



# CO-OP

# Contact

UNITED HOUSING FOUNDATION • COMMUNITY SERVICES INC.

## WARBASSE HOUSES APPROVED BY CITY PLANNING COMMISSION

On July 16, 1958, the City Planning Commission of the City of New York approved the plan of the UHF for what will be the world's largest cooperative, the James Peter Warbasse Houses. Final approval now depends on the Board of Estimate.

Favorable action by the City will result in the construction of a 5,200 unit, \$70,000,000 moderate income housing development. The average monthly carrying charges in the cooperative will be \$20 or \$21 a room. Over 3,500 families have already applied for membership in the proposed cooperative.

The Warbasse community will be built as a redevelopment company. The area in which it will be built is now a deteriorating section of Brooklyn. The community will encompass 67 acres on a site bounded by Ocean Parkway, Shore Parkway, West 8th Street and Sea Breeze Avenue. The redevelopment company will invest 70 million dollars of private capital to transform the blighted area into a community which will include parks, playgrounds, gardens, shopping facilities and 12 20 story residential buildings. Neither the city, state or federal governments are being asked to contribute a dollar to the cost of clearing the existing slums or building the new community.

### CITY LOOSES NOTHING IN TAXES

The redevelopment Companies Law was passed in 1942. The purpose of the law was to encourage private capital to go into substandard and slum areas to demolish the buildings, replan and rebuild the areas. Stuyvesant Town, Hillman Houses and Queensview were built under this law between 1947 and 1951. Several other developments have been built as redevelopment companies but with, in addition, the assistance of Title I of the National Housing Act of 1949.

The law permits the city to grant, for a period not to exceed 25 years, tax exemption of the land and buildings in the area before the project was undertaken. In other words the city will still receive the same taxes it had been receiving from

the site. An added \$1,750,000 which will be paid during the exemption period will also be paid. At the conclusion of the exemption period, the cooperative will pay full taxes on the project.

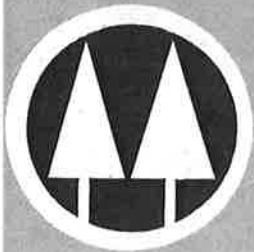
The opposition to this cooperative claims that the city is going to lose a million dollars a year in taxes by granting the project tax abatement. This would be true only if some private developer were to take over the entire site and duplicate our plans for a \$70,000,000 development. In this case the rental would be at least \$35 a room and probably much higher. The possibility of this happening is very remote.

Without the cooperative redevelopment plan, it is much more realistic to conclude that the area will continue to degenerate and the city will be losing income rather than gaining it. In time, some parts of the area might be developed piecemeal by private builders. Judging from some of the developments built near the site, the city might expect to gain about one half the amount of taxes it will eventually get from the Warbasse Houses and consumers could expect to pay at least one third more in rent.

### MIDDLE INCOME HOUSING NEEDED

When completed, the Warbasse Houses will be the third largest housing development in the City of New York. Only Park Chester (12,272 units) and Stuyvesant Town (8,755 units) are larger. Warbasse Houses will not solve the tremendous housing shortage which exists in New York City. However a development of 5,200 units which will accommodate approximately twenty thousand persons, at the reasonable cost of \$21.00 a room is a major accomplishment.

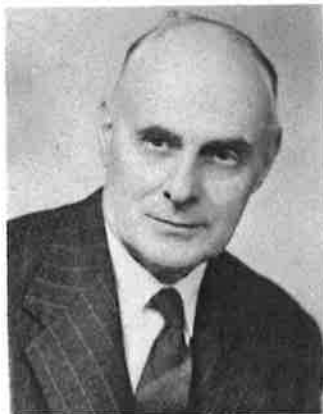
City officials who publicly profess a concern for moderate priced housing should be elated that a group of average citizens are willing to join together and invest their savings to rebuild a deteriorating area of the city and to provide themselves with good housing. We can only hope that the Board of Estimate will aid these people and their city by giving their quick approval.



VOL. III  
No. 5

# International Cooperative Alliance

W. P. Watkins\*



W. P. Watkins

The International Cooperative Alliance is the only organization of world status entirely and exclusively dedicated to the cooperative idea. There are several international organizations, both inter-governmental and non-governmental, which are interested in promoting Cooperation in a manner subsidiary to their main purpose. The Alliance

however, is unique in that it was created by the cooperative movement expressly for the extension of cooperation on the international level.

As an organization, the Alliance has existed over 60 years. As an idea, it is much older. Exchanges of information and visits had been going on amongst European cooperators for over 30 years, before it became possible to bring them together in London in 1895 in the international Congress which resolved to establish the Alliance. At first entirely, and for most of its history mainly, European in its membership, the Alliance today includes cooperative organizations from 43 countries, the majority of them non-European. The total individual membership of these organizations is estimated at about 130 millions.

The Alliance is also widely inclusive of the various types of cooperative societies. Consumer cooperatives are strongly represented in it. Even today they constitute its backbone. Nevertheless the balance between them and the other types of Cooperative enterprises is shifting. As the Cooperative Movement of the newly-developing countries, which are all mainly agricultural, join the Alliance, the peasant and farmer element amongst its membership steadily increases.

During the last twenty years, the closer and more continuous attention paid to problems of housing and town-planning and the spread of self-help ideas amongst wage and salary earners needing dwellings at a reasonable cost have led to the establishment of housing cooperatives and federations of cooperatives in many countries. A number of these federations have joined the Alliance which set up in 1951 a special Auxiliary Committee to enable them to exchange ideas and technical information as well as collaborate for various practical purposes.

The Housing Committee is only one of a number of such committees which study the special technical problems of the different types of Cooperative Society. While enjoying considerable freedom of action in their own particular fields these auxiliary committees are supervised and their work is coordinated by the authorities of the Alliance which are its

triennial Congress, its Central Committee, its Executive and Secretariat.

Like all genuine cooperative institutions, the Alliance is governed and its policies are shaped by its members through their representatives in Congress and the Central Committee. It is supported entirely by the annual subscriptions paid by its affiliated organizations. In order to be admitted to affiliation a cooperative organization has to satisfy the I. C. A. Executive that it is genuine, that is, that it does in fact apply the fundamental cooperative principles of open and voluntary membership, democratic control, a fixed rate of interest on share capital and equitable sharing of benefits amongst the members in all its regular operations. The rise in the last twenty-five years of totalitarian governments, which have prevented cooperative organizations from acting freely according to these principles, has resulted in the exclusion from membership of the latter or the rejection of their demands for affiliation. The Alliance still has members in five Communist-ruled countries, in which cooperative federations were already affiliated before these countries suffered a Communist revolution.

In spite of the friction and controversies to which the maintenance of the I.C.A.'s membership policy is bound to give rise today, the work of the Alliance is expanding. It is naturally an important center for the collection and dissemination of information about cooperation throughout the world. Its official organ, the monthly *REVIEW OF INTERNATIONAL COOPERATION*, is published in English, French and German and has readers in eighty countries. The I.C.A. also publishes a quarterly economic review called *CARTEL* because it has from the beginning devoted special attention to monopolies and restrictive practices damaging to consumers' interests. There are also Cooperative and Economic News Services, a Digest of the Cooperative Press and Film Bulletin.

For thirty years, apart from interruptions by war or economic crises, the Alliance has arranged an annual study course, known as the International Cooperative School which runs for ten or eleven days and attracts about sixty students from a dozen or more countries. For many, this is their first contact with cooperators from other countries than their own. In addition, the Alliance organizes specialised courses from time to time — for journalists, for women or for particular regions, e.g. the Caribbean.

Since the establishment of the United Nations and the other organizations linked with it for international action in the economic, social and educational fields, the work of the I.C.A. has expanded through the recognized consultative status they have granted to it. Consultation does not mean merely an exchange of views, but extends to a number of forms of practical collaboration, partly for the promotion of

*Continued on page 8*

\*Mr. Watkins is the Director of the I.C.A.



## SEWARD PARK A CHANGING NEIGHBORHOOD

Construction has started on the Seward Park Housing Cooperative. Excavations for the foundations of two of the four buildings were started on August 11, 1958. The 13 acre site for this 1,728 unit development was acquired from the City of New York on November 29, 1957.

When the cooperative took title, there were 1,480 families living in 205 buildings in the area. Eight months later 1,008 families have been relocated and 83 buildings have been demolished.

The physical change in the area has been drastic. The area, in its present state of construction and demolition, resembles a war torn city. Signs and remnants of counters and doors fill the places where buildings once were. In an empty shell a sign says, "Thank you. Call again". There is a stair case that leads nowhere now. But it leads, perhaps symbolically, toward a real objective in the future. Whole blocks have been largely demolished in some places. In other places, there is only one hole while the surrounding buildings still stand. Some streets have been closed. The entire area along Grand Street is marked by signs that read, "Property of the Seward Park Housing Corporation". These stores and tenements on Grand Street have a very limited life span now.

Because of the partial demolition, many of the people who live in the remaining buildings can for the first time see more than brick walls. The demolition of the surrounding buildings has lighted and aired these apartments for the first time in decades. These houses, however, are still tenements. They too will be torn down. Everyday the work progresses toward the final goal — the day when clean, well lighted, modern and moderately priced housing will stand where dingy and dirty tenements stood. With the assistance of unions, fraternal organizations and government agencies, people are helping themselves to better housing the cooperative way.



## UHF DIRECTOR



ABRAHAM E. KAZAN

The early development of new products and new ideas are often associated with the names of individuals. Electricity with Edison, automobiles with Ford, baseball with Doubleday, the labor movement with Gompers. Cooperative housing is most associated with the name Kazan.

For over thirty years, cooperative housing has been his chief concern. It is perhaps more accurate to say that his chief concern has been the development of the idea of cooperation among people for more than thirty years. When newspaper men ask him his occupation, Mr. Kazan's reply is, "Cooperator." He then says, "I have been trying to tell and show people how, by working together as consumers, they can help themselves to a better life."

He has been applying this theory to housing since 1926. Mr. Kazan's success in the promotion of this idea is attested to by the fact that cooperative housing is now recognized as the best method whereby the average family can obtain a decent home at a reasonable price.

Officially, A. E. Kazan is the executive vice president of the United Housing Foundation and president of Community Services, Inc. He is also president of Amalgamated Housing Corporation, East River Housing Corporation, and Park Reservoir Housing Corporation, and vice president of Amalgamated Dwellings, Hillman Housing Corporation and Mutual Housing Association, Inc. These existing cooperatives house 4548 families. He also heads the groups planning Warbasse Houses, 5200 units; Seward Park Cooperative, 1728 units; and the ILGWU Houses, Inc. 2500 units. He is president of the A. H. Consumers Society, the Bronx Consumers Society, and the Grand Street Consumers Corporation.

His secretary conservatively estimates that his work week averages ninety hours. This busy schedule leaves men on his staff, half his age, breathless, but Mr. Kazan thrives on it. One staff member put it this way, "Working for Mr. Kazan is like trying to run a race against a steam engine. Trying to keep up with his ideas, which he seems to manufacture at the rate of one every twenty minutes, leaves me dead at five o'clock. At that time, he is starting out to attend a dinner meeting followed by another meeting with a board or a committee from one of the cooperatives." When he does

find time to relax, it is at a concert, or with a book, or records from his extensive library.

Mr. Kazan is impatient with the slow growth of cooperatives, including housing co-ops in the United States. "We are far behind other countries. Why can't the working man understand how, if he will organize his purchasing power through cooperatives, he can help himself?"

"Cooperation," he explains, "offers the wage earner a *practical* (one of his favorite words) program which affords him the opportunity to get the best value for the dollars he has to spend. Wage earners should have the intelligence to use their own funds to own the business which they use. In this way, they will be benefiting themselves.

Mr. Kazan's interest in cooperation goes beyond housing. At one time, he was president of Eastern Cooperatives, Inc., and a director of the Cooperative League of the USA. Speaking of the cooperative movement, he says, "With housing cooperatives as a base, I hope the time will come when cooperatives will play a major role in our economy.

## THE OPEN PERSUADERS

Judith Silverman\*

What do you want? How many times a week do you make a decision on this question? Every time you walk into a store you are faced with the necessity of choosing a product. You must make a choice as to the brand, the size, the cost, the type of product you want. But this choice extends beyond the scope of commercial products into the major decisions. What school will your children attend? In what sort of neighborhood will you live? Of course some of these decisions are made by you on the basis of your needs and your income, but have you ever considered the other factors working upon you to influence your decisions?

It is the job of advertising companies to sell the products of their clients to consumers. The methods they use to convince you, the consumer, that one product is superior to all others are various. You have certainly heard, "Nine out of ten people use our product", or Medical science has proved that our product is safer and more effective", or "Don't be behind the times; use our product." Some of the methods are not always obvious to the consumer. For this reason and because you are constantly being influenced, these groups have been dubbed, in a recent book, the hidden persuaders".

"The solution to marketing problems is not necessarily one of giving the customers what they want", says Alfred Politz, market research specialist, "But rather to make consumers want what we, the marketers, want them to want." You as people who have a vested interest in a consumer cooperative, are deeply involved in this problem. All the large decisions in a cooperative are voted upon democratically by you. The very principles of a cooperative association are in direct opposition to the approach of the "hidden persuaders". It is your duty to make decisions on the basis of practical, clearheaded and informed thinking because you, as the owners and controllers of cooperatives, are an example to all other consumers who believe that the control of their own funds is out of their hands.

Only by thinking through your consumer decisions rationally and practically have you assisted and put into working order the ideal of self-help.

\*Miss Silverman has recently joined the staff of Community Services, Inc.

## THE PEOPLE'S BUSINESS

Jerry Voorhis\*

We hear a lot about "free, private enterprise" in the United States.

We still have it — here and there. The owner-operated farm is an economically free agent. It is privately owned, and it requires plenty of enterprise on the part of its owner if he is to survive in the present economy. In some lines of retailing and light manufacture there is still some free, private enterprise.

But the fellows who shout the loudest are seldom very good examples. There is plenty of private ownership by a comparatively few people in the automobile business. But there is no freedom. There is no possibility of new companies entering the business nor of reductions in prices which the big companies do not approve. The big stock insurance companies are privately owned; and they are extremely free to use the savings of the people in any way their officials may decide. But not much enterprise is exercised in their use of this money. Mostly it's used to help the "blue chip" giants get even bigger at the expense of smaller enterprises that are dying for the want of capital.

And when we come to the self-styled "business-managed, tax-paying power companies" we find neither freedom nor anything that is legitimately private, nor any necessity for enterprise. Each in its own publicly guaranteed area, these power companies are masters of all the business and no newcomers may dare to enter. The only breath of freedom comes from the rural electric cooperatives and the scattered examples of public ownership. Nor is a utility company upon whose service every person, every community, and every other business is absolutely dependent a thing that can claim to be a private business. Only when it comes to dividing the profit are they so. Otherwise their franchise comes from the public, their use of streets and roadsides come from the public, their market *is* the public. Indeed they need do absolutely nothing except exist in order to see their market double and triple and quadruple — purely as the result of population increase. No enterprise, no risktaking, no nothing is required for financial success in the business of standing at the power tool-gate and collecting the people's tribute. Only when a power company undertakes to serve isolated customers, difficult and expensive to reach — as do the electric cooperatives — is any real enterprise required in this business.

And as for tax-paying — let us be clear once and for all. The earnings of the "business-managed, tax-paying" power companies are guaranteed by the "regulatory" commissions, usually at 6% return on investment. This means that all costs of operation, including whatever "taxes" may be paid are included in the rate schedule by *public* action. And every dime of these so-called "taxes" is collected from you and me and the cities and the towns and the grocery stores and the factories that use the light and power.

It may be good business if you can manage to get it. But very few people have that opportunity. And those that do

\*Mr. Voorhis is the executive director of the Cooperative League.

merely *collect* a certain amount of money from their customers and pass it along to governments, which blandly credit the power companies instead of their customers with the payment of taxes. This is exactly like saying that water is produced by pipes instead of by the springs and lakes and rivers that feed the pipes.

The freest enterprise and the ones with the largest number of private owners are the mutual and cooperative businesses of the country. The rural electric cooperatives, for example, have two-thirds as many owners — 4,000,000 — as all the registered corporations of the country, in whose stock no more than about 6,000,000 families share the total ownership.

## HOUSING COOPERATIVE BURNS MORTGAGE

Last June, far to the north of New York City, a small housing cooperative paid off its mortgage. The traditional "burning of the mortgage" took place five years ahead of time. The reserve fund, which has been established to meet unexpected contingencies, made it possible to pay off the mortgage in twenty years instead of twenty-five.

The cooperative is Tompkinsville at Reserve Mines, Nova Scotia. It is comprised of ten individual homes. The importance of Tompkinsville (or anything else) cannot be measured by its size. For from this modest beginning the cooperative housing idea spread across Nova Scotia. Today there are more than seventy similar groups throughout the province.

The cooperative was named to honor Father (Dr.) Jimmy Tompkins, the man most responsible for the world famous adult education system established in Nova Scotia. From the study groups organized under the adult education program of St. Francis Xavier University came not only cooperative housing, but credit unions, cooperatives stores, marketing and processing cooperatives etc. Now from all parts of the world came adult education leaders, cooperative leaders and technical assistant experts to learn how the self-help programs of mutual-aid program of St. FX transformed improvised farmers, fishermen, and miners into "masters of their own destiny".

Tompkinsville is but a small part of this story. The credit for its success is due to the efforts and enthusiasm of many people. But all would probably agree that, without the skill, unlimited energy and imagination of the remarkable Mary Arnold, the task would have been much more difficult, if not impossible. An ardent cooperator, organizer and manager of a chain of cooperative cafeterias, manager of a housing cooperative in New York City, president of Eastern Cooperative wholesale, Miss Arnold went to Antigonish to study their adult education methods; she stayed to organize and supervise the construction of this pioneering housing cooperative in Canada.

Now owned "free and clear" by its members, it is another example of what people can do for themselves by cooperative effort.

It is obvious that the "injustices" of relocation to these eight families have meant that they have eleven more rooms and are paying \$337.28 less a month in rent than they were previously paying. As the city has been allocating money for their rent, it means further, that the city is saving \$4,047.36 a year. Because of certain eligibility regulations not concerning income, none of these eight families could qualify for public housing. They were therefore rehoused, in private buildings approved by the city. Another family living in the same building, not on public assistance, was paying \$104 a month for a four room apartment. This family was relocated into a public housing project where they pay \$49.95 for five rooms.

There are many complicated facets to the total housing situation. Housing for welfare families is but one of many problems. In a recent broadcast, Edward P. Morgan, ABC Washington commentator, said "It was a whole generation ago, in his second inaugural address, that Franklin D. Roosevelt said, 'I see one-third of a nation ill-housed, ill-clad, ill-nourished.' Despite our power and our riches, we have failed to put our own housing in order. Today, accord-

ing to the Senate Housing Subcommittee chairman, Alabama's John Sparkman, "We still have thirteen million substandard houses in the country, so a quarter of the nation is still ill-housed."

In spite of the billions which have been spent for public housing, for redevelopment and renewal, we are not making much progress. We have many different groups and many agencies, all working in their own areas. Cooperatives offer one solution to the man willing and able to help himself; but that is but one part of the total situation. We have a public housing program designed to help the low income families, but that is not enough. Private enterprise is building luxury apartments which only a few can afford. Certainly private enterprise should play an important part in the total housing picture.

More than anything else, we need a comprehensive and coordinated housing program. A program including business and financial organizations, labor and cooperative groups and certainly government, is necessary. Working together in a coordinated effort, we should be able to make real progress.

---

## PRINCIPLES

*"As cooperative organizations grow in numbers, size and prestige, they must, as business units, be encouraged to accept the full responsibility of citizenship and contribute to the building of better people, better communities, a better province, a better nation, and finally a better democratic society within our community of nations, so that eventually civilization will move in unison toward a saner world, which will utilize the blessings bestowed upon us for the benefit of man, rather than for the economic control and exploitation of man, which finally leads to hatred, bloodshed and all types of wars, which in this era of mass destruction is sure to the complete annihilation of the human race."*

*Here is the full sweep of cooperative philosophy in one terrific sentence. it is quoted from the Managerial Policy Manual, published by the British Columbia Cooperative Wholesale, early this year. Barney Johnsrude is General Manager of the B. C. Wholesale.*

## PLANS FOR CHELSEA CHANGE, 297 UNITS ADDED

Revised plans for the ILGWU Houses Inc. cooperative community have been submitted to the Housing and Home Finance Agency in Washington. The new plan increases the number of apartments in the development from 2,520 to 2,817, adding 886 rooms to the 10,400 previously provided. There will be ten twenty story apartment buildings, a central power plant etc. The project will also include playgrounds, gardens and shopping and parking facilities.

The new plans make it possible to leave on the site two churches not included in the original plan.

The \$35,000,000 ILGWU Houses Inc. will be located between eighth and ninth Avenues, between twenty-third and twenty-ninth Streets. It is planned as a Title I development. Its plans must be approved by the city and federal government.

*Continued from page 2*

cooperation in all its forms, and partly for other action tending to bring about greater peace and well being in the world.

The role assigned to cooperation in the newly-developing countries which today are endeavouring to raise themselves out of age-old poverty, squalor and insecurity, is of increasing concern to the Alliance because it is essential that the cooperative institutions established in these countries shall be powerful and independent. Hence the Alliance has its own Development Fund and technical assistance programme designed to aid the younger Cooperative Movements to expand their work of education and training in cooperative principles and techniques. This help, offered without patronage on a basis of brotherly equality, is positive evidence of the desire of the Alliance to become more and more, as time passes, the representative of a world movement whose members are linked by universal moral and economic principles and acknowledge no barriers of politics, creed or race.

*Exclusively Serving*

*Cooperative Housing Communities  
and Related  
Cooperative Enterprises*

### **COMMUNITY SERVICES, INC. INSURANCE DEPARTMENT**

551 Grand Street  
New York 2, New York

SIDNEY VYORST, Mgr.  
SOMER ALBERG, Asst. Mgr.

CA 8-9750

**COMMUNITY SERVICES, INC.**  
530 Grand Street  
New York 2, New York

**Bulk Rate**  
U. S. POSTAGE  
**PAID**  
New York, N. Y.  
Permit No. 7115