


SEPTEMBER 1911

NO. 9

PRICE 5 CENTS

THE MASSES

A MONTHLY MAGAZINE
DEVOTED TO THE INTERESTS
OF THE WORKING PEOPLE



WORKERS
OF THE
WORLD
UNITE!

YOU HAVE NOTHING
TO LOSE
BUT YOUR CHAINS
AND A WORLD
TO GAIN. 🔦 🔦 🔦

KARL MARX

THE MASSES PUBLISHING COMPANY · 112 · E · 19TH ST · NEW YORK

CONTENTS

Cover. Charles A. Winter.....	3
Editorials. Horatio Winslow.....	4
Evolution. Frontispiece. Arthur Young...	4
Co-operation. Piet Vlag and Horatio Winslow:	
Foreword	5
Some Co-operative Conversations..... (Drawings by Maurice Becker.)	7
How to Organize a Co-operative.....	14
Co-operative Profits and Capitalist Merchants	15
How Co-operation Appeals to the Farmer	16
Suggestion for Eastern Farmers.....	17
Productive and Distributive Co-operatives	17
What Is Co-operation?.....	18



THE MASSES PUBLISHING CO.,

112 E. 19th St., New York City

SUBSCRIPTION RATES

Yearly, 50 Cents Half Yearly, 25 Cents
Extra 25 Cents per Year for Manhattan and Bronx

Single copies 5 Cents Bundle rates \$3.50 per 100, express prepaid

ADVERTISING RATES

Full page.....	\$50.00
Half page.....	\$30.00
One column.....	\$20.00
One column, 3 inches.....	\$ 6.50

P. VLAG, Business Manager.

THIS edition of THE MASSES is a special number devoted to Co-operation in the interests of the working class.

Already this movement threatens to break away from the control of the class conscious workers and to become a monstrous growth, hampering instead of promoting the New Republic.

Workers of America, party members or not, if you believe that the men who produce the wealth of the world should control the wealth of the world, listen to the message of this latest weapon of the proletariat.

Read about it; think about it; talk it

over with your friends. If you wish your economic freedom you must bear your part in the battle, and today it is your part to agitate for, to institute, and to maintain Working Class Co-operatives.

This Special Issue has been gotten out to arouse the workers to a sense of the present day importance to them of the Co-operative Movement. The October Number of THE MASSES will be of the regular size and full of an unusual variety of features, including a remarkable article by Eugene Wood.

YOU MUSN'T MISS THE MASSES

Editorials

Strikes and Anarchy

EDITORIAL writers, and editorial writers must know because they back all their opinions with the pronoun "we," say that the Liverpool disturbances hinging on the great English strike are anarchy.

To these gentlemen anarchy means lawless disorder. It is quite true that, using this definition, the great strike has been characterized by anarchy. Every strike is more or less characterized by anarchy and so is almost every other positive movement in the world. What is capitalist government itself but lawlessness: a reckless disregard of those inherent rights of humanity—the title to life and liberty and the pursuit of happiness?

Let it be proclaimed anarchy when a mob of women pillage the bakeries for bread to eat. It is no worse anarchy than the loot of their husbands' pockets which has been officially approved all these hundreds of years. Call it anarchy when workingmen by force prevent scabs from stepping into their jobs. It is no less anarchy than the use of military and police to prevent the men who do the work of the world from dictating the conditions under which that work is to be done.

The Great War is not a kid-glove and rose-water affair for either mass or class. The Marquis of Queensbury made no rules for life and death battles because in such battles there are no rules. Everything goes.

The class conscious worker seeks to abolish this class war and for our wasteful unrighteousness to substitute an orderly civilization.

And this he will do. With ballots or in other ways he will end lawlessness.

Passing of the Doctor

ALL doctors are not Socialists, but all honorable doctors will look with placid eyes on the coming socialization of their profession.

The day of the old competitive order in medicine is passing because of the over-production of doctors and the consequent battle for patients. Gradually the noblest art in the world has cheapened into a dog-eat-dog affair in which some good men and many bad men have

flourished extravagantly while the great residue have lived meagre lives to die unsung and uninsured.

Dr. Benjamin Moore, of England, has written a book to prove that the doctors should be considered a branch of the public service, supported by a general tax. And he is quite right; moreover, the change that he advocates is surely coming. Today it is a matter only of a few years, because the position of the private doctor is fast becoming untenable.

But public health will not flourish by reason of the public physician.

Though all the doctors in the world held thermometers at a pauper's bedside they could not cure him of a life of under-nourishment. The slum pauper is doomed because his childhood was that of a starveling, and his son after him will cough and die.

Lack of food and air cannot be remedied by cutting out adenoids or by castor oil or by a week in the country. There is but one cure for these things and that is the abolition of poverty.

The doctors know this already; perhaps when they are socialized they will have the courage to say so.

New Use For Jails.

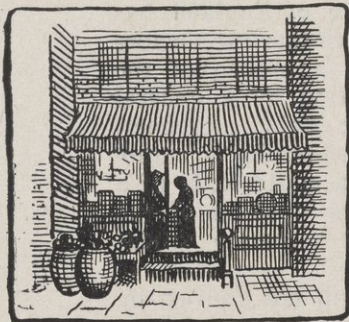
DAILY papers tell of some worker who jumps off the dock because he can find no job. Sometimes he is a young man; more often he has shot the chutes into middle age. When he succeeds in putting the finishing touch to this existence the news report is brief indeed. When he does not succeed it is longer, being fattened by the additional announcement that the man was promptly arrested.

If as often as a man were driven desperate by lack of a job the omnipotent police should throw into cells all of us who have jobs things would change. It would be only a little while before we would avoid the jail experience by finding paying work for everybdy.

Think of it: a rich country; most of us undernourished; labor of all sorts needed; and a big padlock that shuts off the job from the man.

Somebody—a whole lot of people—ought to be arrested. But not the man who jumped off the dock.

Evolution



Yesterday it
was the little
store, competing
with other little
stores

Today it is the consolidation
of little stores, for the purpose
of making a few people 'on top'
enormously rich.



Tomorrow the vulture of Capitalism will be
kicked off the top, and the store will be owned
and operated by the people for the common good

Arthur Young

THE MASSES

A MONTHLY MAGAZINE DEVOTED TO THE INTERESTS OF THE WORKING PEOPLE

EUGENE WOOD, Pres. EDITED BY HORATIO WINSLOW
HAYDEN CARRUTH, Vice-Pres. ROSE GREENBERG, Sec'y.
THE MASSES PUBLISHING COMPANY, 112 E. 19th St., NEW YORK

CO-OPERATION

By Piet Vlag and Horatio Winslow

FOREWORD

THE workers must eventually own and manage the world that they produce. If you do not believe this, then throw your September copy of THE MASSES into the waste basket, and think about other things, because the pages in your hand are devoted not to reform, nor to a cavalry charge on high prices, but to revolution.

The coming civilization, the workers' civilization, means revolution because it signifies an overpowering change in the ways of life that will be brought about, not in centuries, but in decades. It means a readjustment of all things, including minds as well as jobs.

THREE ways lie open to the working class to win this ultimate victory, and each way has its advantages and limitations.

Political action, so far as it is successful, gives the worker experience in running the government—machine, and incidentally scares the capitalist into concessions.

Working class action upon the industrial field backs up the party conquest, and guarantees the enforcing of such labor bills as may become law.

But the Socialist Co-operative gives the worker what he needs most of all—organization: the power of working in comradeship without hitch or stumbling. And this organization adds efficiency to the political and industrial campaign.

Almost as important as this is the experience which the co-operative offers. Experience is the college of the worker; the only college the workers ever can or will attend.

THE political actionist gets experience in government making only so far as his party comes into power. The unionist learns how to change the present order only through the somewhat

unsatisfactory negative method of opposing the aggression of capital.

The Socialist Co-operative, however, gives the working class experience from the start in organizing, owning, managing and constructing tomorrow's world. It offers the working class as much as either of the other two movements, besides supplementing and strengthening their efforts, thus becoming perhaps the most important of the three branches of Socialist activity.

More. Socialism is far beyond a change of government. It is a change of thoughts, and ways of thinking and living. It is as much a revolution of mind as a revolution of municipalities and states. The Socialist Co-operative gives to its members this new mind, this social consciousness, because it brings them in touch with socialism, through their food, their clothing, their recreation and their social intercourse.

THE Socialist Co-operator is not simply a Socialist at elections, or when the local meets; but he thinks socialism twenty-four hours a day. In all his activities he turns to socialism. He is a member of the Inner State, that germ of the new Outer State. He leads the New Life before the New Life has come. Socialism to him does not mean simply a marked ballot or a vehement demand for revolution. By socialism he understands the civilization of the future; a whole new existence whose edges at least he has tasted.

If you don't believe this, look up in Belgium the great establishments of Ghent and Brussels, where class-conscious co-operatives had their first growth. There the Inner State is splendidly exemplified. And there, too, because of this Inner State, is to be found the best organized Socialist Movement in the world.

BUT Co-operation in America has passed the stage where the working class may decide whether or not they wish it.

Co-operation is coming. All over the country there are springing up co-operative stores, factories, and farms, not the work of any organizer, but spontaneous growths. It is up to the Socialists to say whether the bread and butter arguments of these co-operatives are to be put forth by the working class, or by complacent bourgeois reformers.

The bourgeois co-operatives begin and end with the reduction in prices. To the Socialist Co-operative, lower prices go simply as a means to an end: first of all comes the crusade for a world owned and controlled by the worker.

In Belgium the saying goes that the working man who eats the bread of the Socialist Co-operative Bakery takes in with it some of the Socialist principles.

If this is true, the reverse also is true. Successful bourgeois co-operatives glorify the bourgeoisie.

The economic tie is the basic fact of most brotherhood. The working man attached to Socialist enterprises through the food he eats and the clothes he wears, is in a far readier attitude to listen to Socialist philosophy than the working man who regards the Socialist only as a strange creature speaking from a soap box—a rival attraction to the street car and the moving picture show.

CO-OPERATION is coming. Today the movement in America is young and impressionable. It can be bent for good or evil. Today, therefore, the Socialists must declare whether Co-operation in America shall preach a stolid acquiescence to things as they are, or an efficient, continuous, lusty Revolution.

WHO WILL FURNISH THE MONEY?

Who will furnish the money to build the great Co-operatives?

The people.

Aside from the initial outlay made possible by the profits of the Co-operatives sums of money will have to be borrowed to finance new enterprises. The working people will lend this money. At present they give it to the banks and get three per cent. or less for it and afterwards pay seven per cent. more or less directly for the use of this, their own money.

When the practicableness of Co-operation is demonstrated they will lend money where it will be used to further their interests instead of putting it where it continues to exploit them.

The fruit of the workers' sinews has maintained all other wars. Now the workers will fight their own.

CO-OPERATION IN AMERICA

At present there are more than 2,000 retail co-operative stores in America, about 400 of which are in the Eastern States. They represent all nationalities and many grades of society. There are Italian, Polish, Jewish, Lithuanian and German Co-operatives. There is a Co-operative in Hoboken supported largely by longshoremen; one in Ridgewood with a membership of suburbanites; in Palisade, New Jersey, there is a Co-operative Purchasing Association made up of discontented bourgeois who live in \$10,000 houses. The piano workers of Astoria have a co-operative, the steel workers of Bethlehem have also seen the light.

So far the movement is not yet unified enough to support the Wholesale Co-operatives which are bound to come in a few years.

Some Co-operative Conversations

Drawings made for THE MASSES by Maurice Becker.

Just a Word of Explanation

ONE of the most effective methods of presenting facts lies through the dialog form. Because Co-operation appeals to such a large range of minds these dialogs have been cast for many persons. The Farmer, the Class Unconscious Worker, the Housewife, the Child, the Idealist, the Extreme Political Actionist, and the Socialist who is willing to co-operate but wants to learn how, are all here presented.

Each one is talked to and argued with by an individual who for want of a better appellation is called The Socialist Co-operator. You may imagine him, this Socialist Co-operator, gifted with all the fiendish persistency and singlemindedness of a book agent; but more to be feared than any book agent because of the Great Cause which inspires him.

It is to be hoped that these dialogs do not smack too much of the Little Rollo conversations. If they do let it be remembered that the enthusiast on any subject has his faults and not the least is his weakness for dispensing solid instruction rather than entertainment.

In some cases it may seem that the subject is too lightly treated. If this be so it is simply because one despairs of conveying its present importance to the working class movement of America. If Co-operation were today to be played up according to its undoubted significance it would be scareheaded in black letters a foot high.

Conversation Number One

Six O'clock A. M. The Industrial Unionist
and the S. C.



“DON'T talk to me—I'm sick of listening to you reformers.”

“But——”

“Oh, you call yourself a Socialist Co-operator, but you're all just the same. I tell you these here half-way measures——”

“But——”

“Half-way measures won't ever have

any effect in bringing the Industrial Commonwealth. It needs a great big industrial union and——”

“But——”

“——and a union so thoroughly organized that when the time comes for the General Strike——”

“The General Strike! That's what I've been wanting you to say. Do you think for a moment that I'm opposed to the General Strike?”

“Why, sure you are, aren't you?”

“Not a bit. I'm ready for it as soon as the country is. If the General Strike is ever called its most valuable support will come from the Socialist Co-operative.”

“How's that?”

“Easy enough.” Co-operation means more than retail grocery stores. Its development includes all sorts of farms and factories for producing the necessities of life. When the General Strike is

called the strikers will get their supplies from the working class Co-operatives."

"I don't believe any Co-operatives would do anything like that."

"They did during the General Strike in Belgium."

"You don't say!"

"Yes, and have you ever heard of a blacklist?"

"Sure I have."

"Well, a union can't do much for a man on the blacklist, can it?"

"N-no, not right now."

"But a Co-operative can and does give

him a job in one of its departments."

"You don't say! But look here—aren't you any kind of a reformer at all?"

"Not the least bit in the world. I'm a Revolutionist. But I'm not working for a half-baked, addle-pated Revolution. I want an Efficient Revolution. I want the workers able to manage their own affairs when they get the chance. What's your idea?"

"Well—I—I—well, comrade, you sure have given me something to think about."

Conversation Number Two

After Breakfast. The Housewife and the S. C.



"GOOD morning, madam. Have you thought about Socialism this morning?"

"Yes, I have, and I'm flat disgusted with it. Last night my husband went to a meeting of the local, and was put on some committee or other, and didn't get home until 12 o'clock."

"That was unfortunate."

"Yes, I used to go to locals myself, but I haven't been now for a year. They're always quarrelling about a point of order or something, and they never do anything practical."

"I'm very sorry, comrade, and I'm sure you'll be glad to know that at last they have decided to do something very practical. They are going to start a Co-operative."

"Land of love, what's that?"

"A retail working class co-operative is one formed by men and women who become equal partners in the enterprise, and who take out dividends corresponding to the amount they buy."

"What good will that be to me?"

"I'll tell you. In the ordinary store, the grocery store for instance, the man who owns it does so only to make money. He is not interested in supplying good quality to the customers. All he wants to do is to keep his customers from becoming too displeased."

"That's true. I bought some sugar last Saturday, and it certainly must have been sanded, and I know that our coffee is a long way from being pure coffee."

"Exactly. A true co-operative has no interest in trying to cheat its customers. Its only object is to serve them well. When you join the co-operative you become part owner, and you have your vote in the managing of the business, and you wouldn't vote to give yourself bad eggs, or strong butter, or decayed fruit, would you?"

"Why, of course not."

"But that's not the greatest point. Of course, to a woman who has to manage her household without too much expense, it is of vital concern that she buy the family food as cheaply as possible and have it of as good quality as possible. Co-operation insures both these points. But there is something else."

"The fact that you have joined the party shows that you're not satisfied with things as they are. You believe that it is the woman's business to do more than simply mend clothes, prepare food and clean house for a family."

"Yes, I do. I have always thought that a woman had as much business in the world at large as a man."

"Yes, that's the orthodox Socialist view, and the co-operatives will create a field of activity for woman as nothing else can. A successful co-operative means inevitably club rooms not only for the men, but for the women. It means special socialist women's clubs, and all sorts of societies with various objects where the working woman who works in the factory, or the woman who attends to her household duties, may find recreation and a chance to work for the common good. After all, the only way for a person to become interested in a cause

is to be allowed to suffer or work for it. To-day few wives or daughters of Socialists have the opportunity of doing congenial work for socialism."

"That's what I've always said."

"And here is her best chance. Promise me that you'll join the Co-operative and do all you can to make it a success."

"Do you know, I think I will. You put things for me in an entirely new light. Just as sure as you're born, I'm going to the meeting of our local next week."

Conversation Number Three

Nine O'clock A. M. The Farmer and the S. C.



"DON'T try it—I'm feelin' hot and riled to-day—don't try it."

"Don't try what?"

"You're a Socialist, ain't you?"

"I am, and a red hot one, too."

"Well, don't go telling me about the crimes of the capitalists and other land-owners. I ain't my hired man, though I wish a good many times I was, because we both get our board and room, and he gets wages besides and I don't. When I hear you fellows telling Silas to unite against the oppressor and throw off his chains it makes me good and sick; I'd like to throw off a few chains myself."

"I agree with you, and instead of looking for your hired man I'll make the remark straight to you. Why don't you farmers unite? You have nothing to lose but the chains of a system that ties you down to a little measly farm and you have all the happiness in the world to gain."

"You want me to vote the Socialist ticket—is that it?"

"Oh, yes, naturally; but I want you to do more than that. I want to interest you in co-operative production. I want you to co-operate with your neighbors in selling what you produce."

"It won't work."

"To-day with the awakening of the working class all over the world it will work. It works in Europe; it is working in several parts of the United States. It will work for you and your neighbors if you say so."

"Suppose we do get up a co-operative; we'll get cheated just the same when it comes to selling our truck."

"Once that might have been so, but to-day Socialist retail co-operatives supported by the working classes are being formed in all the big cities. You can trade here to your mutual advantage."

"That's the most sensible argument for Socialism I've heard yet. I'm just as strong for a better government as anybody else, but it always looked to me as though the Socialist was gen'rally way up the air talkin' about the wonders he was going to do if he ever got a chance. Seemed as if he couldn't do anything right now—it was all in the future—a long ways off."

"Well, to-day we're beginning here and now to change things. Do you want to help?"

"Dunno but what I do. If I can help along a good cause and find a market at the same time I'm more'n willing. How'd you like to try one of these early apples?"

Conversation Number Four

Recess Time. The Child and the S. C.



“S O you’re not interested in Socialism?”

“No, I’m not.”

“What’s the matter?”

“I don’t see what it has to do with me.”

“But it means so much to the boys and girls of the future.”

“But I’m living right now. I’d rather join the Boy Scouts. They meet every Tuesday night and in the summers they go camping and have a lot of fun.”

“But the son of a working class father shouldn’t join the Capitalist Boy Scouts.”

“I know, but what shall I join?”

“My dear boy, I’m afraid you can’t join much of anything just yet, but if you want to do something to bring bet-

ter things you must persuade your parents to join the Co-operative.”

“What’s that?”

“It’s a society where the working class by buying together save the money which would go to the middleman and apply it to their common uses. In Belgium, for instance, there are very strong Co-operatives. The building that houses them is not only a store, but an immense club house as well, where there are all sorts of organizations for men and women and children. There are gymnasiums for the children and a theater where they act plays and studios where they study drawing, and each year the Co-operative sends hundreds of them on a free excursion into neighboring countries so that they may see how other nations live. Doesn’t that sound good?”

“Sure it does. Why don’t they do it here?”

“It will be done here as soon as the working class wake up. The Co-operative movement will bring Socialist Boy Scouts and all sorts of other things for children. Don’t you feel interested in Socialism now?”

“You bet I do. If Pop isn’t working for a Co-operative and working hard for it, I’m going to give him a good talking to.”

Conversation Number Five

Two of the Afternoon. The Idealist and the S. C.



“G OOD afternoon. It’s a splendid day. I’m sorry you don’t enjoy it.”

“Enjoy the weather!

When I consider what humanity is and what it might be! Oh, I am filled with bitterness.”

“I see you long for the millennium.”

“For the Golden Age, my friend, the Golden Age. And you?”

“Oh, I’m simply a Socialist Co-operator.”

“Socialist, ah, yes, I too am a Socialist; but Socialism is only the first step. The great thing is Social Consciousness, and that we can never get by voting or through buying and selling groceries.”

“No, we sha’nt get it by voting, but we shall get it through the sugar barrel and the butter tub.”

“The sugar barrel! the butter tub! Social Consciousness is the highest emotion permitted to the race. It is the ultimate evolution of humanity.”

“Wait a minute, Comrade Idealist. You think Social Consciousness is to

come only in the future. I tell you it is right here now and that you'll find a whole lot of it wherever you herd people together and tie them with the same economic ropes."

"I don't understand."

"Among the working classes Social Consciousness is becoming more and more apparent each year, but so far it has been mostly blind and undirected. The worker has felt a Social Consciousness, extending only to his trade or his factory, and not including the rest of the world."

"But what have the Co-operatives got to do with this?"

"The Co-operative gives the worker who joins it a common economic base with every other worker who is a fellow member. It sells him groceries, and with the profits it educates him. He learns that his social consciousness is of no value unless it extends to all workers of all lands. But more than that, his philosophy, which before this has been one of defense, changes; he begins to realize that if the workers can manage co-operatives on a small scale, that they can also manage them on a large scale. That is, that the whole world can and should be co-operatively owned. The

worker becomes a Socialist. Socialism enters into his life, not once or twice a month, but, through the assistance of the co-operatives, twenty-four hours a day. He learns that Socialism will be brought about only by the concerted action of the working class. He begins to feel himself responsible, as a member of that class. He realizes that he is a wheel in the great machine destined to regenerate the world; in a word, he becomes socially conscious. Now, answer me one question."

"What is it?"

"Socialism can come only through the socially conscious workers of the world. Can they acquire Social Consciousness, except through socialism?"

"No."

"Is there, outside the co-operatives, any working class instrument for propagating socialism, which touches a man at all points and continuously?"

"No."

"Then you admit that to bring Social Consciousness, we must have working class co-operatives?"

"Yes, I suppose so. But how dreadful—Social Consciousness and butter selling! I shall certainly have to use my smelling salts."

Conversation Number Six

Middle Afternoon. Most Anybody and the S. C.



"**N**OW, Mr. Most Anybody, I take it you're not interested in Socialist Co-operatives."

"Decidedly not."

"Saving money in your household supplies doesn't appeal to you strongly enough to risk five dollars buying a share of stock; and Social Consciousness and Revolution are strangers to you."

"You're right."

"Yet, haven't you often felt that something was wrong with this country?"

"Of course there's something wrong, and I know just what it is; it's the High Tariff."

"You don't say! Last night I was talking with your brother, and he said hard times were due to too much Free Trade, and his wife credited our sad lot to Intemperance, and your cousin George thinks it's the Money Question, and his father is sure it's the Land Monopoly, and your aunt feels that everything would be changed if we could only put Good Men in Office."

"Well, they're all wrong."

"No, they're all right, and you're right too. But none of you go far enough. No one of these remedies would create an orderly civilization and you can't ex-

pect orderly lives till you have an orderly civilization, can you?"

"N-no."

"And this present civilization High Tariff or Free Trade is just a grab bag game in which the strongest arm and biggest hand gets the most."

"But I believe in individualism."

"You didn't say that when you were fooled last year with the worthless oil-well stock."

"That's different."

"No, it's all the same thing. The most successful man to-day is the man who gets the most for nothing. An orderly civilization guarantees to each person only the amount to which he is justly entitled and that approximates the amount which he produces. The philosophy of an orderly civilization is that the earth belongs in common to us all and that anyone who contributes fairly to the welfare of all should be allowed and

encouraged to live happily. Don't you believe that?"

"Yes."

"Do you know of any political party holding that belief except the Socialist party?"

"No. But you can't tell what the Socialists would do if they got in power."

"Yes you can. To-day in your town they are starting a Socialist Co-operative. Help them out. Let them establish themselves and you will see what they want to do and how they intend to do it. It will be at first only on a small scale, but from that you will discover that they mean what they say. Will you join this Co-operative with the idea of giving these men who want an orderly civilization a fair chance to make good?"

"By George! I don't know but what I will. It sounds good. I'd be a Socialist in a minute if I believed they could do what they claim they can do. When does this Co-operative business begin?"

Conversation Number Seven

Early Evening. The Political Actionist and the S. C.



"GOOD meeting you had to-night."

"Wasn't it a dandy? We certainly put it over right. Did you hear 'em cheer when the speaker said that every vote for Socialism was a blow struck for the freedom of man?"

"I heard the cheer and it set me wondering how much of a blow a vote was."

"What! Aren't you a Socialist?"

"Ever since I began to think. But to me Socialism means more than voting the ticket on election day; it means a government supported by a well informed Socialist majority. By that I mean Socialists who are grounded in their principles and not mere rebellious individuals."

"Well, we're making such Socialists."

"You mean you're making first of all Socialist voters. If you undertake to manufacture real Socialists you will find it needs more than local meetings and street corner speeches and the distribution of literature. Do you know the greatest misfortune which could befall the party to-day? It would be the accession to our camp of some great popular political leader."

"Why would that be a misfortune?"

"Because he would drag along in his wake thousands of voters who would join the party without knowing what Socialism meant and would hamper us and perhaps disorganize us in our future battles."

"I admit we mustn't grow faster than we can digest the new material, but what are you going to do about it?"

"I'm going to do the only thing that can be done—establish Socialist Co-operatives. These supply the economic bond to knit the workers together. They bring the pure and simple unionist in touch with a man like you who can tell him the power that lies in his vote, and they give both of you experience in running large affairs. The Co-operative agitates for

Socialism through its economic appeal, also as an object lesson, and through its newspapers and magazines it educates its members. It is the greatest organizing force that Socialism knows, and without perfect organization to back you up what good are your victories on the political field?"

"Never thought of that side of it before."

"Think it over to-morrow and the day after. The Co-operative makes converts for you, and what is just as important, it keeps them after they are made. It's not merely class talk—it's class action."

Conversation Number Eight

Night. The Progressive Socialist and the S. C.



"I've heard all you said and I believe in Co-operation, but I want to know how to begin."

"At the beginning—by interesting people who will support your co-operative."

"How can I tell whether or not they they are interested?"

"By the extent to which they are willing to subscribe for stock."

"I haven't found many willing to take even that chance."

"Because America has been so thoroughly faked by dishonest and fraudulent companies masquerading under the title 'Co-operative' that the average citizen is afraid of that combination of letters."

"How can I convince them that this plan is strictly above board?"

"By letting them know plainly that the Co-operative will be their own, run by themselves; that they can elect whom they please to manage its affairs, and as soon as his management is unsatisfactory that they can recall him."

"I can't go out on the street corners and orate about it."

"No, but you can write letters, hold conversations, distribute literature, and secure audiences for lectures on the subject. All these means are necessary for success. You can not be sure that the scheme is impracticable for your community till you have labored for six months at least."

"What is the main essential for success?"

"A good start: enough stockholders and buyers to insure running expenses. See that your groceries or other goods are of the best quality. And get rid of the kickers. Buy back the shares of any cantankerous individuals who have crept into the plan simply to make trouble."

"Are you sure a Co-operative can compete successfully with the trust stores?"

"Certain of it. First you save the middleman's profit. Second, you save a great lot of rent money because you do not have to pay a fancy price for a station on Main street. Third, all the great expenditure of the capitalist stores for advertising you can save; only a small amount is necessary for agitation and propaganda; besides, each member becomes a booster for the Co-operative. In Germany the trusts offered rebates of 15% to compete with the Co-operatives. but the people remained true to their own interests."

"What are the limits of the Co-operative as far as we are concerned?"

"There are no limits except the limits you set yourself. The right spirit in a small town will make a Co-operative flourish beyond all thinking, and a half-hearted attempt in a big city will dry up and leave no trace."

How to Organize a Co-operative

YOU must find the prospective constituency for your organization among the masses of the people.

If you depend upon the Socialists you must, of necessity, gather them from all parts of the city. They will not, therefore, be good customers: it is too expensive to deliver goods at a distance. As a result, these co-operators usually pay their initiation fee, buy a few things occasionally, but as a whole, for convenience sake, do their trading locally.

If you are going to organize the people, you must see to it that you appeal to a homogeneous population. You must find three or four hundred people living within walking distance of your prospective store, people who have sufficient confidence in one another to start this collective enterprise.

You must also observe that your prospective members are, to a very large extent, of the same class. Preferably, they should work in the same industries. It is very desirable if they happen to belong to the same union. At any rate, they should live on speaking terms with one another.

A large city population, for example, will not do at all. If the woman on the third floor has not sufficient confidence in the woman on the second floor to call upon her for help in the most extreme moments, you can not expect her to trust you with five or ten dollars to be invested in co-operation.

It is also advisable to see to it that you do not start with the very poorest element of the working class; nevertheless you must stick to the workers, as they can be depended upon for sacrifice in the form of voluntary service which is needed to make the store a success.

After you have chosen your element, begin to flood that district with literature on the subject. After agitating for a while, call together the Socialists and those of the outsiders who are most vitally interested. Then form your organization, adopt your constitution and declaration of principles.

The Declaration of Principles does not

mention the word Socialism, but to all intents and purposes it is Socialism.

According to the constitution they then elect a Board of Directors of six persons. The officers are chosen from the six.

Then call a general meeting. A committee should officiate in an ante-room, take in initiation fees and make out pass-books. Speaking should last an hour. Then should follow a recess of half an hour for initiating new members.

Operation

Make a competent groceryman responsible. Place him under heavy bond. And don't try to determine at meetings of the Board of Directors what kind of cheese or what quality of raisins he is going to sell.

Complaints about service and quality should be made in writing to the Board of Directors, which, in turn, will discuss the matter with the manager.

The manager is controlled as follows:

He takes charge of the store, for instance, with a stock of goods of \$1,000, outside of fixtures. He purchases during the next three months about \$4,000 worth of merchandise. Therefore, a total of \$5,000 of merchandise is to be accounted for at the end of three months. You take stock and find that he has \$800 remaining. He has then disposed of goods for which he paid wholesale \$4,200. Every district has a known fixed percentage of gross profits. For example, in Hoboken the average gross profits of the grocers is 16-17%. For some districts in New York it is as much as 25%. Much depends upon the amount of rent they have to pay.

If you assume the gross profits to be 16%, and that \$4,200 worth of goods (wholesale cost) have been disposed of, then the manager must be able to show that his cash receipts during that period were approximately as follows:

\$4,200 (original cost) plus 42 times \$16, which equals \$672, or a total of \$4,872.

If they know their earning power as shown by these figures to be about \$2,500 yearly, it is an easy matter for them to determine how high their operating expenses dare be.

The Future

Co-operative stores will form themselves into wholesales when they have grown so thick that there are 20 or 25 stores within what is known to-day as a wholesale district. A wholesale district has been narrowed down to a radius of about 25 miles.

Only under these conditions can wholesale co-operatives be a success. At present the stores must buy from local wholesalers. It is to their advantage.

After a number of small wholesale societies have been organized they will naturally develop into a national organization.

As to the possibility of competing with the trust, you may say that the food trust has disorganized distribution to a most chaotic point.

A big argument is that the food trust must inevitably disappear, as society will be forced to protect its stomach. The Capitalists themselves are afraid of the present mode of distribution.

The Mail Order Plan

There are to-day two systems of distribution in operation.

1. The Department Store.
2. The Mail Order House.

The Department Store is trying to draw customers within a radius of 100

miles to come to the store, examine the article, and then purchase it. This mode of operation is costly. Hence the department stores are constantly decreasing their dividends.

The Mail Order House is reaching out thousands of miles. No display, cheaper service, and no investment in superfluous stock. The Mail Order House can operate with 20% less expense than the Department Store.

Hence, the phenomenal increase in dividends among the mail order houses.

There is, however, something wrong with the mail order house. The women buy from the mail order house because it is economically to their advantage.

No woman will purchase from a mail order house if for the same price she could buy the article and examine it.

Therefore, something is wrong with both systems.

But the solution lies in the future system: the establishment of sample stores in small towns receiving their supplies from great central depots.

The Co-operatives are especially adapted for this; in fact, at present they are on this basis in Germany.

The woman buying does not have to write a letter or fill out a money order to make her purchase. It is simply a matter of picking out the sample that suits her and telling the clerk about it.

Co-operative Profits and Capitalist Merchants

A CO-OPERATIVE is an organization formed for the purpose of doing collectively what people cannot do individually. On that point there is absolutely no difference between a co-operative and a corporation. A co-operative is run on the basis of "the greatest good for the greatest number." Therefore, a co-operative should divide its earnings on the basis of services rendered. Members of a co-operative should have only one vote each.

A corporation is run on the basis of property rights. Its profits are divided in accordance with the number of shares each individual owns. Members of corporations try to own as many shares as possible as they have as many votes as they control shares. But profits are not assigned like votes in a co-operative.

The man who buys \$500 worth of goods from you during the year does five times as much towards the making of the profit as the fellow who buys only \$100 worth. In other words, he renders five times the amount of service, and is entitled to five times the amount of profit. The best way to declare dividends is as follows:

Issue to each member a pass book with constitution attached. Then give a cash register check, signed with the clerk's initials, with each purchase. Once every two weeks the customers must have the total amount of their purchases as represented by their cash register checks, entered in their pass books by the supervisors' committee who should sit on regularly appointed evenings, and all en-

tries made in the pass book should be made at the same time in the Consumers' ledger. In this manner you will be able to tell at a glance, at the end of the year, how much each customer has purchased.

Now let us say that you had made during the year \$1,000 clear profit. Then let us assume that all your customers together had bought \$10,000 worth. That would mean that each customer would be entitled to \$10 dividends for every \$100 worth of goods that had been entered in his pass book during that year.

Do not pay that \$10 in full. Keep at least 25%, or \$2.50, of these profits for the following purposes:

Half of it for propaganda and the other half for a sinking fund. This is essential. You cannot grow without agitation, and you must have a sinking fund to extend your business and meet emergencies.

Now comes the Contract System?

You sell groceries only. The members of your store need clothes, shoes, jewelry, meat, drugs, and many other things.

Any merchant is willing to pay a good sum for three or four hundred additional customers. You can bring him these cus-

tomers through your organization. It now becomes a matter of getting this sum which the merchant is willing to spend, and getting it, so that each customer gets his just and proportionate share of it. Simple enough:

You see these yellow slips. These are rebate coupons. They come in denominations of 5c. to a dollar. They are sold to the merchants like trading stamps. They are usually sold at 5%.

Now, then, each merchant who takes these checks agrees to put a sign in the window, advertising the fact that these checks can be had in his store.

What's the result? An additional source of income has been created for your organization, practically without any investment of capital. Furthermore, you have a large number of merchants advertising the co-operative store for you.

There is one difficulty attached to this contract system. It complicates the declarations of dividends. You cannot pay 8 or 10 per cent, when you get only 5 per cent. Therefore either let this money go into the general assets of the organization without declaring dividends on these purchases, or keep a separate account of them with your members.

How Co-operation Appeals to the Farmer

By nature the farmer is strongly inclined to be an individualist because the farm life and its independence of outside aid tends to make every farmer a Robinson Crusoe. But when economic pressure menaces him he can co-operate as thoroughly as the unionized worker. This is well brought out in the following personal narrative of a Dutch Socialist:

"I was brought up in a farming community of the south of Holland. At the age of twelve, because of my strong socialist tendencies, I soon got into trouble with the minister, the school-master and everybody else. Home was no longer a home for me. I ran away. About seven years afterward I went back for a visit to that community. I mounted on a stone in the centre of the market place, and made a socialist speech.

"My former compatriots didn't like the tone of my arguments nor the arguments themselves. It seemed they didn't like me at all. At any rate (after a scrap with pitchforks) they drove me out of the village. They drove me into the water. You know there is plenty of water in Holland. When I tried to get out, they stepped on my fingers.

"Can you imagine my surprise when, ten years later, someone told me that they had come within a hundred votes of electing a Socialist representative to Congress in that district? What had happened?

"When I left there these farmers were extreme individualists. Conditions permitted them to be such. They raised their own potatoes, vegetables and pigs. They made their butter and cheese. Each family was a community in itself. After I left, conditions changed.

"The creameries came. They offered a higher price for the milk than the farmers could get for it by turning it into butter and cheese. Therefore the farmers sold the milk to the creameries.

"Result No. 1. The sons and daughters didn't have nearly as much to do as previously. The old farmers didn't like it. One farmer was acting as agent for the creameries in collecting the milk and got what the farmers considered a superfluous rake-off.

"Result No. 2. They organized and took turns in delivering the milk themselves to the boat. They organized and ran their own steamboats for delivering the milk to the factory. They finally organized and operated their own creameries.

"Result No. 3. They were no longer the extreme individualists which they were before they started their co-operative creameries. That's why they came so near electing a Socialist representative."

A Suggestion for Eastern States Farmers

The first thing to eliminate is the commission merchant. He is the most superfluous of all the parasites. You could do this by forming a sort of selling organization, which should keep a paid representative here in New York, to sell direct to the grocers. The salary and the expenses of this office should be paid for in the form of taxation. For example:

Supposing the expenses of this office for the year were \$10,000. Supposing you did a business of \$1,000,000 during that year. You should then tax each

member with 1% on all the sales he made through the co-operative in order to defray the \$10,000 expenses.

So that if John Jones sells \$5,000 worth of goods through the co-operative, he must pay \$50 toward the operating expenses. The best manner of collecting these taxes is at the end of the year. You should guarantee the expenses, however, by a membership fee of about \$100 paid in advance for the year, and a certain minimum tax which should be paid by each with every sale made.

Productive and Distributive Co-operatives

WE believe that under the existing capitalist system the productive co-operatives should be organized separately from the distributive societies.

It is to the interest of the distributors to buy as cheaply as possible.

It is to the interest of the producers to sell their products as dearly as possible.

Therefore, we believe in the separate organization of the two, with the object,

however, of maintaining as close a connection as possible.

As to labor employed directly by the distributive co-operatives, either in production or distribution, we believe that in the first place the workers should be paid a decent wage, and, secondly, for the interest which they take in the enterprise they should get their little share in the profits made by the society.

At the latest International Congress the Socialists of the world officially endorsed Co-operation.

If the Pope and Cardinals of the Roman Catholic Church should endorse a line of action there is not a parish from Maine to Sen-

gambia that would not know of the decision.

How many Socialists are there in America who have not the remotest idea that working class co-operative buying has been recommended to them by the keenest intellects of the Socialist movement?

What Is Co-operation?

This article is reprinted from the booklet entitled "CO-OPERATION" compiled by P. Vlag for the American Wholesale Co-operative. It is reproduced here because it gives a succinct account of the different forms of co-operation from the working class viewpoint. It describes the systems now in use and shows their relative Socialist efficiency.

A careful reading of this exposition will well repay any student of the subject.

"PURE co-operation," according to the Standard Dictionary, "when well established, prevents strikes by completely identifying the interests of capital and labor."

This definition is not the description of a distant utopia, but of actual fact. Pure co-operatives such as those now established in Belgium, Finland and Sweden, do prevent strikes and do identify the interest of capital and labor, because in them the producers and the consumers participate democratically on equal terms both in the ownership and management of the concern and also in its profits.

Co-operatives or Corporations?

OFTEN a group of people, whose commercial interests are identical, combine to do collectively what they have been accustomed to do individually and they then call their collective enterprise a co-operative. For example, ten years ago, in the city of Duluth, Minn., a number of coopers in the course of a strike decided that they would no longer make barrels for their bosses, but would unite to manufacture barrels collectively and to sell them for their common profit. They formed a stock company, each one of the striking coopers buying a share of stock. They were successful, and as their business grew these so-called co-operators hired other coopers for wages, and exploited them in the usual capitalistic way. It is misleading to speak of such enterprises as Co-operatives.

The Belgian System.

THE characteristic of the Belgium scheme, then, is that all purchasers must be members, that all members share in the ownership, administration and benefits of the Co-operative on absolutely equal terms, and that there is

no exploitation of non-members by the stockholders.

The history of the Belgian movement shows that the Belgian co-operatives did not grow quite as rapidly as the Rochdale societies in England, but that they grew more steadily and healthily, especially in a social way. The Belgian co-operatives lay much stress upon the social interests of their members. In addition to their commercial benefits, they maintain sick and death benefit funds, which constitute a strong social bond between the members. They support free libraries, and they have built large meeting halls for the people. Throughout the Belgian organization there has been a different tone altogether from that of the English co-operatives. It isn't primarily a tone of financial success; it is rather a tone of pure co-operative comradeship.

A RECENT instance will show the difference between the tendencies of the Belgian and the English co-operatives. During a certain six months the Belgian co-operatives had to pay 106,000 francs more for their flour than they paid during the previous six months. In the beginning of these six months, a meeting was called of the various bakers in Brussels, to consider the advisability of raising the price of bread. The Maison du Peuple, the Belgian Co-operative, opposed the raising of the price of bread. As a result, the capitalist bakers did not dare to increase the price, because the Maison du Peuple already controlled one-tenth of the market, and if the capitalists had raised the price, the co-operative would pretty soon have had one-third of the market, instead of one-tenth. The cost of this stand to the Maison du Peuple was 106,000 francs during these six months. Now, what

THE MASSES

was the gain? They saved for the population of Brussels 7,000 francs per day in bread alone, or 2,226,000 francs during the six months, at an expenditure of 106,000 francs.

Those are impressive figures!

NOW, the English societies have all the trouble in the world to employ their surplus capital. Socially they are absolutely at a standstill. Their co-operative business does not grow fast enough to absorb their surplus capital, and they are accordingly investing their money in privately controlled railroads and anything that pays the best interest.

These two illustrations show the difference in spirit and operation between the Belgian movement and the English movement.

In reply to a certain statement that the Socialists had captured the Belgian co-operatives, a non-socialist authority has said: "It would be impertinent to say that the Socialist captured the co-operatives. The co-operatives were really the senior partners of the Socialist Party; it was the co-operatives that created the Socialist Party." This authority is a capitalist, and as coming from a champion of the English system his statement has all the more force.

As a matter of fact, anybody who has closely observed the Belgian co-operatives will admit that the working men there came to the co-operatives primarily on account of the economic benefits to be derived from them. But when they got in, they found that the co-operative insisted upon maintaining union conditions, insisted upon paying union wages; and when they, as managers, insisted upon union conditions, they saw the light and joined the union themselves.

IN Belgium, as elsewhere, no one in politics will stand by the class-conscious workmen, except the Socialists. The co-operating workmen found out that the Liberals and Catholics would not support them in their class struggle. They found out that the only people they could rely upon in their struggles were their fellow-members in the co-operatives and the Socialist Party. And they naturally concluded to join the Socialist Party.

And the Belgian co-operatives are to-

day the strongest supporters not only of the Party, but of the Party Press and all other Socialist enterprises.

The German Co-operatives.

THE German co-operatives do not differ to any extent in system from the Belgian co-operatives.

The principal difference between the Belgian and German co-operatives is in the manner in which they developed.

The German co-operatives were not very successful until the capitalist wholesalers and manufacturers began to oppose them. The manufacturers and wholesalers managed to have a law passed by which it became necessary for every consumer dealing with the society to become a member thereof.

AS a result of this law, a system was inaugurated by which every customer had to buy sufficient checks in advance to be able to pay for his or her purchases from the co-operatives for the coming week. The result was that the co-operatives received a week's money in advance from all their customers. This is from a business point of view such a significant advantage that it hardly requires accentuating.

It was after this law was passed that the German co-operatives gained their real strength. The wholesale society did, during the year 1909, a total business of 208 million marks.

Another significant fact to be known about the German co-operatives is that they do their principal business in the small industrial towns. In the larger cities they have either failed directly or are dragging on.

The co-operatives in the larger cities are, however, not any more successful in other countries, and we believe that this is due to the lack of a homogenous population.

That is, we believe it is absolutely essential, in order to start a co-operative with a fair chance of success, that the population which is going to form the society belong more or less to the same class. They should be socially acquainted, so as to have sufficient confidence in each other to start such a movement. Furthermore, when they belong to the same class they use very much the same commodities.



YOU WILL FAIL UNLESS—



YOU WILL FAIL UNLESS

You get at least three hundred paid-up members before starting your store. Three hundred paid-up members is even more important than three thousand dollars. Three hundred members means three hundred customers.

YOU WILL FAIL UNLESS

You figure the purchasing power of each customer at no more than two dollars and fifty cents (\$2.50) weekly, for groceries. Current accounts, neighborly obligations, and a number of other factors prevent the women from giving the full trade to the Co-operative when starting.

YOU WILL FAIL UNLESS

You have at least three hundred members purchasing each \$2.50 weekly. That means a total sale of seven hundred and fifty dollars (\$750.00) weekly. You dare not sell at more than 18 per cent. gross profits. If you do, the quality of the merchandise must suffer. On this basis your weekly gross profit will be one hundred and thirty-five dollars (\$135.00). Due to competition you are often forced to sell at a gross profit as low as 14 per cent. Your

gross profit at this rate would be one hundred and five dollars (\$105.00).

YOU WILL FAIL UNLESS

You regulate your expenses in accordance with your gross profits. On the last quoted basis your operating expenses as far as help, light, rent, horse and stable are concerned, should not exceed sixty dollars (\$60.00) weekly. Part of the remaining forty-five dollars will still be called upon to defray unexpected expenses.

YOU WILL FAIL UNLESS

You have a strong, centralized organization. That means, you should get your members within a radius of ten square blocks and not from Socialists and radicals in every ward of your city. You will thus avoid an expensive delivery system. In farming communities, conditions are different. Farmers usually call for their merchandise at the store. Therefore, a farmer's Co-operative may have a much larger radius from which to draw its members, and still not increase its operating expenses.

YOU WILL FAIL UNLESS

You find a group of at least twenty or twenty-five men and women who will devote all their spare time to the Co-operative during the first period of its existence.



WE ARE MOVING TO
209 East 45th Street, New York

