

THE PRESENT STATUS OF THE SELF-HELP COOPERATIVES

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The self-help cooperatives have been called barter organization—so they are, in part. Barter plays an important role in every self-help organization, as must necessarily be the case. When the ordinary money earning—production—exchange-and-spending system breaks down, even if the collapse is not complete, the most primitive system of barter arises upon the smouldering ashes of the former exchange mechanism.

This was what occurred in 1931 and 1932. Factory production stopped and money could not be earned. Not earned it could not be spent, and exchange stopped. There were goods in abundance,—crops rotted in the ground; the shelves of merchants were stacked with groceries that could not be sold; warehouses were full of useful materials that could not be manufactured, and in the rural districts great numbers of trees were ready for the axe while the poor shivered with cold in the cities.

To the task of providing an exchange system—by barter, or by barter aided with scrip—the self-help organizations directed their attention. They arose among the unemployed themselves: first in Seattle in 1931, then at Compton, California, and then in Salt Lake City. During the past three years they have spread over seventeen states, but their main activities are in the following centers,—Los Angeles; Alameda County (Calif.); Salt Lake City; Tacoma, Washington; Dayton, Ohio; Morgantown, W. Va.; Richmond, Va., and Lansing, Mich. The movement is subject to such rapid growth and to so many changes, however, that any attempt at exactness in boundaries and numbers engaged in it is liable to a high degree of error. Possibly 200,000 persons on the West Coast, and as many more in the rest of the United States are directly engaged in self-help activities. As many more have been, or may be again, active in the movement.

Above all, we should not attempt to lay down strict limits for the activities of these cooperatives. First, some are purely barter organizations, merely providing the mechanism through which a person may bring articles to the cooperatives to exchange for other articles. These may and frequently do use scrip to facilitate their exchanges, and they sometimes act as employment exchanges to find work for their members.

Second, some of them are productive units,—producing goods for their own members, and even (in a few cases) selling commodities on the open markets. We may take a case of a typical productive unit in California to examine into the functioning of this type in some detail.

The Unemployed Cooperative Relief Association, Compton, is the second oldest self-help cooperative in the United States. It was organized in the following way: An unemployed worker made an arrangement with some Japanese gardeners agreeing to exchange his labor for their vegetables. Returning to town with his load he divided them among his unemployed neighbors. Within a short time a small group were exchanging their labor for the products of farmers and other producers. They formed the Compton Self-Help Unit and secured the use of an old building, a former garage, near the railroad tracks at Compton. They were relieved by the city from paying taxes upon it. Members of the group built bins for the vegetables from old lumber around town that they secured by merely asking for it. "Contact" men located articles useful to the group, and they were bought by an exchange of labor,—large stoves, kettles, dishes, pens, garden tools, and agricultural implements and machinery. A barber shop, shoe repair shop, furniture shop, automobile shop, and a

clothing manufacturing shop were organized in the unit. Meals were served two and sometimes three times a day. The Unit secured some old trucks by cleaning up a garage, repaired them, and used them for hauling wood and vegetables. The Red Cross gave them an allowance of flour and the county government (as in the case of all the unemployed) gave sugar, milk, butter, and coffee. When Federal Relief was started in 1934 these cooperators were self-supporting, and did not appear upon the relief rolls.

Most of the self-help cooperatives developed from beginnings similar to the Compton unit described above. Where they have been introduced and sponsored by business men and ministers they have seldom been successful. What is necessary, seemingly, is that the unemployed should themselves hammer out their own organization on the anvil of experience. Dictatorship from above, whether disinterested or not, has seldom been successful (e.g., Oklahoma City Cooperative). Not that the cooperators have refused to accept advice from outsiders when it was helpful; indeed, social workers, employees of the FERA, and university professors have offered valuable suggestions and they have been followed. But the elected leaders of the cooperatives,—those who have endured the experience of unemployment and the lack of necessities and who have risen above them, have by their capabilities proven their capacity for leadership. By hard work and intelligent direction they have made the cooperatives successful in spite of the croakings of those who foretold failure. These men are listened to when the advice of the mere well-wisher is ignored.

Third, some cooperatives approach in form the "subsistence homestead," with the difference that the land is owned in common and the product is divided among the cooperators on a prearranged basis. Some communities in California are of this type,—some even are made up of members all of the same religious denomination. The Dayton community is similar to this type, although the members are not united in any religious bond.

We are primarily interested in the cooperatives from the standpoint of evaluating them in terms of their long-range significance,—what aspects of their existence will have primary importance in the economic life of the future? But we are also interested in the immediate contributions of the self-help cooperatives, and in many respects they have had remarkable success. They have saved for human consumption large quantities of goods that were "surplus" from the standpoint of sale in the market; they have produced noteworthy leaders, men who have had a social vision and who have worked for its accomplishment; they have put the unemployed to work, at work that they have enjoyed, in fact the self-help cooperatives are the only organizations in America today in which there is an actual shortage of good workers; they have employed men over 40 years of age and have shown women a place in an industrial scheme which few of them had in any previous economic life; they have brought about an appreciable reduction in the amount of direct relief that the government might have given to the unemployed who were members of the cooperatives if they had not been able to support themselves (this saving in relief has been the basis for the grants of \$325,000 by the government to the self-help cooperatives to buy machinery and supplies);* and they have inculcated a spirit of cooperative endeavor which is of the greatest value in social life.

It is suggested** by some that the first breath of prosperity will see the self-help cooperatives closing down on every side. Many retail merchants have opposed them, seeing in them a saving on relief expenditures

* Monthly Labor Review, July, 1934, pp. 27, 28.

** Grinstead and Wisler, Barter Scrip and Production Units, p. 65.

and therefore a reduction in the amount of goods purchased from the stores. Many manufacturers have opposed them, arguing that they are archaic in form and function and likely to compete in the production of goods for sale upon the market. Some farmers have opposed them in cases in which the cooperatives have had farms, arguing that they would cut into the sale of farm produce. So effective have been these complaints that state or federal aid to cooperatives has been given with the qualification that they were not to use the money to produce goods for sale upon the open market or in competition with private stores and private manufactures. The cooperatives, therefore, have usually been restricted to the production of goods for the consumption of members or for exchange with other cooperatives, or for sale to the government relief agencies. At the same time they have been circumscribed, hindered, and restrained in their activities by the large monopolists whose goods and services are essential to any productive organization.

In fact, the experiences of the self-help cooperators in their endeavors to gain a livelihood through their own efforts provide some of them with excellent arguments for the social control of many economic activities. They found, for example, that some commodities were distributed solely through the market mechanism, and without money these goods could not be secured. Meats, sugar, coffee, and flour were foods that could not be obtained by exchange for labor. All imported articles are distributed solely through organized markets. They found, also, that money was necessary for railroad transportation, postage, electric lights, gas, gasoline and oil, water, coal, and for some kinds of machinery. On this borderline of commodities and services that could only be secured through the price system, the self-help organizations were checked and hindered. The best that they could do was to sell some goods, wood, vegetables, and canned food, to the government relief agencies, and with this money buy gasoline, railroad transportation, etc. From their ranks arose demands for government control and distribution of these essential commodities and services.

It should be emphasized, however, that the personnel of the self-help cooperatives is largely composed of the unemployed middle-class, and of unemployed skilled workers. Few of them are communists, although they practice primitive communistic methods of distribution. Some of the early cooperatives, e.g., distributed goods to each member according to his needs,—if a man had five dependents he received six times as much as was given to the bachelor. But within the last three months a strict accounting system has been introduced, and the member may draw from the commissary only what he is entitled to in work credits, each hour of work giving him 50 credits. An entire system of prices in work credits for all commodities produced in the cooperatives has been formulated in some of the larger self-help units.

Nor are the cooperators socialists, necessarily, although they may be socialistically inclined in actual social practice. Upton Sinclair, in California, may have received a large vote from the cooperatives, although there is no evidence that they voted solidly for him. In fact, no clear-cut political program along ordinary party lines has appeared among them as yet.

Nevertheless, the elements of a national movement upon both the economic and political planes has been inherent in the self-help cooperative idea from the time of its conception. The National Development Association, Salt Lake City; the Emergency Exchange Association, New York City; and the Cooperative Production Units of Dayton, Ohio,* reached out to other units, proposing a national clearing house for the

* Monthly Labor Review, March, April, May, June, 1933 pp. 449, 495, 717, 979, 1038, 1229, 1240.

cooperatives, and looking forward to the exchange of goods upon a national or regional scale. Moreover the Co-operative League of the United States, the central body of the Consumers' Cooperative Movement, is not alone in looking forward to a Cooperative Commonwealth in the United States,* as the idea was also proposed by the self-help Natural Development Association of Salt Lake City. That is, both the old co-operative movement and the new self-help organization, (so far as it has expressed itself), have a similar great ideal. They are both seeking to overturn the present economic foundation of society. There is nothing reformist in either movement,—they are not attempting to raise wages, to stop child labor, to reduce the hours of labor, or to insure the workers against the ills of the economic system,—they both strike at fundamentals, i. e., the system under which goods are produced and consumed.

Finally, what is to be the future of the self-help organizations? It is difficult to give a categorical answer to this question. The movement is continually changing, expanding in one section of the country, receding in another section. One point at least seems clear; that is, that the self-help cooperatives should join with the Cooperative League of the U. S. A. The older body might find many useful activities in the self-help idea, while the young and growing units need the guidance of the experienced central body.

Thirteen years ago Sydney and Beatrice Webb pointed out a useful application of the unit producers cooperative. Our municipalities, as were the English cities to which the Webbs referred, are growing governmental bodies, demanding ever increasing commodities and services for public use. Could not gas, water, electricity, clothing, furniture, and other commodities of use to the municipalities be produced by the cooperatives, with advantages to the public and to the government? All too frequently private enterprises have furnished goods of poor quality upon public contracts, and bribery and other mal-practices have been associated with their attempts to secure these contracts. It may be that the self-help cooperatives will find one outlet for their activities in service to the municipalities. The present tendency in industry, moreover, seems to be in the direction of decentralization,—smaller and more flexible productive units, each one built in connection with a center of population. The unwieldy super-factory may be doomed. The cooperatives may be pointing the way to a new industrial structure, as well as to a new economic system.

Whatever the future holds for the self-help cooperatives, it is most encouraging that within three years a large body of producers, actuated by the highest social ideals, could be organized in America; and in the midst of depression were able not only to make their own living, but to hold forth a future promise of a better economic life for the mass of the people.

