

# CO-OP CONTACT



JUNE-JULY  
VOL. 1 NO. 8

UNITED HOUSING FOUNDATION  
COMMUNITY SERVICES, INC.

## PRIVATE ENTERPRISE

Dr. James P. Warbasse

The pioneer socialists thought of state business and private business. For them there were these two kinds of business. State business was the real thing; it was regarded as the people's business. Other kinds of business, such as profit business, were outside the pale, and were called private business.

In time when progressive socialists went into Cooperation, they continued to think of their kind of business as the orthodox business, and they called profit business "private business". Thus we have Cooperative business contrasted over against private business. Cooperative business is supposed to be one thing, and private business another thing.

This freak of nomenclature now prevails in Cooperative literature. We read and hear that, "Cooperation competes with private business", and there prevails the general notion of this conflict between these two different kinds of business.

When we detach our thinking from the ancient lingo, and look the situation squarely in the face, we see that Cooperative business is certainly private business. A cooperative society begins with a few pioneering people putting together their private capital and starting a business. Usually it is small and intensely private. If we look at a Rochdale Pioneers group in India, or in far away Ceylon, or in the open spaces of the United States of America, we see private business at its best, as these bold neighbors come together to hazard their reputations, their sacred honour, and their meagre capital in a Cooperative venture. In its largest expansion, national and international Cooperation, it is but an aggregation of smaller private businesses owning and controlling the larger.

Contrast this with the world picture of capitalistic profit business, which on the whole is far from private, unless we think of the few autocratic directors as

the owners as well as administrators and controllers of the business. The Standard Oil Co., American Telephone and Telegraph Co., and the great international trusts cannot be looked upon as very private.

Private means "Of or concerning an individual person, company or interest; personal; not public in character or nature; as private property." Cooperative property is private property. Accordingly, let us keep our semantics straight. Let Cooperation compete with profit business and let profit business compete with the private business of Cooperation until we, the private people, prevail. Let Cooperation not be excluded from the catalogue of private things, for its very essence resides in the private individuals who compose it, and who have engaged their private property in its structure.

*Reprinted from Review of International Cooperation*

## **DR. WARBASSE'S AUTOBIOGRAPHY JUST PUBLISHED**

The autobiography of Dr. James P. Warbasse, president emeritus of the Cooperative League, one of its founders in 1916 and a leading spirit for many years, has just been published by the League. Entitled **THREE VOYAGES**, the 278-page volume deals with the panorama of rapidly-changing social and economic developments that shaped Dr. Warbasse's colorful career as a surgeon and later as a pioneer in consumer cooperative development. Now in retirement at Woods Hole, Massachusetts, Dr. Warbasse, nearing 90, still maintains an active concern with the growth and development of cooperatives. His autobiography is one of great value for cooperators, students and researchers in social trends. Available from The Cooperative League of the USA, 343 South Dearborn Street, Chicago 4, Illinois, \$4.00.

### **CORRECTION**

In the article "Housing For Everybody" in the May issue of **CO-OP CONTACT** the statement was made that a study by the Protestant Council of Churches in New York City revealed that in every case where an apartment was offered to a white person it had been refused thirty minutes earlier to a Negro applicant.

The statement should have read: "The survey of twenty-seven of the city's major real estate brokers was conducted over a two year period. Each broker was visited by a Negro applicant representing an income of \$6,000 a year. The Negro was followed in a half hour by a white applicant with similar economic qualifications. Twenty-two of the twenty-seven brokers turned down the Negro for one reason or another but offered one or more apartments to the white applicant."

We regret this error.

## **CO-OP HOUSING NEWS**

### **AMALGAMATED HOUSING CORPORATION**

The Recreational Activities Corporation announced recently that there were 349 children registered for the 28th Annual Cooperative Day Camp. This cooperative activity is one of the oldest day camps in the city.

### **BELL PARK MANOR & TERRACE**

The Welfare Committee of the Community Council is exploring the possibilities of a low cost life insurance program to cover any resident of Bell Park Manor & Terrace who desires protection.

### **LOWER EAST SIDE COOPERATIVES**

Amalgamated Dwellings, Hillman Houses and the ILGWU Cooperative Village which comprise a cooperative community of 2,700 families, jointly sponsored a U.J.A. Breakfast on April 15th.

Over 15,000 dollars has been received toward a goal of \$20,000.

### **RIDGEWOOD GARDENS**

A full-fledged program for youth activities began early this year. There is a nursery school, operating in the morning, which opened in March. There are also programs for youngsters in the 6 to 12 age group and the teen age group.

### **QUEENSVIEW**

Mr. Ira S. Robbins has been elected President of Queensview.

For the sixth consecutive year,

Queensview residents have cooperated with the American Red Cross civilian peace time blood program, and, on April 25th, they again made a fine showing for a housing cooperative in collecting 151 pints of blood. Their blood bank is now a community affair, and besides Queensview cooperators, donors come from nearby small businesses and local fraternal groups. In the past six years the Queensview blood bank has been so successful that every blood need for serious illness, surgery, accidents, maternity involvements has been met, including the great amount of blood given to a little girl resident who battled leukemia for two and a half years.

Mrs. Irene S. Knabel, a cooperator at Queensview, is vice-chairman of the blood bank program in Queens. She would be glad to assist your cooperative in organizing a similar blood bank.

### **QUEENSVIEW WEST**

As of April 27th applications had been received for 288 of the 364 apartments, and construction is expected to begin this month.

Bruce Barton, former member of Congress, has been elected President of this cooperative, succeeding the late Louis H. Pink.

### **HARRY SILVER**

The Men's club ran a benefit on May 18, taking 200 seats at Ebbetts Field—Dodgers vs. Cincinnati Reds. Proceeds went to develop an expanding program of social activities.

## LABOR SUPPORTS COOPERATIVE HOUSING

Excerpts from a Statement By The Executive Council  
American Federation of Labor and Congress of  
Industrial Organizations

### On Low Cost Housing Projects

The AFL-CIO has called upon its affiliates throughout the country to take initiative and give wide support to a program of cooperative housing designed to meet the need of families in the middle third of the income scale and relying on the use of pension and welfare funds maintained under collective bargaining agreements negotiated by unions, or established by the unions themselves.

Economic growth and prosperity of the nation cannot be sustained, unless needed housing is brought within the financial reach of families with income between \$3000 and \$6000 per year. - - - - -

In recent years, important pioneering work in the low-cost housing field has been successfully accomplished by the Amalgamated Clothing Workers, the International Ladies' Garment Workers, the Electrical Workers and other unions.

Now a broader development is being made possible by trail-blazing plans of the Building and Construction Trades Council of the City of New York, headed by Howard McSpedon, in cooperation with the New York City Committee on Slum Clearance, through its chairman, Robert Moses. The New York program has been developed in informal discussions among Mr. McSpedon, AFL-CIO President George Meany, the principal members of the New York Building Trades Council and Mr. Moses. The program contemplates the construction of some 9,000 apartments on five sites in Manhattan, the Bronx, and in Queens, at the estimated cost of about \$90,000,000. The rentals will be geared to middle income families and will range between about \$18.75 and \$21.75 per room.

\* \* \* \*

The projected cooperative housing program readied by the New York Building and Construction Trades Council provides a pilot guide to communities throughout the nation. To the membership of labor organizations and their families and to others in the community it will make available new middle income housing at moderate rentals and within easy travel distance from work. It will provide pension and welfare funds with a socially useful place for secure investment in first mortgages on new and well planned building developments in choice locations. - - - - -

There is an enormous gap between the rentals charged for unsubsidized new housing on one hand, and the low-rent publicly-aided housing for low-income families on the other. This gap is widening. It is within this gap that the bulk of the housing need on the part of the productive working force of the nation remains unmet. The use of the union-negotiated pension and welfare funds, properly safeguarded and guaranteed, to close this gap will make a vital contribution toward making America a better place to live.

## KAZAN TO ATTEND SWEDISH COOPERATIVE CONGRESS

Abraham E. Kazan, a director of the United Housing Foundation and President of Community Services, Inc. will represent the Cooperative League of the U.S.A. at the 57th Swedish Cooperative Congress in Stockholm. Jerry Voorhis, Executive Director of the League asked Mr. Kazan to represent American cooperatives as a fraternal delegate to this important cooperative meeting.

The delegates to the Congress will hear Kazan outline the scope of cooperative activity in the United States. The following paragraphs are the conclusion of his address to the Congress:

"Cooperatives have made remarkable progress since their birth in Rochdale in 1844. The needs of the people have been constantly changing; cooperatives have kept pace with these changing conditions and are providing their members with increasing numbers of services and products. People in almost every country of the world have adopted the cooperative method in one form or another as a way of doing business, and more importantly many have recognized cooperation as a way of life.

"Cooperatives greatest contribution in the titanic struggle going on in the world today is that they make it possible for millions of people to participate in making decisions which affect their daily lives. Democratic ownership in a cooperative gives people a responsibility in shaping their economic affairs. Or as Dr. M. M. Coady of Antigonish, Nova Scotia says "through cooperation people can become masters of their own destiny".

"Today cooperatives face their greatest test. We have witnessed the birth of a new era—the atomic age. Mankind is faced with its greatest challenge and similarly its greatest opportunity. We may either destroy the world or we may create universal abundance for all people and eventually a lasting peace.

"Democratic cooperatives with tens of millions of members in the free world can contribute significantly to the creation of a better world. We can accomplish this by expanding local cooperatives in every country, by increasing international trade between cooperatives and by developing our cooperative educational and cultural programs on a much broader basis. Millions of cooperators working together today will help achieve a society where all people will enjoy freedom, peace and abundance tomorrow."

# CREDIT UNIONS

Howard C. Custer\*

A credit union is a cooperative comprised of a group of people who agree to save their money together and to make loans to each other at low interest. There are over 17,000 credit unions in the United States, serving about ten million members.

A credit union is organized by members of a particular group; for instance, people working for the same employer, people who belong to the same fraternal order, church or labor union, or people who live in the same closely knit community. Membership is open to all in the group, regardless of race, color or creed.

## WHAT IT DOES

Members are encouraged to save regularly. (Savings are actually shares in the credit union.) From this accumulated capital, loans are made to members for any good purpose, at low interest. Any earnings remaining after expenses are paid and legal reserves set aside, are returned to the members in the form of dividends on their savings.

## LOANS FOR GOOD PURPOSES

Common reasons for borrowing include paying off old bills, taxes, medical expenses, funerals, home repairs, vacations, automobiles, education, weddings, to take advantage of financial opportunities, and for family emergencies.

Laws vary from state to state as to how much a credit union may lend any one member, but it is common for a credit union to lend as much as \$400 on the borrower's signature and much more with security.

In some places, credit unions make mortgage loans out of surplus funds, but the main business of credit unions is to meet their members' needs for consumer credit.

## LOW COST CREDIT

Interest on credit union loans is never more than 1% per month on the unpaid balance, and there are no other charges. Each year, many credit unions are able to refund to borrowers a portion of the interest they paid on loans.

Credit unions' lower interest rates save members money, thus giving them more money for other things. It is estimated that members saved over \$100,000,000 in interest last year alone!

\*Mr. Custer is the Assistant Director of Public Relations, Credit Union National Association, Inc.

## FUNDS PROTECTED

The financial soundness of credit unions is protected in several ways:

1. Credit unions operate under law.
2. A supervisory committee of members keeps an eye on the operations of the credit union.
3. Books of the credit union are regularly examined by government authorities.
4. The treasurer and all others in the credit union who handle money are bonded.
5. Reserves are set aside each year to cover any uncollectible loans.

Credit unions have a remarkable record for repayment of loans: less than 1/5 of 1% are not repaid. The feeling of loyalty to the credit union, which is owned and operated by the members, accounts for this.

## THRIFT PROMOTED

Credit unions' year-round educational campaign to get members to save regularly has helped countless thousands of people form the habit of thrift. Many people who had never saved before started putting aside a little each payday. Today, credit union members have accumulated well over \$2,000,000,000 in their credit union savings accounts.

## HOW IT WORKS

The members elect a Board of Directors of not less than five members at the Annual Meeting of the membership. They also elect a Credit Committee and a Supervisory Committee, of three members each. The

Directors elect a President, Vice-President, Treasurer and Clerk (or Secretary). The treasurer and clerk's offices may be held by the same person.

The Treasurer is usually the active manager of the credit union. He keeps the books, makes the financial reports, and is in charge of the receiving and disbursing of funds. Most of the members come to the treasurer with their financial problems, and he usually transmits loan applications to the credit committee. On him falls most of the work, so he may be paid for his credit union work, although other members of the board and committeemen volunteer their services.

Membership participation is a fundamental part of the credit union way. Members are urged to form the habit of regular saving each payday, and to use the credit union to meet all their needs for consumer credit. They are urged to come to the credit union for help and advice on any of their financial problems, without any obligation, and with the assurance that their affairs will be held in confidence.

Additional information about credit unions, and assistance in the organization of a credit union, may be obtained without charge or obligation from the New York State Credit Union League, 412 Eighth Avenue, New York 1, New York; or from the Credit Union National Association, Madison 1, Wis.

## A Review of **WORKING FOR THE PEOPLE\***

When a complete history of New York City is written fifty years hence, we venture to predict that the contributions made by Robert Moses to the improvement and betterment of the city will far exceed those made by any other individual. We base this prediction on what Mr. Moses has already accomplished in over thirty years of public service.

Through a wide variety of official positions Mr. Moses has directed many programs which have resulted in millions of New Yorkers having better homes, parks, beaches, bridges, highways and cultural centers. The ideas and philosophy behind these projects is the subject of Mr. Moses' new book **WORKING FOR THE PEOPLE**. A book we highly commend to those who are interested in making New York a better place to live.

Of particular interest to many cooperators will be his chapter on housing. Speaking of slum clearance and the role of housing cooperatives, Mr. Moses says: "Cooperative housing also deserves recognition for the lasting contribution it has made to the practical replanning and rebuilding of New York City. The cooperatives have demonstrated that all urban slum clearance and redevelopment need not be 100 percent publicly financed, subsidized, owned and operated. They (cooperatives) ask of government the minimum needed to wipe out swollen assessments and fictitious values of deteriorated real estate, and have contributed generously and boldly to repair the mistakes, the selfishness and the inhumanity of earlier generations more concerned with profit than with healthful living.

"The Amalgamated housing projects in New York City are outstanding examples of such cooperative efforts. The early success of Amalgamated Dwellings was largely due to the personal interest and efforts of Senator Herbert H. Lehman and Mr. Aaron Rabinowitz. Mr. Abraham E. Kazan has been the working genius of these projects since their inception in 1926. The Amalgamated Clothing Workers of America, later combined with the International Ladies' Garment Workers, the United Housing Foundation and the Edward A. Filene Goodwill Fund have through their cooperative efforts constructed 12,310 dwelling units in the city, helping tremendously in clearing slums and providing decent homes for workers at low cost.

"Here is a record of over a quarter of a century of steady, genuine, undeniable progress. The bright, eager critics of our slum clearance never mention such success. . . ."

\***WORKING FOR THE PEOPLE**, MOSES, published by Harper Brothers New York, 283 pages \$4.50.

CO-OP CONTACT is issued 10 times a year. Free to members of the United Housing Foundation; \$2.00 a year to others. Editorial Office Community Services Inc., 530 Grand Street, New York 2, New York.