

# CO-OP CONTACT



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UNITED HOUSING FOUNDATION  
COMMUNITY SERVICES, INC.

## **1,700 UNIT, \$21,000,000 COOPERATIVE PLANNED BY UNITED HOUSING FOUNDATION**

The United Housing Foundation recently announced that its proposal for a \$21,000,000 cooperative development has been submitted to the Board of Estimate by Robert Moses, Chairman of the Committee on Slum Clearance. The 1,704 unit cooperative, known as Seward Park, would replace twelve and one-half acres of slums on the lower east side of New York.

The United Housing Foundation has offered to purchase the land under the provisions of Title I of the National Housing Act of 1949. The area for the proposed project is between East Broadway and Grand Street and from Willett Street to Essex Street. There are about 1,500 families.

Abraham E. Kazan, a director of the United Housing Foundation and president of Community Services, Inc., its subsidiary organization said: "If United's bid for the land is accepted our plans are far enough along so that preliminary work could start immediately. We need only receive the approval of the Federal and City governments before we can start to work."



*Artist's rendering of the Seward Park Project*

It is estimated that the equity payments will be about \$650 a room in the new development. And the monthly maintenance charges would average about \$20.00 per room. Mr. Kazan announced that as soon as the project is approved by the agencies involved, an applications office would be opened at 530 Grand Street.

The Seward Park project will be the fourth cooperative development on the lower east side of New York. It will bring the total number of families living in cooperatives in that neighborhood to 4,400. The proposed project is one of several which the United Housing Foundation is planning.

#### **REGISTER AND VOTE**

Before the next issue of CO-OP CONTACT appears the 1956 national elections will be history. One of the basic principles of consumer cooperatives is neutrality on political and religious matters.

This neutrality applies to cooperatives as organizations — not to individual cooperators — as citizens. We urge every cooperative member to register and vote for the candidates of their own choice on Election Day, November 6th, 1956.

## **A BASIC PRINCIPLE — CONSTANT EXPANSION**

HAROLD OSTROFF  
Vice President of Community Services, Inc.

People organize cooperatives to solve specific problems. The needs of people vary and we find cooperatives of many kinds meeting these needs. Some areas of this country are much further advanced with cooperative developments than others. In a few places in the United States children can be born in cooperative hospitals, start their education in a cooperative nursery school, live in a cooperative house at college, buy most of their food and household supplies from a cooperative store, live in a cooperative housing development, travel on cooperative tours, be insured by cooperative insurance companies, save and borrow money at a cooperative credit union and when the time comes, be buried from a cooperative funeral association.

Unfortunately such expansive cooperative activity is the exception rather than the rule in this country. Too many members have been satisfied when they have solved an immediate problem by application of cooperative effort. They have failed to recognize the tremendous potentials of building a strong consumers' cooperative movement.

The Rochdale weavers who are credited with the establishment of the first cooperative at Toad Lane and who formulated the Rochdale Principles, on which so many consumer cooperatives function today, included in these principles one headed "Constant education — constant expansion."

In the last issue of CO-OP CONTACT, the article "A Profitable Promotional Program" illustrated how a sound educational program can help develop strong consumers' acceptance of cooperatives as a way of doing business and cooperation as a philosophy of life. Until recently the expansion of cooperatives in large metropolitan areas has been painfully slow. Now, however, in some of our large cities a pattern is being established which may lead more rapidly to the development of cooperatives. In the New York area, the key seems to be housing.

With a housing cooperative as the base, many other cooperative enterprises are being developed. A few days ago, a 13,000 square foot cooperative super-market opened on the lower east side of New York City. The members from three housing co-ops invested approximately \$100,000 in this cooperative

store — before it opened. The members of these same housing cooperatives also solved another of their problems when they organized a cooperative nursery school. These are examples of the principle of constant expansion.

Many cooperatives have died from lethargy. A complacent membership is an unhealthy sign in a cooperative organization. Dr. Emory Bogardus in his booklet entitled *PRINCIPLES OF COOPERATION* says, "Evolutionary growth not only in size but in variety of services rendered the members is a characteristic of healthy cooperatives. If a cooperative ceases to grow, it begins to die. Hence it is essential that members of cooperatives keep working for the increased material welfare and greater spiritual vision of their members and of the people in the communities which they serve."

Housing is one of man's basic necessities. The need for more and more housing which the average family can afford is very obvious. An expanded cooperative housing program is a vital task before us. These developments must be built upon a sound understanding of what cooperation means and how cooperatives function.

The members of housing cooperatives which have a long and successful history have developed other cooperative enterprises. The Amalgamated in the Bronx is an outstanding example of what can be done. For almost thirty years the members have purchased their milk cooperatively — this program filled a need and provided a service. A cooperative buying club expanded to a cooperative supermarket now doing well over a million dollars volume a year. A credit union was established twenty years ago with 446 members and \$37,000 in share capital. It has grown to where it now has 717 members and \$250,000 in shares. The cooperative day camp with an enrollment of about 350 children is one of the oldest day camps in the city. The cooperative nursery school is another cooperative enterprise.

Each cooperative of course is a separate entity itself, owned and controlled by those using its services. While the membership of some of the organizations are comprised of the same people each has its own by-laws and directors, and each is financially independent of the others.

Like most other animals man's basic nature is cooperative. Consumer cooperative societies of all kinds afford people the opportunity to work together with others to help themselves. Our task is to expand cooperatives faster.

## CO-OP HOUSING NEWS

### AMALGAMATED DWELLINGS — HILLMAN HOUSES-ILGWU COOPERATIVE VILLAGE 2700 UNITS

Cooperators from these three developments have launched two new cooperative enterprises during the past month. A new cooperative supermarket is part of a centrally located shopping center which just opened. An auditorium which will accommodate a thousand people and which will be used for cooperative activities is also located on the second floor of the shopping center. With an enrollment of 35 students a new cooperative nursery school which will serve the community opened in the ILGWU Cooperative Village.

### AMALGAMATED HOUSING CORP. 1435 UNITS

A cooperative day camp is one of the many activities in this community. This past summer was the 28th and most successful season of this camp. Over 350 children attended the eight weeks session. The cost is \$68.00 per child.

### BEECH HILLS — FHA — 816 UNITS

The Board of Directors and Management have arranged for cooperators to purchase three hundred new 9 and 11.4 cubic foot refrigerators.

These replace the old 6 cubic foot refrigerators, which were in all apartments except the 5½ room units. Arrangements were made for the individual cooperator to pay for the equipment over a five-year period, and the old refrigerators were sold to reduce the cost of the new equipment.

### BELL PARK GARDENS — FHA — LIMITED DIVIDEND — 880 UNITS

The Community Council is sponsoring a garden competition. Many cooperators have developed elaborate floral displays in front of their garden apartments in order to take first prize.

The Board of Directors has been able to arrange to increase the hot water capacity. This increase was required by the greatly augmented child population since the opening of the project. The work was financed out of the replacement reserve.

### FOREST PARK SECTION I — FHA — 388 UNITS

The Board of Directors succeeded in prevailing on the New York Supreme Court to restrain cooperators

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## **THE REA PRINCIPLE**

**A. E. KAZAN**

Few people realize that only twenty years ago eleven percent of American farms had electricity. Today, because a cooperative program was undertaken by many people, about ninety-five percent of the American farms have electrical power. This is a dramatic story from which we may learn a lesson.

Electrical power is so basic to modern living that we often take it for granted. Today electricity can be considered a necessity of life. Can you imagine living one day without the use of electricity? Urban people rarely give it a thought. On a farm there is even greater need for electrical power. Our progress in agriculture, and to a large measure, the growth of industry, can be measured by the advent of rural electrification. Electricity on the farms has been as important to mechanized farming, if not more so, than the mechanical tractor.

Electricity on the farms also has brought a new life to the American farm family. A simple thing like running water is an example. The back-breaking job of pumping and carrying water from the well to the house and to the barn has been eliminated. Electricity has brought light into the darkened houses and barns of American farms. The farmer became a consumer and a customer for electrical appliances like washing machines, freezers, stoves, radios and television sets, etc. Electrical power and electrical appliances have contributed immeasurably to improving living conditions on the farm for millions of men, women and children.

Twenty years ago there was a great need for farmers to have electrical power. Private utility companies turned a deaf ear to the pleas of the farmers to bring the badly needed power to their farms. The companies said that it was too costly to bring electricity to rural areas — the farmers did not want electricity — they could not pay for it — and it would not pay them enough profit to provide the services. (It is interesting to note, now that the co-ops are providing the power to the farms, the private companies are trying in every way possible to take over these systems, but that is another story.)

The farmers did want and desperately needed electrical power. Accustomed to meeting their need through their cooperative organizations, the farmers organized their own electrical cooperatives. Organized into groups, they invested

their funds and slowly built their own generating plants. It was a costly job to build these plants and to distribute the power to the far distant farms. One group would affiliate with another to combine their efforts and slowly some American farms began to "light up". In 1936 Congress passed legislation to assist these cooperatives. The Rural Electrification Administration was born. The major function of this agency was to provide cooperative organizations with long-term low-interest loans for construction. Thus the major obstacle was overcome and many more "REA co-ops" were organized to bring electricity to rural America.

Today about 1,000 of these cooperatives are supplying electricity to all but a relatively few of the farms which were in darkness in 1936. The cooperatives are providing electricity at low rates to their 3,500,000 members. The loans the government made are being repaid at a much faster rate than was required. The farmers have, through cooperative organizations, helped themselves when the private utilities would not serve them.

What can we as the urban people learn from this cooperative success story? The most important lesson is, that people can help themselves. When private industry is not willing or able to provide goods or ser-

vices which the people require, the people can by cooperative effort meet their own needs.

In urban areas today, private developers are not providing badly-needed housing for moderate income families. We know that cooperatives can provide such housing. We know, as was the case with REA co-ops, that construction costs are very high. The government made it possible for the REA co-ops to finance their operations by providing direct low-interest long-term loans. Cannot this same principle be applied to solving the housing shortage which confronts so many moderate income families?

Late in the last session of Congress, Senator Lehman with the support of Senators Douglas, Humphrey of Minnesota, Hennings, Morse, Neuberger, Kefauver, Magnuson, Murray, Mansfield, Chavez, Langer, Green, Neely, and McNamara, introduced a bill (S 4302) which would establish a National Mortgage Corporation for the purpose of making direct low-interest, long-term loans to cooperative housing associations. The idea of this bill would be to apply the REA principle to housing and thereby help people solve another of their major problems. The provisions of this bill should be carefully studied, for, if it is enacted, it might contain one of the solutions of how we will be able to finance housing cooperatives in the future.

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from using washing machines in their apartments. Evidence was submitted showing that the use of washing machines was harmful to the other cooperators.

#### **RIDGEWOOD GARDENS — FHA — LIMITED DIVIDEND — 372 UNITS**

The Play Schools Association has helped organize a summer play group for sixty children. They are working with the cooperators to get official New York City approval for the nursery school.

#### **KINGSVIEW — REDEVELOPMENT COMPANY — 290 UNITS**

Cooperators have been advised that the first families will move in at the end of October of this year. Meetings have been held to determine the choice of colors to be used in the apartments, as well as selection of such optional equipment as deluxe refrigerators, TV antenna, power for air conditioning, and venetian blinds.

#### **QUEENSVIEW — REDEVELOPMENT COMPANY — 726 UNITS**

The Board of Directors is soliciting bids for improving and expand-

ing the electrical system to permit greater capacity for air conditioning and other uses as well as greater safety in the use of appliances. The estimated cost is between \$150,000 and \$200,000. The financing has been arranged with the cooperation of the mortgagee plus the use of certain corporate reserve funds.

#### **QUEENSVIEW WEST — REDEVELOPMENT COMPANY — 364 UNITS**

The corporation won a suit against the remaining site tenant, which requires his removal on or before October 31. This is the last obstacle to construction. Twenty-two 4½ and eight 5½ room apartments are still available.

#### **KNOLLS SECTION I — FHA — 240 UNITS**

The Grounds Committee succeeded in raising \$3,500 from the Community Council and from individual subscriptions to improve the planting in the cooperative. The rocky knoll opposite Buildings I and II has been transformed into a rock garden to the great satisfaction of all.

