

CO-OP CONTACT



DECEMBER 1956
VOL. 1 NO. 12

UNITED HOUSING FOUNDATION
COMMUNITY SERVICES, INC.

WHAT COOPERATION CAN ACCOMPLISH

Cooperatives have often been referred to as "yardsticks". Perhaps you have wondered what the term means. A recent event illustrated the "yardstick principle" and is also indicative of the power which organized consumers possess.

The event was the opening of the largest cooperative supermarket in the New York City area. It is located on the East Side of New York adjacent to three housing cooperatives — Amalgamated Dwellings, Hillman Houses and the ILGWU Cooperative Village. These three housing developments have a combined population of 10,000. The supermarket, known as the Grand Street Consumers Corporation, is part of a \$700,000 shopping center just completed.

The value of cooperation is well-known in this community. Besides the housing developments, there is a credit union, a co-op health plan, a cooperative home delivery milk service, a cooperative nursery school and now a large modern cooperative supermarket. Anyone may shop at the store and membership is open to all in the neighborhood. Over a thousand families have joined thus far; they have invested over a hundred thousand dollars in this cooperative enterprise.

What are the Benefits?

Weeks before the co-op store opened its doors, consumers in the neighborhood benefited. This happened because the stores in the community, particu-



CONSUMERS OWN THIS STORE

larly the one and only supermarket in the immediate vicinity suddenly lowered their prices. When the opening date of the co-op was announced, the consumers really benefited, if you believed the signs on the privately owned supermarket which read, "Goods sold at cost and below cost." But the people were not fooled by these "anniversary sales". One lady said, "this store hasn't had a sale in seven years — I guess we can be grateful to the co-op."

The purpose of cooperatives is to help consumers. This new co-op is doing that. It has broken the monopoly of one supermarket — it is setting a standard in this community — that is the "yardstick." The co-op, the chain store and the independent will compete for the patronage of the consumer — the consumer will benefit.

The purpose of the co-op differs from that of other kinds of stores. Its purpose is service *without profit* to its members. After the bills are paid, if there is a surplus it will be returned to the members in proportion to their patronage.

What the members of these three housing cooperatives have accomplished can be duplicated elsewhere.

Voorhis and Kazan to Address New York Co-op Rally

Jerry Voorhis, executive director of the Cooperative League of the USA, and Abraham E Kazan, president of Community Services and of the ILGWU Cooperative Village, will be the principal speakers at a Co-op Rally on January 17, 1957.

The meeting which is being sponsored by Mid-Eastern Cooperatives, Inc. will be held at the new auditorium of the ILGWU Cooperative Village shopping center at 545 Grand Street at 8:00 p.m. All co-operators in the metropolitan area are invited to attend this meeting. Mid-Eastern Cooperatives is the consumer cooperative wholesale in this area; it is a member of the United Housing Foundation.

Before becoming head of the League, Mr. Voorhis was a congressman from California for ten years. While in Congress he was voted by newsmen "the hardest working, most conscientious legislator on Capitol Hill."

Mr. Kazan, or "Mr. Co-op" as he was referred to by Robert Moses recently, is the pioneer and foremost organizer of housing cooperatives in the New York area.

Community Services Opens Central Application Office

A. E. Kazan, president of Community Services, Inc., recently announced the opening of a central applications office at 530 Grand Street in New York City.

Kazan stated that the office was opened to take applications for future projects which will be sponsored by the United Housing Foundation. He reported that several new projects are pending and a central applications office would facilitate the orderly processing of applicants for these future housing cooperatives.

Mr. Don Elberson will be in charge of this new department of Community Services.

Interest in Co-op Housing Grows

In recent months the importance of housing cooperatives and the prominence which the United Housing Foundation has achieved in this field has been highlighted in many ways. The story on the next page is a pointed example.

There are other examples, not as dramatic, but they illustrate that cooperative housing has been recognized as an effective method in helping consumers obtain housing at a reasonable cost. More and more groups are becoming interested in housing cooperatives and are asking the United Housing Foundation for assistance.

Recently Roger Schafer, secretary of United, took part in the conference of the Institute on Consumer Problems held each year at the University of Minnesota. While in the mid-west he also attended a meeting on cooperative housing in Chicago. As a Director of UHF, A. E. Kazan was invited to address the recent convention of the National Association of Housing and Redevelopment Officials. These officials, from every state in the union, were anxious to learn more about cooperative housing.

Mr. Kazan was also asked to represent United at the Biennial Congress of the Cooperative League of the USA. This Congress passed a resolution pledging the League to assist housing cooperatives.

When Marcel Brot the president of the 117,000,000 member International Cooperative Alliance was in this country he visited housing developments which are members of UHF.

These events may seem insignificant compared with the starting of a new project, or the occupancy of a completed one, but they are indicative of the increased interest in housing cooperatives and the importance of the United Housing Foundation.



MAYOR WAGNER CONGRATULATES SEVERAL OF THE FAMILIES WHO WILL MOVE INTO KINGSVIEW



L. to R. MESSRS. GEROSA, OSTROFF, McMURRAY, LYONS, POTOFSKY, HARRIMAN, KAZAN, MITCHELL

CELEBRATIONS MARK OPENING OF KINGSVIEW HOMES AND START OF PARK-RESERVOIR HOUSING COOPERATIVE

Only one day separated the dedication ceremonies which marked the opening of Kingsview Homes in Brooklyn and the ground breaking celebration in the Bronx which officially started Park-Reservoir, a new cooperative development. Both cooperatives were sponsored by the United Housing Foundation. Construction of both projects are under the supervision of Community Services, Inc.

Mayor Wagner and other city officials attended the Kingsview dedication. Horace O. Westmen, treasurer of Kingsview presided. Speakers were Gerard Swope, Chairman of Kingsview's Board of Directors, Walter Fried, regional administrator of the Housing and Home Finance Agency and Abraham E. Kazan, president of Community Services, Inc.

Kingsview, which provided 290 units in five buildings, is part of a twenty acre Title I redevelopment project in downtown Brooklyn. The cooperative is the first Title I project to open in Brooklyn. Less than one year's time elapsed between the breaking of ground for this project and the date when the first co-operators occupied their apartments on November 7th.

Governor Harriman, Comptroller Gerosa, State Housing Commissioner McMurray, Construction Coordinator Moses, Borough President Lyons, State Sena-

tor Mitchell, Jacob Potofsky, president of the Amalgamated Clothing Workers of America, Abraham E. Kazan and Harold Ostroff, president and vice president respectively of Community Services, Inc., all took part in ground breaking ceremonies which launched Park-Reservoir cooperative development. A message from Robert Szold, president of United Housing Foundation, who was unable to attend the festivities because of illness, was read by the chairman, Mr. Ostroff.

This new cooperative, which will contain 288 apartments in three 12 story buildings, is located in the immediate vicinity of the Amalgamated and Mutual cooperatives. When completed the three cooperatives will comprise a community of 1,846 families.

Park-Reservoir is the first middle-income housing project to start construction under the Limited-Profit Housing Company Act. A long-term, low-interest mortgage loan of \$2,802,000 is being furnished by the State of New York. The City of New York granted the project partial tax abatement. The city now receives \$3,112 in taxes on the land; when the project is completed, the city will receive \$64,638 annually.

COMMUNITY ACTIVITIES IN COOPERATIVE HOUSING

Herman Liebman*

If the primary objective of cooperative housing is shelter, its ultimate fulfillment is cooperative living.

Difficult as it is to plan, finance and build such colossal developments as Amalgamated, Electchester or the ILGWU "Co-op Village" (and only those close enough to know can fully appreciate how difficult!) it nevertheless seems relatively "easy" compared to the complex problems of social adjustment, and the painful transformation of the individual from a former "tenant" (with all the inbred hostility of tenant-landlord relationships) to the status of "co-operator".

A major reason for holding that it is easier to build than to educate (including a generous allowance for the ancient and lamented alibi of "human nature") is the fact that the financing and construction program is in the dedicated and expert hands of proven professionals. Whereas the planning and organizing of community activities, on the other hand, is left (with the honorable exception of the 30-year-old Amalgamated Bronx project) almost entirely to well-intentioned but largely inexperienced amateurs and volunteers. Many of these people do not even know each other, and must struggle without proper community facilities in most housing projects, and without adequate funds. With few exceptions, (notably Queensview and Forest Park) there is very little, if any, sympathetic guidance from Boards and Management who themselves are completely, and very properly, absorbed in finance, maintenance and legal safeguards of the development itself.

Yet it is cooperative living, manifesting itself from the very beginning through efforts to organize community activities such as Nurseries, Day Camps, Teen-Age Canteens, Dance, Music and Art Classes, Chess Clubs, Workshops, Art Exhibits, Social Clubs, Lectures, Forums and Concerts, Dramatic presentations plus a house publication (all of which have flourished in the Bronx Amalgamated since 1927!). In short — it is the social, cultural and recreational life of the community, paid for by the individuals involved where professional instruction or supervision is required, and attracting hundreds of devoted volunteers who, under proper guidance and organization, render invaluable services on every front — it is this beehive of social activity that distinguishes cooperative housing from commercial housing and turns mere shelter into a superior way of life.

"Cooperative housing," wrote A. E. Kazan back in 1930, reviewing the achievements of the then two-year-old Amalgamated project, "is in a position to teach its people how to live cooperatively and how to administer cooperatively the business and cultural life of the community, which is by far the more important task." "including the maintenance of an educational and recreational department for its members which will soon assume the proportions of a local board of education."

Thus from the very inception of the first cooperative housing development an educational office, a full-time paid Director and a house publication have been, and continue to be, an integral and integrated part of the organization. Recently organized as a separate corporation the education department is con-

* Mr. Liebman has directed community activities and edited the local publication at the Bronx Amalgamated from 1930 to 1934 and again since 1943.

trolled and guided by a standing committee of the Joint Board with Management playing an active, constructive — if sometimes critical — role in every phase of the program.

This 30-year-old "success story" of integrated, professionally directed, yet financially and administratively self-governing activities is the best argument against the notion sometimes expressed in cooperative circles to the effect that the primary, if not sole, objective of the cooperative housing is just shelter, and community activities must somehow shift for themselves as best they can and be completely separate and apart from the central organization. (See article "The Objective" in the April issue of CO-OP CONTACT.)

Nor is it suggested here that the Amalgamated formula — itself undergoing constant revisions — be adopted everywhere. In a number of projects, Community Councils seem to function effectively and in fruitful accord with the Board and Management.

Based, therefore, on nearly twenty years' experience directing — and living with — the community program in the Amalgamated, and reinforced by close observation of the valiant struggles now in progress to develop similar programs in the "younger" developments, including the "213's", this veteran respectfully submits the following recommendations:

1. Every cooperative housing project should in its original design provide proper and sufficient physical facilities for expanding community activities.

2. The Corporation itself, or some corporate subsidiary, should finance (a) a full-time or part-time (depending on size of project) paid Director, (b) a house publication, and (c) an educational office in keeping with the dignity of the enterprise and sufficient to serve as a "Communications Center" for the development.

3. If legal or fiscal obstacles make it inadvisable for the corporation itself to finance these three basic services, the stockholders can assume a monthly tax of \$1.00 per family (as was done in the Amalgamated from 1928 to 1934) or 50¢ per family per month, depending on the size and needs of the cooperative. Voluntary contributions have been tried recently but failed because the donors got tired of paying for the non-donors.

4. Every activity must (a) be governed by responsible volunteers elected by the group; (b) operate on non-deficit annual budgets; (c) contribute proportionately toward the maintenance and renovation of community rooms.

5. Entire program to be coordinated by paid Director under supervision and control of the Board of Directors operating through an elected Community Council or a subcommittee of the Board itself.

6. Board to set minimum "Rules and Regulations" governing all community activities so that none will get out of hand, yet allowing maximum flexibility for initiative and experimentation.

7. Education of future cooperators should begin at least one year before completion of project. This "honeymoon" interval is the ideal period to begin the delicate process of conversion" from tenant to cooperator.

8. United Housing Foundation should sponsor annual or semi-annual conferences on community activities and enlarge its publication "Co-op Contact" to include a section devoted to the subject.

If cooperative housing is to fulfill its ultimate function in society, and thus continue to enjoy public recognition and support, community activities need and deserve some of the superb planning, financing and guidance which go into the construction phase of our present and future developments.

THE FIRST 125 YEARS

by Florence E. Parker

Reviewed By Editor of CO-OP CONTACT

It is impossible to adequately review a 462 page book in the space allotted here. This book is the most comprehensive history of the consumer-cooperative movement in the United States that we know of. Only some studies on the British movement have ever covered the subject as thoroughly as Miss Parker has done in her book.

For three decades Miss Parker was probably the best informed government employee on cooperatives. Working for the Bureau of Labor Statistics she became their full-time Specialist on Cooperatives in 1946. She is well qualified to have written this book.

The book is not a statistical study of cooperatives, but one which deals with people and their part in the development of cooperative organizations. It also relates cooperatives to the over-all economy and to society in general.

Perhaps Miss Parker's greatest contribution is the research which went into obtaining the information she has incorporated on the early beginnings of cooperatives in this country, which goes back to the 19th century.

In logical, chronological sequence Miss Parker describes the growth and appraises the significance of a wide variety of cooperative enterprises which developed during "The First 125 Years". Perhaps others will observe that in the early days, the movement seemed to stem more from the hearts of men, than from their pocketbooks, as so often seems the motive today.

The history, past and present, of most varieties of consumer-cooperatives is explored in the first thirty-nine chapters of the book. Chapter forty deals with a frank "Appraisal" of the weakness and strength of the movement. Chapter forty-one discusses the present and future. We agree with most of Miss Parker's list of weaknesses of cooperatives. We might have given greater emphasis to her last point which is "the lack of a strong consumer consciousness in this country." We find ourselves in disagreement with the author in the almost exclusive emphasis she has placed on cooperative stores as the hope for the future of consumer cooperatives.

In a single paragraph, in the final chapter, she appraises the future of credit unions, insurance associations, health and housing cooperatives. Her passing reference to housing cooperatives is regretted. (A whole chapter is devoted to housing earlier in the book.) It would seem to us that any careful analysis of the future development of cooperatives would place greater emphasis on the importance of housing. This would be true especially in urban areas where she admits cooperatives are still weak. This reviewer believes that an urban cooperative movement will be built on the foundations of supplying the basic need of housing first and developing other kinds of cooperative enterprises from that base. Expecting to develop a movement based primarily on co-op stores in America is putting the cart before the horse.

The book taken as a whole, however, is a significant contribution to the literature on consumer cooperatives.

Available from the Cooperative League of USA, 343 S. Dearborn Street, Chicago 4, Ill. for \$5.00

