

CO-OP CONTACT



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Jacob S. Potofsky, left, President of the Amalgamated Clothing Workers of America, and David Dubinsky, President of the International Ladies' Garment Workers' Union, paused at the exhibit of the United Housing Foundation during the first convention of the AFL-CIO. The two unions these men represent have sponsored over 4,100 cooperative housing units, which were organized and built by Abraham E. Kazan.

The historic convention unanimously passed a resolution which said that cooperatives have met people's needs when "neither a private profit undertaking nor a public agency" could do so. The fifteen million member organization urged its affiliates "to give co-ops all possible aid so their growth will be assured and their benefits more broadly shared and enjoyed."

In his address to the delegates, Adlai Stevenson said: ". . . So I have been gratified by the resolutions adopted at this convention which reflect clearly your recognition of these other interests, particularly of the consumer. Giant as labor now is it recognized that the consumer is its sovereign and will ultimately always have the last word.

"For the one thing we all are is consumers, and we get the right answer to most of our economic problems by consulting our ultimate interests as consumers."

COOPERATIVE STORES

The cost of living continues to rise, but so slowly that most of us are not conscious of it. Two-tenths of one percent increase last month, a tenth of a percent increase this month, is not apt to concern the consumer very much. Something dramatic like a great increase in the price of coffee, or tripling the price of the subway fare, or the continuous increasing the fare on the Long Island Railroad — these are major factors which arouse the consumer. He becomes aroused because the effects are felt immediately where it hurts, in his pocketbook. You may recall the clamor which arose when the price of coffee hit a dollar a pound. There were protest meetings, editorials, congressional inquiries, and other demonstrations of protest. Yet the consumer paid the price, because he had to pay it, or give up his morning cup of coffee, and few could do that. And he felt relieved when the price dropped to "only" 93¢ a pound.

Food, like housing is a necessity, we have to have it. And few of us can grow or produce our own food; we must buy it. It makes little difference if the dollar we spent for food in 1939 now buys only 55¢ worth of the same food — we must buy a 1956 dollar's worth of food. And living in 1956 we buy most of our food in more convenient ways than we did in 1939. We must pay for the convenience of *not* having to shell the peas, to squeeze the oranges, to clean the spinach, and to bake the rolls. We can eat strawberries in December, lobster from a frozen package, a complete chicken, or a beef dinner from a frozen pie. We can, by paying the price, live "high on the hog".

As basic as food is to all of us, the consumer has little to say about the quality of the things he buys, or the prices he pays. Competition between brands is keen. The consumer is deluged by advertising of all kinds (which of course he pays for) to buy this brand rather than that. Furthermore he is offered coupons and many other inducements to buy one brand rather than another. Even his little children are badgered to coerce their mothers to buy XYZ brand — so they can get the gimmick in the package. All the tricks of the trade are aimed at the consumer for his patronage. Yet for all this, the consumer has nothing to say about the quality of the products he must buy, or the conditions under which he buys them.

CONSUMER COOPERATIVES

To assure themselves of the best value for their food dollars, a half million consumers in the United States and Canada have organized approximately a thousand non-profit cooperative stores. By purchasing a share of stock anyone can become a member; and each has one vote. The members elect their Board of Directors. The Directors in turn employ the manager to run the store. The prices paid at the co-op are the same as you would pay at any supermarket. BUT — and this is an important difference — if there is a profit at the end of the year, it is returned to the members, in proportion to their patronage.

Because cooperatives have joined together and have their own wholesalers, and their own national buying program, they are able to control the quality of co-op brand merchandise. To the consumer this means he can be certain of the quality of the co-op products he buys. And if the quality is not right, he can do something about it. The cooperatives have pioneered in using the co-op label which tells the consumer exactly what is in the package he buys.



Palo Alto Co-op Supermarket and parking area.

Further, the co-op label comes in three colors, red, blue and green. The red label indicates the highest quality, the blue label the second best quality and the green label the third best quality, and of course the prices vary with the quality the consumer selects.

A NEW PATTERN

The Rochdale Principles apply in consumer cooperative enterprises. These principles are: 1. open membership 2. one member-one vote 3. limited interest on investment 4. savings returned in proportion to patronage 5. neutrality in politics, race and religion 6. continuous education 7. constant expansion. The application of these principles, together with business knowhow (capable management), a main-street operation (a good central location), a loyal membership (adequate financing and loyal patronage), make for the ingredients of a successful cooperative store operation.

The growth of cooperative stores has been a slow process. For too long cooperative members "played store"

with small insignificant operations. This resulted in many failures.

However, in the past few years, there has been emerging what seems to be a new pattern for successful operations. The cooperatives in the District of Columbia area are in the forefront of this development. Seven communities in that area have large successful cooperative supermarkets. In addition some have their own drug and variety stores and gas stations.

On the west coast in California, cooperative supermarkets and other co-op enterprises are also making substantial progress. In Berkeley, since 1947, the co-op increased its sales from \$200,000 to \$2,500,000 a year. Its membership has grown from 1,000 to 5,400 in the same period. In Palo Alto, the co-op which started in 1935 as a buying club with 14 families, today has 3,600 members—they own together two co-op supermarkets, a dry cleaning plant, a credit union and a prepaid medical group. At Ridgewood, New Jersey, the cooperative is doing more than a million dollar volume annually. The same is true of the cooperative organized by the members of the Amalga-

mated Housing Cooperative in the Bronx. This co-op has just completed the most successful year and will return to its members \$25,000 in cash rebates. This Village Co-op in New York City has just completed a \$75,000 expansion program. A co-op supermarket which is expected to do a \$3,000,000 a year business, is being constructed in conjunction with the East River Housing Cooperative on the east side of New York.

These few examples, together with other similar developments in other parts of the country make for the

most encouraging situation we have had in co-op store operations in many years.

Cooperators living in housing cooperatives have a unique opportunity to build other cooperative enterprises, which can benefit them. Those interested in obtaining additional information on how a cooperative store might be started in conjunction with their housing cooperative might write or call Mid-Eastern Cooperative Wholesale at West Ruby Avenue, Palisades Park, New Jersey.

James Felt, a director of the United Housing Foundation since 1953 and president of Kingsview Homes, since the death of Louis Pink in May of 1955, has resigned these positions when he accepted the appointment from Mayor Wagner as Chairman of the City Planning Commission.

Mr. Felt at the time of his appointment was a member of the City Housing Authority and president of James Felt and Company, a firm specializing in the study and appraisal of large housing developments.

He is also chairman of the Board of Directors of the Urban League of New York, a vice-president of the Federation of Jewish Philanthropies and a trustee of the Lavanburg Foundation.

We wish Mr. Felt well in his important new position.



James Felt

CO-OP NEIGHBORS

A VISIT WITH ONE OF THE FIRST COOPERATIVE FAMILIES

by BEA and JACK MOSS

Editor's Note: After the publication of the first issue of CO-OP CONTACT we received a letter from Bea and Jack Moss, two cooperators from Hillman Houses, suggesting that the magazine could be improved. (we knew that) They suggested a column be included devoted to telling the story of cooperators who live in the cooperatives. They said, "after all cooperatives are made up of people and your magazine is called Co-op Contact; let's tell the story of some of these people". We thought the idea was worth trying. We invite your comments and suggestions on who we should visit in your cooperative.

When the first true cooperative housing development was ready for occupancy on New York's lower east side, Mr. and Mrs. Samuel Selvansky were among the first families to move in. Two other members of their family also took apartments. Now, 27 years later, the Selvanskys still occupy the same three room apartment in what is known as the "Old Amalgamated".

"It was just wonderful," says Mrs. Selvansky, "You can't imagine the feeling we had when we saw the lights on in the building that first night. When we walked into our apartment, we just couldn't believe it was ours."

Friends, who had advised them against "taking a chance" on this new concept of housing and had referred to the Selvanskys as "Columbuses," marvelled at the beauty of the apartment and the small upkeep cost. "We were very proud to tell people we lived here," says Mr. Selvansky.

Mr. and Mrs. Selvansky own a plate and window glass installation business on Houston St. They are active in community affairs, Mrs. Selvansky being a member of the Am-Hill Division of Haddassah. Their daughter Sandra, a year old when



Mr. and Mrs. Samuel Selvansky

they moved in, has grown into a very lovely young woman. She studied music at the Henry St. Settlement and went on to Hunter College, where she also taught. She married a fellow teacher and the couple have a 14 month old baby — the pride of the Selvanskys.

"Everything is conducive to happy living here — shopping is wonderful, traveling is good, the people are tops, and it's such a wonderful feeling to own your own apartment." From this statement by the Selvanskys, it's easy to see that they believe whole-heartedly in the concept of cooperative living.

"I recommended eight families to the new 'International' (Corlears Hook)," says Mrs. Selvansky, "And my mother has taken an apartment there too." In the old days many mothers ran away from the east side and took their children with them. Now, thanks to the cooperative developments, it seems as though the children have returned — and are bringing their parents back with them.

THE PARADOX IN COOPERATIVE MANAGEMENT

by Delmore Brickman

Editor's note: We asked Mr. Brickman the Resident Manager of Queensview to write an article on the Problems of Cooperative Housing Management. The first half of the article appears in this issue. The concluding half will appear in the next issue. We suggest you save the first half of the article so the continuity will not be broken. We regret space does not permit us to print the entire article at one time.

When the senior partner of a recognized real estate management firm visited one of New York's housing cooperatives recently, his practiced eye quickly appraised the site plan, the buildings and grounds, the lobbies and halls, the children at play, the carriage trade at ease, the staff at work.

"You've got a pretty nice place here," he remarked to the manager. And then, in a tone inviting confidences as between management people, he asked: "Does this cooperative thing really work?"

"Yes, it does," he was assured. This reply gave rise to a host of pointed questions. There followed a pleasant exchange of management experience, in the course of which a large area of mutual agreement was recognized, but certain differences of management approach and practice were advanced, examined, and confirmed.

Managing a large cooperative housing venture is essentially managing a large real estate business. The income from rents and other sources must be effectively collected so that wages, bills, services, taxes, mortgage indebtedness and other obligations are promptly paid. The quality of housekeeping and maintenance and the efficiency of service are subject to similar standards of evaluation. Reserve provisions for cycle repairs and replacements will assure a continuing level of appearance and amenity. When the fiscal year is closed, there should be a reasonable relationship between budget and statement and a tangible excess of income over expense.

While the cooperative housing development and the conventional rental project may both be properly directed along parallel lines drawn by sound business principles and tested real estate practice, there is nevertheless, a basic difference in motivation which is bound to be expressed in management policies if each is to realize or reflect its true purpose. If the object of a real estate operator is a good return to the landlord, the aim of cooperative management is good housing for the tenant.

Tenant and Owner

The genus tenant in a mutual housing venture is a strange, hyphenated phenomenon in a skeptical world. Louis H. Pink referred to him as "tenant-owner"; he is often termed a "tenant-member" or a "tenant-stockholder"; he is commonly called a cooperator. He combines, to be sure, the attributes of both landlord and tenant. While he occupies a leased apartment in a certain building, he is also the owner of an undivided portion of all he surveys from his living room window. In the expression of his dual entity he determines with his neighbors the rent to be paid, the terms and conditions of his occupancy, and the services he is to enjoy; and he chooses the servants who are to interpret his desires, carry out his will and care for his property. As a stockholder he elects a Board of Directors who employ management to administer policy governing his rights and responsibilities, requests and complaints, as both lessee and lessor.

In this kind of set-up, management is exposed to certain additional hazards which don't exist in the operation of the neighboring apartment house. The obtrusive ambiguity with which it is faced in almost every aspect of operations will test its ingenuity, challenge its judgment at every turn, and perhaps try its patience. Before long it may find itself seized with schizophrenia.

Some Problems

Take, for example, the matter of supplying heat during the winter season. The absentee owner of the tenement across the street will generally abide by the requirements of the Multiple Dwelling Law and may turn a deaf ear to the importunities of his tenant who complains that he is still cold. The tenant-cooperator's family, however, will not be warmed by proof that the bedroom temperature reading is a neat 68°. In his role as an owner he wants comfort, not legal compliance, as a standard of operation. Furthermore, he may like to have the heating hours lengthened to enjoy a book or the "Late Show", or entertain on weekends. Enlightened management will, of course, adopt this point of view in practice and the result may be a happy one furnishing convincing evidence of enjoyment in cooperative living.

But what if, as the case may be, the central heating system's operation cannot be so closely zoned as to control the supply of heat by exposure; or the individual apartment is not furnished with the kind of convactor that can be closed with the turn of a valve? It soon develops that one man's cold is another man's comfort; one man's comfort is another man's curse. And it will not serve any better to tell the cooperator suffering from steam heat to open his case-ment window to wintry blasts than to show the thermometer to the tenant shivering in a sweater. Moreover, both of them, along with management, have their eyes peeled on the budget and manifest a justified interest in, if different reaction to, the number of gallons of fuel oil consumed.

In the spring, the cooperator's attention turns to the outdoors. If he has been fortunate or been consulted, the site plan for his development has provided for low coverage of the land and a decent amount of free area. The architect's conception may have included flower beds, foliage and grass, landscaped to some attractive pattern; playgrounds, sand-boxes and sitting areas; parking lots and pleasing paths. In clear weather and on hot summer nights, the park in his backyard is his children's haven

and his place of repose. After a hard day's work he can slump on the bench, stretch his legs, argue baseball, and share with his neighbor the expressed thought: "This is delightful!"

It is very likely that some folks from the neighborhood and their children are also enjoying the cooperative's pleasant facilities and fresh air — venturing from their stuffy crowded quarters fronting on pave-

ment, rearing against a back fence. For they have actually found the elusive greener grass across the street. They are welcome too, by cooperators and management in line with good neighborhood policy.

From this perspective the cooperative housing development has again justified its existence and verified its purpose, — good living for good people in a healthy neighborhood.

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