

CO-OP CONTACT



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UNITED HOUSING FOUNDATION
COMMUNITY SERVICES, INC.

THE PEOPLE APPROVE SPENDING THEIR MONEY FOR HOUSING

By Robert Szold
President of the United Housing Foundation

The citizens of New York State have given their approval for spending \$50,000,000 of their money for middle income housing. This was done by the voters approving Proposition I at the November election. By approving this Proposition the State of New York can grant low interest loans to spur the building of housing for middle income families.

The United Housing Foundation is gratified that the voters approved the Proposition. We feel that these public funds should be used to develop non-profit cooperative housing. The use of the peoples money should not be used to develop housing promoted by profit seeking builders. Using the public funds to assist groups of people to build their own cooperatives, we believe to be in the best interest of all the citizens of the State.

In addition, we believe the money can be used to the greatest advantage to expand the program of slum clearance and urban redevelopment. Cooperatives have amply demonstrated their ability to rebuild slum areas with modern, efficient, moderate income housing. The United Housing Foundation is anxious to fully participate in a program which will build more such housing.

The need for housing for moderate income families is so great that \$50,000,000 will not go far in solving the problem. However the expenditure of these funds will give the public the opportunity to see what kind of a program the State will develop. If the funds are used wisely and in the public's interest, we have little doubt that the citizens will, in the future, wish to expand this program.

THE SCOPE OF THE CONSUMER COOPERATIVE MOVEMENT *

By Jerry Voorhis

The cooperative movement is world-wide. Some 120,000,000 people are members of organizations in 34 countries which are affiliated with the International Cooperative Alliance whose headquarters is in London. Actually a good deal more has been written about cooperatives in Great Britain, Sweden, Finland and some other countries than about those in the United States. Yet we have in our own country probably a greater diversity of cooperative enterprises than any country in the world. And some of them are very well developed indeed.

Throughout the world people have found that they can accomplish almost anything by cooperative effort provided they are willing to join in common effort with others to fulfill a genuine need. By themselves, individuals can accomplish little, but by organizing their purchasing power ordinary people have found they can gain real economic strength and, with good management and sound policies, of almost any kind.

Primarily there are two kinds of co-ops in the United States. There are the producers-marketing cooperatives and the consumer-purchasing cooperatives. Within these categories you will find a wide range of activity. The first group, producers-marketing cooperatives are concerned with seeing that the farmer gets the best possible price for his products. About four million farmers are members of one or more of these cooperatives. It is estimated that there are about seven thousand such co-ops and they do any annual business of about eight billion dollars. An illustration of one of these cooperatives, with which you are probably familiar is the Dairymen's League Cooperative, which supplies a large amount of the milk in the New York area.

CONSUMER COOPERATIVES

The consumer cooperative movement as we know it started in a place called Rochdale in England. Here a group of twenty-eight poor weavers started the first cooperative store in 1844. The idea that created that little store was to grow into a way of doing business all over the world. It is from Rochdale that we acquired what have been called the Rochdale Principles which are: 1. Open membership 2. democratic control 3. limited interest on capital 4. savings distributed according to patronage 5. neutrality in religion and politics 6. sales for cash at market prices 7. constant education 8. continuous expansion.

It is upon these principles, sometimes modified to meet changing conditions, that many varieties of cooperatives operate. When we talk of "the cooperative movement", we are thinking of organizations which are made up of people. People who have organized themselves as consumers to meet many different needs. Joining with others they have established co-ops, to serve their needs, on a non-profit basis. For cooperatives are always non-profit business organizations.

*Editors note: This is the first of a series of articles of different aspects of the consumers cooperative movement. We have asked Jerry Voorhis, the Executive Director of the Cooperative League of the USA to give us an over all picture of cooperatives in the United States today. In the months to come we shall examine in detail many of these different cooperatives.



MEETING THE NEEDS OF PEOPLE

The cooperatives which have been organized reflect the needs of people. Financial security is one of the basic needs. Therefore, some 10,000 families have organized almost 20,000 cooperative credit unions. About 6,000,000 policy-owners are insured by "cooperatively minded" insurance companies.

Housing is another basic need. You and thousands of other Americans have cooperatively provided yourselves with decent housing in homes which you yourselves own.

Of increasing importance is the provision of adequate medical care for the entire family. That is why nearly a million families have joined cooperative group health plans.

Farmers have been among the foremost to recognize the value of cooperatives, both to market their products, and also to produce and to purchase their supplies. There are over 3,000 farm supply cooperatives with nearly three million members. They do over two billion dollars worth of business each year largely in petroleum products, feed, seed, fertilizer and other farm supplies, but some of it is consumer goods like groceries and clothing. In addition to marketing and purchasing cooperatives the people of rural America have organized other cooperative institutions to fill their needs, such as the rural electric and rural telephone cooperatives. Four million farms and rural families supply their homes and farms with electricity over their own cooperative power systems.

In urban centers throughout the United States and Canada there are over a thousand cooperative food stores. These co-ops are providing another basic necessity — food, for thousands of families.

In addition to these major kinds of cooperatives, people have organized many others to meet their needs.

Student cooperatives can be found on the campus of most colleges. Funeral cooperatives have been organized to meet "the high cost of dying". Nursery school cooperatives are growing at a rapid rate. Business men have organized their own retailer-owned wholesales and run them on a cooperative basis. One of the best known cooperatives is the Associated Press.

THE PEOPLE'S OWN BUSINESS

We estimate that at least twelve million different American families belong to one or more of these many kinds of cooperatives. These millions of American families have a share in business which they democratically own and control. They have a responsibility for important economic institutions. The democratic principle of each member having one vote regardless of the number of shares he might own, is an outstanding difference between a cooperative and a corporation.

With the growth and expansion of cooperatives, the people, the members, are proving that they have the power and the intelligence to provide themselves with goods and services of all kinds—without profit. Nothing could be more important today than for people to have responsibility for

and to participate in their own economic institutions.

You who have provided yourselves with housing on a cooperative basis have the power to increase your cooperative activities. You can build truly cooperative neighborhoods. An outstanding example of this is the first important housing cooperative in America — Amalgamated Homes in the Bronx. Here we find that 75% of the families now living there are either the same families or the children of the families that moved in thirty years ago. They have their community forums and meetings; their summer camps and nursery schools. They own their own super-market and they buy some of their supplies and services together. As Mr. Abraham E. Kazan the father of cooperative housing in America has pointed out so dramatically—not a single case of juvenile delinquency nor a single commitment to a penal institution has taken place among the residents of Amalgamated Homes in all the thirty years of its existence.

This is a great story. It can be repeated by other groups of people as they learn the true meaning of cooperative.

1980 — A COOPERATIVE SOCIETY

Often those working and living cooperatives twenty-four hours a day, seven days a week, cannot see the forest because of the trees. It is therefore gratifying when someone from another field acknowledges the significance of cooperatives.

Henry R. Luce, the Editor-In-Chief of FORTUNE, writing a stimulating article in the December issue of that magazine, entitled "A Speculation About A.D. 1980" says, ". . . Among the signs of the times which we are required to read are some facts about the present *nature* of man, which are quite striking as the facts of science. One fact which I select for emphasis is the fact that man in our time and especially in America has become a cooperative man. Foreign writers on America, whatever their other insights, all agree on the spirit of cooperativeness that pervades American life. Tocquevill in a famous passage noted this long ago; just the other day, in a French business magazine, another observer exclaimed, "They train them, they educate them to cooperate!" The habit and spirit of voluntary cooperation form the ideal bases for Organization . . .

And Mr. Luce continues ". . . We have made a turn in the development of human nature. We have brought to birth that cooperative society, or a reasonable facsimile thereof, which Kropotkin foresaw in his answer to Darwin. And quite apart from its many practical advantages, this cooperative society records the habituation of many virtues as well. Consider what a cooperative society—alias organization with freedom—demands and implies. Merely to conduct our business with each other, whether corporate, private or governmental, we take for granted mutual good faith, honesty, candor, responsibility; we expect (and often get) conscientiousness, tolerance, understanding; we reasonably hope for a shared purpose and concern. It would take a monstrous calamity to uproot these habit-virtues; but until or unless that calamity comes, we can surely call these virtues an achieved characteristic of our civilization . . ."

CO-OP HOUSING NEWS

KINGSVIEW CELEBRATION

An official ceremony marking the beginning of construction of Kingsview Homes Cooperative was held at the site of the development on November 30th.

Commissioner Robert Moses, the Chairman of the Slum Clearance Committee, Abe Stark, President of the City Council, Joseph Reich who represented John Cashmore, Borough President of Brooklyn and Gerard Swope, Chairman of the Board of Kingsview, participated in the program which was presided over by James Felt, President of the cooperative.

The Kingsview cooperative is the first Title I project to start construction in Brooklyn. It will consist of five fourteen and fifteen story buildings. The equity payments are \$625 per room, the average carrying charges will be \$19.12 per room including utilities.

Kingsview which is affiliated with the United Housing Foundation is being constructed by Community Services Inc. Occupancy is expected late in 1956. Applications for a few remaining 4½ and 5½ room apartments are being taken at the office of the Foundation, 11 West 42nd Street, New York City.



A. E. Kazan, left, President of Community Services, Inc. and Leigh Medine, President of the Conference of President of 213 Cooperatives. Kazan addressed a dinner meeting of the 213 Presidents.

Mr. Kazan outlined the potentials possible from a program of joint purchasing of the services and materials like fuel oil, insurance, maintenance supplies, elevator maintenance which are used by all housing cooperatives. After noting what the advantages of such a coordinated program would be, he cautioned the group not to expect large savings immediately. Understanding and patience are needed to develop a sound program. In two

or three years the advantages of the weight of joint purchasing would prove economically effective and beneficial to all.

As a result of his talk, Benjamin Abramowitz of Mitchell Gardens, was appointed to head a committee of the Conference of Presidents to work with Community Services to develop the program Mr. Kazan outlined.

SPEAKING FRANKLY

UNION FINANCED HOUSING

by A. E. Kazan

On December 22nd The New York Times commented editorially on the proposal George Meany, President of the AFL-CIO has made that labor unions should invest their pension and welfare funds in housing. The Times editorial was as follows:

UNION FUNDS FOR HOUSING

"The orbits of two luminaries — Robert Moses, City Construction Coordinator, and George Meany, president of the A.F.L.-C.I.O. — and the interests they represent have met in a convergence that holds great promise. The conference of these two stars including lesser building trades union lights, may well trigger a chain reaction that will benefit the city by supplanting large areas of blighted buildings with union-financed, low-rent modern dwellings. This will also serve a triple purpose for workers in the construction field: create jobs for them, give them comfortable places to live in and bring a fair and safe return on the investment of their surplus union funds.

"Union-sponsored housing in New York is nothing new. The Amalgamated Clothing Workers led the way over twenty-five years ago with its 1,400-unit development in the Bronx, followed by two others on the Lower East Side. These were financed mostly through savings bank loans. More recent examples are the International Ladies Garment Workers' East River houses and the Electrical Workers' housing in Queens, with a total of almost 4,000 units, mostly financed by the unions themselves. But these were independent ventures of separate unions without benefit of close cooperation with the city. Even so, their outstanding success is an earnest of what can be done in a co-ordinated effort powered by Messrs. Moses and Meany.

"A possible materialization of their dream — pre-tested in existing projects — would be cooperative organizations with ultimate tenant ownership, achieved on the installment plan and financed by first-mortgage loans from the unions that promote them. Occupancy, as in present union housing would not be limited to members. Under Title I of the National Housing Act the city could acquire the necessary land by condemnation and sell it to the cooperatives for a good deal less than it paid, the difference being made up two-thirds by the Federal Government and one-third by the city. The city could also help by granting tax exemption on all the improvements without reducing its present revenues. Under such a plan rentals might be kept to \$25 to \$30 a room.

"Loans for this kind of a project would open up an attractive investment field, not only for union welfare funds but also for the surplus operating funds in union treasuries. The financial reservoir which might be drawn on has not yet been surveyed. Mr. Meany guessed it would be \$100 millions in pension and welfare funds of building trades unions alone. But there can be no doubt whatever that the city needs to be rid of the slums, that workers are in urgent need of decent low-rent dwellings and that many millions of union dollars need safe and sound investment. Nor is there any doubt that a program of large-scale union housing would serve all three needs at once.

"The building trades and other New York unions might well explore its possibilities. In doing so the United Housing Foundation could render them a useful service. In it all the present union housing projects and other cooperative housing ventures have pooled their knowledge and experience for the free benefit of newcomers in the field — who have, obviously, a vast amount to learn."

We can only add that the proposal Mr. Meany has made is most gratifying to those of us who have been advocating union participation in cooperative housing for three decades. We trust when the Meany-Moses plan is considered by the unions the proven advantages and benefits of cooperative housing will be carefully considered. As the editorial stated the United Housing Foundation stands ready to assist these unions in developing a program which will be of benefit to the unions, their members and to the general public.

A truly cooperative program, in which the Federal government would participate with assistance under Title I, the City government by granting tax exemption, the unions by sponsorship and investing in the mortgages, could we believe result in housing for moderate income families at about \$20 per room per month. Such a program on a large enough scale would immeasurably assist the working man achieve decent housing which he can afford.

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