchange of ideas. This experience leads me to believe that the formation this June of a National Distribution Committee will lead to equally fruitful progress in the field of Co-op advertising and merchandising.

Would it be feasible to ask this committee to study the possibility of a competition for excellence open to regional and local Co-ops in the field of advertising and merchandising materials, with entries judged in time for display at the next Congress?

As an immediate step, suppose we were to develop a yardstick to measure every ad which appeared in co-op publications or displays? 1. Is it based on the users’ interest in the product? 2. Is it based on facts? 3. Does it help the consumer to buy wisely? 4. Does it avoid loose claims? 5. Does it convey Co-ops’ unique freedom to tell the whole truth? 6. Would it be impossible to substitute any other article and still have meaning? 7. Does it have eye appeal?

4. A national Co-op warden communication system. A primary element for success in education and action is adequate organization of lines of communication. Thus far we are completely lacking the means of communication at local, regional or national levels to be sure that a message of importance to our membership has reached them personally and in time to assure quick action. Whether it be the dispensing of groceries to the local petroleum Co-op’s line, or the need for coupon rationing of coffee, the wheels must laboriously be set in motion and permit to see coffee in the form of fact before information can be passed on and action secured in our co-ops.

5. Study and training for a people’s peace. Is it too much to begin soon a study of the basic essentials of a people’s peace? And to recognize the degree to which our membership as a whole has not yet developed an individual philosophy that makes possible a just and durable peace? This requires a tolerance of other people’s beliefs and customs on an international scale which demands a tremendous advance from our present stage of development.

Can we skip the high-sounding resolutions and begin the hard job of giving our people the basic facts of why there’s enough butter for everyone’s bread, why we can’t afford a poor neighbor, why differences of race, color, nationality, income, education or vocation open doors of exploration rather than raise barriers of distrust and hate. Can we do this job in terms of that will excite the imagination of our membership, to the point of raising funds and training volunteers for the difficult tasks of establishing and administering relief abroad in the post-war period on a cooperative basis?

6. Research on growth and motivation. It is impossible at this time to check the rate at which a new member moves from a curious purchaser to a convinced co-operator, or from a convinced co-operator to an effective one. Could we not ask our national office to seek the volunteer assistance of a committee of leading men in the fields of psychology, sociology and education to collaborate with the staff? The need is to map out and conduct a study to discover what motivation, what means of recognition, and what methods of checking progress could be developed to provide sequence in the development of an informed effective lay leadership.

We know that modern psychology questions the theories on which the award becomes the goal. The need is for an objective scale which demands a tremendous advance from our present stage of development.
**NEXT STEPS IN COOPERATIVE FINANCE**

Perry L. Green, President
Ohio Farm Bureau

During the last two years too little material progress has been made in the development of a national cooperative finance system. If the conditions which exist today are not a sufficient impetus to an increasingly aggressive development of the whole cooperative movement including cooperative finance, then something is wrong with the leadership of the movement.

I am more firmly convinced of the positive effectiveness of the cooperative movement in future world affairs than I have ever been before. In brief, it is a combination of social and economic behavior which recognizes the varying degrees of individual initiative and understanding, but does not omit the primary over-all necessity of collective, but yet individual, responsibility.

The approach of the cooperative movement means the difference in human existence between economic insecurity and economic security. It means the difference between people’s responsibility, through individual and collective self-help, and Stateism. In its broad over-all aspect, it means the maintenance of political and economic democracy.

Because of the fact that the war effort has put people into a more prominent position in the development of mass democracy, the organized cooperative movement in this country has the greatest opportunity and need for expanding into the most over-all comprehensive activities that a people’s movement has ever had.

The practical point that I am making is that there will be a considerable period of time during and following the war—perhaps ten years—in which the cooperative movement may consolidate, federate, and expand its operations into various and numerous fields of operations, and gain possession of sufficient economic power to influence and safeguard future generations from being returned to the economic insecurity of the economy of scarcity which was in control in the pre-war era.

There is no assurance that the cooperative movement, expanded as it is and as being proposed, can retain its strength and future influence without likewise cooperatively supporting and federalizing its own credit and monetary service needs.

I am hoping that the organized cooperative movement may build, in the next decade, a system of cooperative finance institutions reaching back to every patron and member of every local cooperative society. There are enough available daily bank balances, savings, insurance premium deposits and debts backed by intrinsic values belonging to the patrons and organized institutions affiliated with the Cooperative League to supply all of the long and short term credit needs of both patrons and their cooperatives.

It’s simple; it’s possible; and it must be done. I urge that we now set out to get it done.

**NEXT STEPS IN COOPERATIVE BUSINESS**

Howard A. Cowden, President
Consumers Cooperative Association

During the past two years Consumer Cooperatives, through their wholesale associations, have moved rapidly into production of many of the items they carry. They recently purchased a large canning in Nebraska; have built one of the largest feed mills in the world, in Ohio; and have built or purchased six fertilizer factories, a flour mill, two feed and seed mills, two printing plants, a bakery and other production facilities. The co-ops have purchased their third co-op oil refinery in the U.S. and are raising funds to purchase a fourth refinery. Twelve co-op oil wells have been drilled.

In the food field, cooperatives have pioneered in the use of an ingenious color scheme for the selection of nutritious foods in their grocery stores. They have also pioneered in the use of government ABC grade labeling and have supplemented this with co-op grades 1, 2 and 3.
Protect Cooperatives—Protect Democracy

The movement must keep as many cooperatives as possible from the same fate that has befallen thousands of small-scale business men in all countries as a result of war. Little businesses are being crushed at an unheard-of rate, while the giants of business are growing into mammoths, with many of their former executives in key positions in the federal government. It is not a healthy thing either for our war effort or for the future of political democracy. Furthermore, this new and mightier industrial collectivism is an ever-present threat to the consumer cooperative movement.

Prevent Price Inflation

Cooperatives can help and are helping in the current effort against price inflation. The dangers of skyrocketing prices to farmers, laborers, and all others in the economy, and the crippling effects it would have on our war effort, are too well known to need elaboration here. Cooperatives are serving by holding down credit extension, or by abandoning credit altogether in the sale of merchandise. All are engaged in other scrap campaigns.

Cooperatives, doing roughly one-sixth of the farm supply business of the country, are working overtime to keep farm supplies flowing to those who are raising food for freedom.

Cooperatives are packing milk, cheese, butter, fruits, and vegetables and other food products for the armed forces.

One cooperative refinery is adding expensive equipment now for the production of Codimer, a petroleum fraction which may be used either in the manufacture of synthetic rubber or aviation gasoline.

All wholesalers reporting are buying war bonds. So are their employees—hundreds of thousands of dollars worth. All are reducing miles of travel, conserving critical material like containers, and loading their trucks to capacity both ways wherever possible. Many are helping member associations form transportation pools to better serve rural communities.

Employees of every wholesale reporting are doing many things in civilian defense, practicing group riding, working with government agencies on wartime measures, and saving critical materials in their every-day jobs.

Every wholesale has furnished men to the armed forces, and most of them are training women, and men above military age, to carry on cooperative work for the duration.

Consumers’ Cooperation

The cooperative press generally is carrying informative material to consumers that ties in directly with furthering the war effort.

Next Steps Ahead

One of the great fields that is calling for cooperative pioneering and leadership today is that of human nutrition. We have done a better job on animal nutrition than we have with human beings, principally because cooperatives began distributing feed for livestock on a large scale before they entered the food field on a large scale. Now they need to do as good a job in establishing nutritional standards for consumers than they have done in grading canned foods, and in feeding the leaders, a fact for which they deserve great credit. And such a spirit is being made now.

Regional cooperatives are overlooking an opportunity in these times, it seems to me, by not making greater use of existing facilities. Our own wholesale, for example, is manufacturing grease for its own members and for several other cooperatives in this country and Canada. It is being done on a cost-plus basis, with the participating wholesalers getting whatever savings accrue under the arrangement. I use it as an example of what might well be done among various wholesalers in other commodities.

Probably the most important field calling for united cooperative action just now is the “billion-dollar” synthetic rubber industry. Control of it is now in the hands of the major oil and rubber companies and their allies, with production facilities financed by the people. Batteries and other automotive accessories, which lend themselves to national distribution, should be considered too in any planning we do for the post-war period.

While cooperatives have become the largest independent distributor of petroleum products, they have made only a beginning toward integration, toward getting into production of crude oil, refining, and pipe line transportation. If you want a view of the possibilities in an integrated petroleum cooperative, you have only to extend the savings made in crude oil production, pipe line transportation and refining operations at Phillipsburg over the entire refined fuel business of CCA.

By producing and refining all the crude necessary to supply CCA, or 2,577,000,000 barrels of refined gasoline, oil and oil products, we would be able to save hundreds of millions of dollars. It is the cooperative press generally is carrying informative material to consumers that ties in directly with furthering the war effort. 

November-December, 1942
905 barrels, the associations would have shown combined savings of $2,992,204.99 on refined fuels, assuming that all income as well as cost factors would remain constant.

<table>
<thead>
<tr>
<th>Association</th>
<th>Savings</th>
</tr>
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<tr>
<td>COPA</td>
<td>$1,993,287.52</td>
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<tr>
<td>CPLA</td>
<td>79,388.93</td>
</tr>
<tr>
<td>CRA</td>
<td>649,848.54</td>
</tr>
<tr>
<td>CCA</td>
<td>270,680.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,992,204.99</strong></td>
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Another phase of the petroleum industry which would yield enormous savings is the manufacture of lubricating oils. It is a refining process calling for a different type of refinery than is used in the production of motor fuels. Since it is a commodity that lends itself to wide distribution, it should be tackled by cooperatives at the national level.

Join Hands Overseas

In 1937 I presented a paper in Paris, France, urging the various national cooperatives represented at the sessions of the International Cooperative Alliance, to form an International Cooperative Petroleum Society. Its purpose would have been to produce, refine, transport and distribute petroleum products to its members in all countries, using its own tankers in making delivery. It would have been a thrust at the cartels which at that time had dominance in the petroleum industry in most European countries.

The cooperatives are fitted for the task, as they did in 1918 the protesting spirit of the new day will have to upset their table and call them to account.

We find the reformers also planning peace and world reorganization on a political basis. The principal change they demand is that the restored governments shall be more highly socialized, and shall have more power over the property and lives of the people than ever before.

The attempts to solve economic problems by political means have failed. We are here to offer the economic way to the solution of economic problems. The profit-capitalistic method, while claiming its devotion to democracy, makes democracy impossible, because of its creation of privilege and its demand for a state to protect it.

The weaknesses and deficiencies of capitalism and the political governments are not found in cooperation. The cooperative method remains unchallenged and unchallenged by the tests through which the world is passing. If the people who are organized according to Rochdale methods can not hope to supply every need which is supplied by the same kind of people organized in profit business or in the political state, then cooperation is not an effective economic system.

We in this country try to keep our cooperative movement out of politics and strictly in the economic field. As a result, all political parties desire our good will, and people of all parties join our ranks. We are occupied in the enterprise of capturing opportunity. To understand the dignity and importance of cooperation is our duty. We should realize that in our cooperative societies we have built the palace of peace. Let us strive to see that reconstruction after the war shall crystallize around these societies rather than around political states. As soon as the Axis oppression is removed, cooperation in the free countries should go on with constant expansion and increasing strength.

In the meantime, people in exile from the oppressed countries are now planning for the future. While they are setting up their organizations in exile, they should plan that whatever sort of national system they provide, the program
should include the cooperative method as a way of supplying their needs.

This above all means provision for cooperative education. It is better that governments spend money teaching and guiding people in the way of self-help than spending money directly in giving help to the people. The first leads towards self-reliance, democracy, cooperation, and the fading state; the second leads towards mendicancy, subservience, autocracy, and the expanding state.

The International Cooperative Alliance faces a new opportunity at this juncture. The Alliance can promote cooperative democracy which must be democratic, in contrast to the politicians' offer of political democracy, which shows little sign or possibility of fulfilling its name.

A congress of the Alliance should be convened as soon as more than half its constituent membership can meet. The meetings of the Alliance should be divided into regional world sections. There might be the Afro-European section; the American section, including all the Western Hemisphere; and the Asiatic section. These should hold their sectional congresses; and periodically a world congress will be assembled.

The Alliance should arise to its opportunity. International cooperative business in all fields should be carried on. An international cooperative bank is important. It is possible for the world cooperative movement to develop its own currency and free itself from the imperialisms of the world. These are freedom of communication, freedom of trade, freedom of competition, and freedom of ownership.

The cooperative movement has gone its way peacefully, quietly, and without ostentation, until it includes more than one-fourth the population of the world. Now after a hundred years, we know it has proved itself, while other systems have failed. The time for modesty has ended. We solve problems, which others confuse. The time for audacity has come. Let us see to it that civilization be not longer delayed.

Consumers' Cooperation

November-December, 1942

A WORLD COOPERATIVE DEMOCRACY

Neil S. Beaton, President
Scottish Cooperative Wholesale Society

I HAVE traveled some five thousand miles to bring to you no new creed, but to tell you of something the very essence of which has been burned and refined in the fire of experience, and which is proceeding in growing strength towards complete triumph through adoption by voluntary means of its ideals.

The keynote of my message is simply cooperation, cooperation of thought, of will, of action. Free and available to all of every race and class. And the basis—service! To give rather than receive.

It gives me unbounded pleasure to bring greetings from the Co-operators of Great Britain to our comrades and fellow cooperators in the United States. We have watched with intense interest the successful fight which American cooperation has been making against the powerful forces of the trusts and combines, and we give you our best wishes for yet greater victories in the future.

The road to be traversed by cooperators in your country is bound to be a rough one. In our country we have to face powerful combinations of the same kind, and we desire to thank you for the inspiration which the success of your efforts has given us. As cooperators we are bound to declare that there can be no final truce between cooperation and private greed, and there must be no halt in our forward march until private possession of the instruments of trade has given place to democratic ownership and control by the Cooperative Movement.

In my own country of Scotland, cooperation continues to make splendid progress. Our membership of one million indicates that fully half of the Scottish population is connected with the movement. In sales and capital we are also in a favored position and still hold our position in the forefront of the Cooperative World.

We can lay claim to two cooperative distinctions, that of having brought into being the first consumers society started in 1769 by a few Scottish weavers in Fenwick, Ayrshire, and also that of having the oldest existing society within our borders, Lennoxtown Cooperative Society which was established in 1812.

Today in Scotland we have over two hundred consumers retail societies with an annual trade of over $265 million dollars, and those societies last year returned to the members a sum of no less than $35 million dollars as their share of surplus on their purchases.

The S.C.W.S. which includes in its membership practically the whole of the retail societies of Scotland, collects goods of all kinds from all parts of the world for the distributing societies, and in ad-
among progressive thinkers on the need for fundamental change in the present world economic system when the war is over.

It is realized that the functions of voluntary cooperation, as distinct from municipal and state control and ownership, may overlap at different times and at different points, but there is so much to be done that it seems to be a criminal waste of time to allow differences of opinion on such matters to cloud the primary task of making the consumers' interests the supreme consideration.

Briefly, it is suggested that voluntary cooperation should develop with a view to social control of the commercial activities of a nation. Broadly defined, commercial activities would include food, clothing, shoes, all household requirements, insurance, banking, housing, and many other requirements.

Municipalities should attend to the administration of the local laws, public health, hospital work, public parks, public local transport and public utilities, and many other kindred activities which are waiting development in the interest of the citizens.

State control and ownership would include land, mines, power, radio stations, public transport by road, rail, air, sea, and to deal with the eternal and international problems of justice, liberty and the general welfare.

There are good grounds for thinking that another big field for cooperative enterprise has not yet been adequately considered. The International Cooperative Trading Agency has been in existence since 1937; while the international cooperative trade that is being done is small, the possibilities are great. Taking the longer, the bigger view, there is no reason why there should not be an interchange of commodities between cooperatives in the various countries through the medium of the I. C. T. A. The development of such a system of exchange would help to kill the little national spirit, which keeps on rising in our hearts in spite of our better judgment regarding international affairs and outlook. So long as imported cooperative productions were balanced by exported cooperative productions, there would be no cause for even thinking about our own little village pump. Not only would such a development be good for cooperative productions, but it would be of immeasurable help in promoting peace and good will between the consumers and producers of all nations.

After this war the nations of the earth must learn to cooperate for peaceful purposes by mutual aid, helping one another out of the abyss created by this world-wide war. By this means they are bound to see that only by international cooperation can the standard of living throughout the world be raised and thus open the way for the thousands of years of peace which has been the dream of poets and was throughout the ages.

Tonight we remember in silence, our fellow cooperators who are prisoners, and suffering hardship in their native lands, and enduring the cruelty of a regime which scorns the sacred right of freedom and seeks to enslave the whole world to its power.

Our movement stands for the security of all. We have no vested interests apart from the interests of the people. Out of this war must come a new ideology for the world. This war has proved that the raw materials, plus man power, are the two essentials for world control and domination. In the post-war reconstruction—and if future wars are to be avoided—the raw materials, or fruits of the earth, must be made available to all mankind according to his needs. There is only one way that such an ideal can be secured, and that way is our cooperative way. Cooperation knows no frontiers or boundaries. Love of home and love of country are necessary for happiness, but love of mankind is essential for the peace of the world. We must build our cooperative commonwealth with that loyalty which only ideals can inspire. Long live the American and Canadian cooperative movement. Long live the British cooperative movement. Long live and God speed to the International Cooperative Movement.

REPORTS OF GROUP MEETINGS HELD DURING THE CONGRESS

COOPERATIVE RECREATION, by Carl Hutchinsori for Cooperative Society for Recreational Education

Recreation is at the same time a commodity and an educational force. If we are to have any voice in the kind of recreation we want and the price we want to pay, we must get together as consumers and control it on a cooperative basis. Consumers in all parts of the country, in large cities and rural communities, are now beginning to do this and are proving themselves with non-profit recreation.

Recreation is an important educational force because it is a direct experience in cooperative living. The untapped social energies of the people will be released not so much through the head as through the heart. Get people in a group singing, dancing or playing a game and they just naturally work together.

Our social patterns of behavior are largely dominated by those who administer and direct our play activities. The only way for cooperators to use these social forces of play to build cooperative thinking, habits and structure is for the cooperatives to get into the recreation field. Cooperatively administered recreation can be a vitally important force in...
developing better individual cooperators and a strong cooperative movement.

The war crisis provides a real opportunity for cooperatively administered recreation. Because of the tension and strain of these times, and because of the curtailment of transportation, there is (1) more need for play; and (2) less mobility for commercial amusements. Co-operators who have always emphasized recreation which the people create and participate in themselves, and which gives those participating a creative release, have a challenging opportunity to meet. Those participating a creative release, have a challenging opportunity to meet. Cooperatives must be in the forefront, using methods or total service plan. The present situation (shortage of trained help) will increase the number of self-service stores rapidly; in fact, as fast as regions can give them the needed technical and material help.

What can be done during the War period? The ultimate aim should be found in a far reaching program and should include in reality what can be done today to help develop a unified architectural program and expand the operations of our cooperatives:

1. Provide and promote a unified color scheme.
2. Draw plans for economical floor layout — provide portable work models.
3. Promote the check-out system — it has been proven in operation.
4. Provide a source of supply of fixtures now available to take the place of steel goods banned from production.
5. Promote the handling of new lines of goods to take place of merchandise not available — by recommending or obtaining sources of supply and working out methods to introduce the new lines.
6. Have suggestions readily available on type of materials to use either for remodeling of buildings or new construction especially material for store fronts (including signs) interior walls and floors.
7. A recommendation sheet of used fixtures available should be provided by regional.
8. A National purchase arrangement may be advisable on shelves, display tables, price mouldings and tags, chairs, desks, files, etc.
9. Many of our general merchandise and food stores would benefit through the installation of quick-lunch and soda counters. Method of survey for this feature should be provided.
10. An up-to-date handbook on modernization and merchandising is needed. Merchandising methods, store layout and building design are changing rapidly. The cooperatives must be in the forefront, using the materials and means now available.

ROCHDALE INSTITUTE, by J. P. Warbasse, Director

The national school for the training of cooperative educators and executives has been in operation with headquarters in New York since 1937. In response to the requests of district federations and wholesales, it now gives favorable consideration in establishing its central institution near the middle of the country. It has under consideration Columbus, Chicago, Madison, Minneapolis, and Kansas City. At all of these centers, there are adjacent universities and cooperative societies. These two conditions are essential. During the war a shortening of courses is necessary, but plans for an expansion of the training as soon as practicable are being urged upon. Wholesales and retail societies are urged to send selected students for training at the Institute.

The Institute plans for expansion as soon as funds can be obtained. The plans provide for an Extension Department with extension teachers to cooperate with the educational departments of the twenty district federations and wholesales in The Cooperative League, in setting up and conducting district courses. These courses are to be similar to the schools and institutes for the training of employees which are now conducted by these district federations.

The extension course teachers of the Institute are to place themselves at the service of the Educational Directors of the various district associations in conducting the courses. Such courses should be adapted to the local requirements of each district. The Institute is to act also as a coordinating center for all of the districts in standardizing and carrying on their local training schools.

Since education requires financial help at the beginning, foundations and individuals who are aware of the importance of building such a national educational institution are urged to give assistance at their period of opportunity.

COOPERATIVE MEDICAL SERVICE, by George W. Jacobson, Secretary-Treasurer, Group Health Association

The discussion group on "Cooperative Medical Service" was combined with a full day conference on "Prepaid Medical Care," sponsored jointly by the Group Health Federation of America and the Group Health Association of Minnesota.

The chief spokesman for the plans represented were: Dr. J. A. Hannah of Toronto, Canada; Dr. M. D. Ogden of Little Rock, Arkansas; Dr. A. L. Curtin of Milwaukee; Dr. J. A. McElligott of the Farm Security Administration; George W. Jacobson of St. Paul; Mrs. Carl Nielsen of Berkeley, California; and Mrs. Ludwig Anderson of Superior, Wisconsin. Dr. J. P. Warbasse was present from the Cooperative League of the USA and the nations of Palestine and China were represented by Meyer Sessling and Dr. Shih-Chi Hu.
The above plans, and others in the country not represented, might be divided into two broad classes depending on how they originated or are controlled. First there are the consumer or patient sponsored types, which come more properly in the class of consumer cooperatives. Second, there are the doctor sponsored plans, where the initiative is taken and the plans controlled by some clinic of doctors or by some medical society. Many variations exist among the plans that come under those broad classifications.

Many topics were discussed at the conference, but one which figured prominently was the matter of whether a group should set up their own medical machinery or use existing private practitioners or clinics. Dr. J. A. Hannah, as a result of his experience in enrolling some 40,000 persons in the Toronto plan, felt that prepayment medicine can be provided through the individual doctor, if it is done gradually so that the laymen and the profession can slowly get together on the basis of principles and practices necessary for success. George W. Jacobson pointed to the advantages of using the existing facilities of "Clinics of Doctors" wherever possible, in order to obtain a superior type of care and open up the way to reduced medical costs. Of course, the ideal is for a group to set up its own clinic and hospital, if this is financially possible.

**WOMEN AND COOPERATIVES, by Helen Hayes, President, Northern States Co-op Guilds and Clubs**

Aiming toward a greater national cooperative women's effort, the National Cooperative Women's Conference held in Minneapolis, September 27 appointed Mrs. Almer Armstrong of the Indiana Farm Bureau to convene a temporary national women's cooperative committee, representing the regional cooperatives of the Cooperative League and existing cooperative women's regional organizations. If the feasibility of a women's committee set-up within the structure of the Cooperative League is established by a study of the question, the committee shall constitute itself a permanent one.

Of the 92 women present, 72 represented women's cooperative and magazine publishers affiliated with the famous Northern States Cooperative Guild and the Southern Minnesota Regional Guild, which are two of the four publishing members in the National Women's Cooperative Guild. They favored the furthering of the women's effort through building the existing national guild organization, but compromised with the minority of the women present, who contended that their cooperative organizations and their women members cannot be persuaded to utilize the guild and club technique and that the women's committee plan was essential to furthering the participation of women in cooperative work on a national scale.

Diverging opinions by spokesmen for and against as to what the National Guild Committee's proposed structural change in the form of a women's committee set-up would actually entail, resulted in much confusion, still to be ironed out among the delegates, and a lengthy discussion.

However, the women's committee was agreed upon, with the understanding that it would not aim toward dissolving the National Cooperative Women's Guild, but that as the federations within the League and further study on the ways and means of cooperative building and housing so that the techniques will be available to consumer groups in the future when the demand arises.

The group found that the greatest advantage and savings can be had when consumers themselves contribute labor collectively to the homes being built. In this way the individual can himself achieve a large equity in the house, reducing the mortgage and the risks involved in the mortgage to a minimum. Least risk and relatively largest savings can be made by a group acquiring land cooperatively. The greater the parcel of property the less the cost per square foot is a paramount rule in housing, the group found.

Cooperatives utilizing the manual labor of members were those of Tompkinsville, Nova Scotia, Detroit, Michigan, and Granger, Iowa. Cooperatives not utilizing members' manual labor, but acquiring land, contractors' services and architectural services on a cooperative basis were those in Chicago, Minneapolis, and St. Paul which in the last year built over 80 homes. These three projects found considerable advantages in controlling these phases of building and it was concluded that conservative estimates of the total savings involved totaled between 5% and 10% of the cost of the house and land.

**LABOR AND COOPERATIVES, by James Myers, Chairman, Committee on Labor and Cooperatives**

Some thirty attended. Reports of activity included scheduling of speakers on cooperative-labor union meetings in many places from coast to coast; distribution of cooperative literature at national labor conventions; readiness of Mr. Murray, President of the C.I.O., to appoint a cooperative committee; many articles on cooperatives in the labor press; favorable resolutions by many unions.

It was very significant to note the increased activity not merely of the Labor Committee of the League, but especially of the Regionals themselves in this field, especially the Eastern Cooperative League, Consumer Cooperative Association, Kansas City, Midland, Central Cooperative Wholesale at Superior, Chicago, Indiana, Ohio, Pennsylvania and others, where increasingly helpful contacts with the labor movement have been established and former-cooperative organizations have also helped labor groups to get started.

A second significant fact emerged in reports of international labor unions like the United Rubber Workers, which has requested every local union to set up a committee on cooperatives and welcomes help from the Cooperative League and Regionals on program. The Educational Department of the Textile Workers of America has been instructed by its convention to include cooperatives in regular educational programs—they have bought...
a copy of the movie "Here Is Tomorrow." Other unions such as the Auto Workers are giving attention to cooperatives.

What may prove to be the Nova Scotia "lobster" is the cooperative started by aircrews (Auto Workers' Union) at the Brewster works, Long Island City, N. Y. to buy tools together, grew from that to a cooperative store at the gates, specializing in the sale of articles for use "at the plant—tools, gloves, tobacco, etc., then to a gas station, etc." It was suggested that this pattern (which in a way is the whole cooperative buying work supplies) may give the clue for the beginning of labor cooperatives.

The Seminar emphasized the cooperative movement as the best place for farmers and labor to meet, but felt strongly the great need of education on both sides. It called for more specific literature to educate especially Boards of Directors of Regionals on the labor movement, feeling that more and more Regionals will have to sign agreements with unions as they grow into production and that the transition can be made smooth and constructive if information is provided. The Seminar also was unanimous in feeling that the time has come for a full-time Labor Secretary for the Cooperative League.

YOUTH AND COOPERATIVES, by Kip Sink, Executive Secretary, Northern Cooperative Youth League

Over 75 attended the Youth Conference on September 30, co-sponsored by the Ohio Farm Bureau Youth Councils and the Northern States Cooperative Youth League. The meeting was co-chaired by Darwin Bryan of the Ohio Group and Kip Sink, Executive Secretary of the NSCYL.

Greetings were presented by Frank Shilston from Midland Cooperative Wholesale E. A. Whitney from Central Cooperative Wholesale, Murray Lincoln from the Cooperative League and Dr. Hu from the Cooperative League of China.

Kip Sink read the message from the British Federation of Young Cooperatives: "We, the British Federation of Young Cooperatives, send greetings to the many cooperatives of America, and hope that in spite of war conditions, you will retain intact your ideals and principles in order that together we may reach our goal. As soon as conditions make it practicable, we would welcome a delegation from the young cooperators of the USA; not only to plan the Cooperative Youth International, but in order that by mingling with us in our homes we can forge ties of friendship and comradeship with you as live people and not merely as representatives of your movement.

We are going to achieve the International Commonwealth in our time, and to this end we dedicate our allegiance and give our first loyalty."

The conference concerned itself with two problems: (1) the part youth will play in the post-war reconstruction period, and (2) the more immediate problem of educational direction. Carl R. Hutchison, of the Ohio Farm Bureau, the second.

As a practical approach to the first problem, the young people posed themselves two questions for discussion: (1) How to train themselves for democratic leadership and responsibility, and (2) How to keep their groups democratic. These practical questions were met with equally practical answers which are being compiled and will be sent to all those who attended the discussion groups.

The general opinion of the group was that participation in youth activities now, and representation on boards and educational committees is one of the most valuable means of developing leadership so that there will be a perpetual movement of youth who will become advisors as they grow older. The discussion group technique was suggested as the most practical method of conducting meetings because through this medium self-confidence would be the natural outcome.

Discussion on "How can we keep ourselves democratic youth?" brought out that adhering to cooperative principles we will maintain democratic groups. Democracy begins in our own homes, and we can help preserve it by developing cooperatives because they build better communities.

A special luncheon at the Hotel Nicollet provided time for additional discussion and suggestions for the next conference. It was suggested that additional youth organizations take part in planning the next conference and that it be held the first day to facilitate attendance of more young people.

A resolution on youth work calling for more prominent participation of co-op youth representatives at coming Cooperative League Congresses was adopted by the delegates of the Congress.

SCHOOLS AND COOPERATIVES, by Supt. S. R. Logan, Chairman, PEA Committees on Cooperatives

Discussions resulted in the following conclusions:

It is desirable to have within the school one or more cooperatives by means of which members provide themselves with needed services. Such societies should get themselves used as illustrative material in connection with any course on cooperatives and with any units concerning cooperatives which are included in the courses of various departments. Not only is its educational function within the school very important; also it should be that students in schools below learn of the opportunities which college or senior high school life offers in the way of cooperatives. It should not be difficult to bring educational institutions to see that cooperatives on the campus are a good means to attract superior students.

Obviously many, if not most, college and high school subjects should include attention to the cooperative movement because of its general significance and of its significance to the particular subject field.

It is highly desirable, too, that a course be offered in high schools and colleges in which the methods and achievements of cooperatives are studied intensively for one or more semesters. Naturally such a class would utilize cooperatives in the school and neighborhood in their study.

The cultural significance of the cooperative should be stressed. Its value in bringing about the mingling, mutual appreciation and unity of people of all economic levels, political parties, nationalities, races and creeds at this juncture of affairs is such as to appeal strongly to educators in all countries that aspire to become more efficiently democratic.

Objective study of the cooperative as a kind of corporation along with all other kinds of corporations was favored. Corporate practice needs to be improved in all of its forms, private, cooperative and public. As the cooperative corporation is such a perfect example of the spirit, pattern and method of democracy, it certainly should be consciously included with any corporate forms that are used in an educational institution as educational equipment.

RESOLUTIONS ADOPTED BY THE THIRTEENTH BIENNIAL CONGRESS OF THE COOPERATIVE LEAGUE

L. National Radio Campaign

WHEREAS, the National Broadcasting Company and Columbia Broadcasting System have refused to make available time on the stations they own and operate to the Cooperative League of the USA for a Cooperative Radio program, "Let's Get Together Neighbor," while at the same time, the program has been found acceptable by other stations from coast to coast, therefore it is

RESOLVED that the Board of Directors of the Cooperative League of the USA be instructed to take
appropriate action through the Federal Communications Commission, Congress and the Anti-Trust Division of the Department of Justice. And it be further

RESOLVED that the regional and local cooperative associations of the United States, and their affiliated organizations, shall continue to encourage the public to speak frankly, and to its representatives in Congress, of the necessity of having any democracy be

RESOLVED that the mostvwidely the case and secure their support in establish-

5. Co-op Communications Network

WHEREAS, the opportunities and the costs which continually confront the cooperative movement are such that greater emergency and frequency in their

6. Planned Cooperative Expansion

WHEREAS, the consumer cooperative movement needs national goals to which to work and act and grow; and

7. Insurance

WHEREAS, the savings possible to consumers by cooperative provision of insurance have been overwhelming and have been illustrated as part of the cooperative movement, it

8. Labor

WHEREAS, the labor movement and the consumer cooperatives have always been strong advocates of the Cooperative League and the public in general, and in the present emergency confronting the United States, and Congress of the United States, the League of the United States, and the Congress of the United States to proceed immedi-
16. Constitution and By-Laws

WHEREAS, the orderly conduct of the business of the Cooperative League would be promoted by the adoption of a Constitution and By-Laws, it is hereby resolved,

That the Thirteenth Biennial Congress of the Cooperative League instructs the Board of Directors to submit to the next Biennial Congress of the League a Constitution and By-Laws for the purpose of furthering education in the Cooperative Movement in the United States.

Statement of the Ownership, Management, Circulates, etc., Required by the Act of Congress of August 24, 1912, and March 3, 1913, of

Consumers’ Cooperation

Published monthly at New York, N. Y., for June 1, 1922.

State of New York, County of New York, 

Before me, a Notary Public in and for the said county aforesaid, personally appeared Mary MacMillan, who, being duly sworn, depose and say that she is the Business Manager of this publication, and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1913, enrolled in Section 567, Postal Laws and Regulations, printed on the reverse of this form, as follows:

1. That the name and addresses of the publisher, editor, manage3r, and business managers are:

Editor—The Cooperative League of the U.S.A., 167 West 12th Street, New York, N. Y., Wallace J. Campbell

Associate Editor—Mary MacMillan, 167 West 12th Street, New York, N. Y.

2. That the Cooperative League of the U.S.A., 167 West 12th Street, New York, N. Y., has been a member of the Cooperative Movement for the past six years.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1% or more of the total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above show the names of the owners, stockholders, and security holders as they appear upon the books of the Cooperative League and that the owner or security holder appears upon the books of the Cooperative League has no reason to believe that any security holders who do not appear upon the books of the Cooperative League have a sufficient interest in the business to entitle them to notice of meetings of the members or to vote at such meetings.

5. That the Cooperative League of the U.S.A., 167 West 12th Street, New York, N. Y., is maintained and controlled by the Cooperative League, a non-profit association, and administered by the Board of Directors, which was elected at the recent annual meeting of the members.

6. That the remaining trustees are:

M. J. Byerly, 246 N. High Street, Columbus, Ohio; B. R. R. Black, 246 N. High Street, Columbus, Ohio; 16mm., silent, running time 30 minutes. Rental charge: $6.00 per showing, $18.00 per week.

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