



CO-OP CONTACT

UNITED HOUSING FOUNDATION
Member of The Cooperative League of The U.S.A.

Vol. VII No. 2

July-August, 1964

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AMALGAMATED-WARBASSE BEGINS OCCUPANCY

The first of 2,585 cooperators who will occupy the Amalgamated-Warbase Houses in Brooklyn took possession of their apartments on July 14, 1964. This was almost seven years to the day, July 12, 1957, when the United Housing Foundation announced a proposal to rebuild a deteriorating section of Brooklyn with a development for five thousand families at average monthly carrying charges of \$20-21 a room.

Thousands of people applied for applications in the proposed cooperative as soon as the announcement of the plan was made. It was obvious that such a development would fill a great need for moderate cost housing in the City of New York. The original plan proposed by the United Housing Foundation called for financing and building the development without state aid or without Title I assistance. However, as a Redevelopment Company the development would be entitled to receive tax abatement from the City of New York.

For four years the controversy raged over the City granting tax abatement to the development. A private real estate operator fought the project "tooth and nail." After the City Planning Commission had given its approval to the Warbase Houses in July 1958, the private builder submitted an alternative plan to the Board of Estimate in December, 1958. His plan called for paying the City more in taxes by increasing the rentals to \$26 a room.

After many more hearings between the Planning Commission and the Board of Estimate, a compromise plan of dividing the site between the United Housing Foundation and the private builder was adopted. This plan necessitated the cooperative's increasing its average carrying charges to \$23 a room to pay more taxes to the City. In May, 1960 the Board of Estimate gave its final approval for the development. It was not until May, 1961 that the city condemned the site and turned it over to the housing company.

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AMALGAMATED-WARBASSE (Continued from page 1)

During the next eleven months, 536 families were relocated and the old buildings demolished. Excavations for the pile foundations started in April, 1962.

Central Air Conditioning

During the long controversy to win approval of the Warbasse Houses, the organizational structure and the name of the development were changed. The Amalgamated Clothing Workers of America became a sponsor of the cooperative. The name was changed to the Amalgamated-Warbasse Houses. (Warbasse was the founder and first president of the Cooperative League of the U.S.A.) The corporate structure of the development was changed from a Redevelopment Company to a Limited Profit Housing Company with the mortgage financing being provided through the New York State Housing Finance Agency. The development was built under the supervision of New York State Division of Housing and Community Renewal.

Incorporated into the plans for the cooperative was a central power plant which would provide the de-

velopment with its electric power, central air conditioning, as well as heat and hot water.

In addition to the power plant the development consists of five 24 story residential buildings, a commercial building, parking facilities for one thousand automobiles, playgrounds, and sitting areas.

Most of the cooperators who will soon be moving into the new development are the original applicants who have been waiting for seven years. Through the long controversy many of the applicants took an active part in trying to win approval of the cooperative. Were it not for the loyalty and encouragement of the cooperators the United Housing Foundation might have dropped its plans for this development as it was not anxious to increase the carrying charges from \$21 to \$23. However, the people insisted that the fight be continued to the end. On the theory that a "half-a-loaf" is better than none — especially when there is a shortage of \$23 a room housing — the development was built. Within a short time the construction phase of this new cooperative will be completed — and thousands of people will be living in a development which took seven years to accomplish.

CO-OP FURNITURE CENTER MEETING THE PEOPLE'S NEEDS

Four months ago the Co-op Furniture Center opened its doors to provide a new service to cooperators in the New York area. From the amount of sales which the Furniture Center has made since opening day it seems that this is a worthwhile service to consumers.

Furniture is not something the average family buys very often. When they do, it is likely to represent a major expenditure of funds. It is for this reason they want to be sure that they are getting the best value for their money.

The Co-op Furniture Center now has a large selection of domestic and imported furniture in various price ranges to choose from. All prices are very reasonable.

Most furniture stores make a considerable profit by selling furniture on credit. In most cases the credit

charges amount to eighteen percent or more. The Co-op Furniture Center sells only for cash. When a person needs credit he is referred to his credit union where the interest rates are much more reasonable. (The Consumers Cooperative Credit Union has been established at the office of the United Housing Foundation at 465 Grand Street for those who are not members of other credit unions.)

Anyone may shop at the Furniture Co-op and anyone may become a member by purchasing one share for fifty dollars. The next time you are in the market for furniture we hope you will help yourself by visiting the Co-op Furniture Center at 309 West 23rd Street in Manhattan. The Center is open Mondays and Thursdays from 9:30 a.m. to 9 p.m. and Tuesdays, Wednesdays, Fridays and Saturdays from 9:30 a.m. to 6 p.m.

DOES IT PAY TO INVEST IN A CO-OP?

A comparison between the apartments of Tom and Joan Davis, cooperators, and Bob and Alice Mason, renters.

The Davis' and the Masons have been close friends for many years, Tom and Bob work in the same plant, their wives, both young mothers, have much in common. One thing they now share in common is new apartments in different developments, but in the same neighborhood, in fact within a few blocks of each other.

The Masons moved into a rental development built with financing under the State's Limited Profit Housing Companies Law and which was granted partial tax abatement by the City of New York. They moved into a four and a half room apartment.

After a long wait, the Davis' have recently moved into their new apartment, also four and a half rooms. Their apartment is in a co-op. The mortgage financing was provided by the State under the same law as the rental development, the City also granted partial tax abatement.

Three weeks after the Davis' were settled the Masons came for a visit. Naturally they were interested in comparing the apartment with their own. Joan Davis was particularly pleased that Alice Mason expressed delight and approval of her new home. Alice was particularly impressed with the hardwood floors throughout the apartment. Bob thought the central air conditioning was excellent.

A week later, the Masons entertained the Davis' in their new home. The design and layout was very different from the Davis' apartment. The flooring was of asphalt tile. Tom noticed that Bob had air conditioned his apartment by installing a window unit in every room.

The next time the foursome met at the Davis home, the conversation turned to a comparison of the costs of their apartments. Who, they asked, had made the better buy? After much discussion, they came up with the following revealing figures.

	Mason's Rental Apartment	Davis' Co-op Apartment
Rent	At \$29.80 per room \$1,609.20	At \$23.00 per room \$1,242.00
Loss of interest on investment	—	\$ 104.00
Air Conditioning depreciation and interest	\$ 134.40	—
Total annual cost	<u>\$1,743.60</u>	<u>\$1,346.00</u>
Difference	\$ 397.60	

The difference in carrying charges between the two apartments is \$397.60 a year. The Davis' lose \$104 a year in interest on the \$2600 they invested in the co-op. It cost the Mason's \$134.40 to air condition their apartment, this is based on their having bought four units at a total cost of \$560 — the interest and depreciation of this investment amounts to \$134.40 a year.

"Now Bob, you see the difference," said Tom. "You are paying \$33.13 more per month than we are. If you lived in our co-op, that extra money would be more than enough to cover the carrying charges for an entire extra room."

"Well, Tom, I would say that your investment in this co-op apartment was a wise one. A savings of \$397.60 in rent a year on a \$2600 investment is more than a fifteen per cent return on your money. You don't find any bank paying that kind of interest. Aside from that, look what you got for your money. I had to go out and buy four air conditioners, this alone cost me \$560, and I lose money because of lost interest and depreciation. I don't know why, if they provided your building with central air conditioning and hardwood flooring, why they didn't do the same thing in ours, after all we are paying more in rent."

"Yes, Bob, I think we made a wise investment in this cooperative. We may not have as fancy a lobby as you have, but after all you don't live in the lobby. And as far as the essentials are concerned, Joan and I think we made a wise choice. The people who were responsible for starting this co-op were interested in giving us as much for our money as possible. That's why they put in wood floors, air conditioning, made good size rooms, large closets and all the rest.

Joan Davis went on to tell Alice Mason about a new cooperative market in their housing community.

"We invested twenty-five dollars to buy a share of stock in this new self-help enterprise. Food and household supplies are something we all use—why shouldn't we buy them from a market which we own? The purpose of the co-op market," she continued, "is to provide us with quality food and other essentials at low prices. At the end of the year, if the co-op has a surplus, it will be returned to us in proportion to what we spent in the store."

"We shopped in a co-op market when we lived in

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THE REVOLUTION AND CONSUMERS COOPERATION

D. D. Martin

The revolution taking place in the United States today is basically the struggle for equality of opportunity for all people. The revolution has dramatically focused attention on the attempts to secure greater equality and opportunity for Negro people.

It is almost inconceivable for a northern white person to comprehend the conditions of inequality of basic civil rights which exist in many southern states, which are a part of the United States. These are matters of deep concern to many white southerners as well as northerners. These are matters, which at least to some degree the new Civil Rights Law will attempt to rectify. These are matters which necessitate federal action to insure people the fundamental rights guaranteed under our constitution and the federal laws of the land. More than a hundred years ago, Abraham Lincoln said that the nation could not endure half free and half slave. It cannot exist today when fundamental civil rights of millions of people are denied only because of their color.

But the revolution is more than for equality in civil rights, it is for equality of opportunity in all aspects of life. This is not a geographical issue, it is a national problem to be found in all regions of the country, including New York City. Civil rights are basic and guaranteed by the constitution but there are no guarantees which will insure people equal opportunities in employment and for the necessities of shelter, clothing and food. In these matters, it has always been every man for himself, and the Negro has always received the short end of the stick.

In his new book, "WHY WE CAN'T WAIT", Dr. Martin Luther King describes the economic plight of the Negroes as follows.

"The Negro also had to recognize that 100 years after emancipation he lived on a lonely island of economic insecurity in the midst of a vast ocean of material prosperity. Negroes are still at the bottom of the economic ladder. They live within two concentric circles of segregation. One imprisons them on the basis of color; the other confines them within a separate culture of poverty. The average Negro is born into want and deprivation. His struggle to escape his circumstances is hindered by color discrimination. He is deprived of normal education and normal social and economic opportunities. When he seeks opportunity, he is told in effect to lift himself by his own bootstraps — advice that does not take into account the fact that he is barefoot.

"By 1963 most of America's working population had forgotten the Great Depression or had never known it. The slow and steady growth of unemployment had touched some of the white working force, but the proportion was still not more than one in twenty. This was not true for the Negro. There were two and one-half times as many jobless Negroes as whites in 1963, and their median income was half that of the white man. Many white Americans of good will have never connected bigotry with economic exploitation. They have deplored prejudice but tolerated or ignored economic injustice. But the Negro knows that these two evils have a malignant kinship. He knows this because he has worked in shops that employ him exclusively because the pay is below a living standard. He knows it is not an accident of geography that wage rates in the South are significantly lower than those in the North. He knows that the growth in the number of women who work is not a phenomenon in Negro life. The average Negro woman has always had to work to help keep her family in food and clothes."

Dr. King has presented an apt description of economic conditions as they affect Negroes. However, the same conditions are found among other minority groups, as well as among many white persons. While the conditions of deprivation may be the same for many whites as well as other minority groups as they are for the Negroes, the causes are not the same. Negroes, as a group, are discriminated against solely because of their color. This is an intolerable abomination which is contrary to every moral and ethical concept by which we live.

The stark and ugly facts presented by Dr. King cannot be disputed. The reality of the situation is apparent to all. The question we must ask ourselves is, what can be done to improve the situation?

All people, be they red, yellow, black, white or any other color have one thing in common — they are all consumers. Some may be able to consume more than others, but nevertheless all people are consumers. As such, if they organize their purchasing power, people can help themselves. This is something which, in this country, only a small percentage of the people have learned.

Dr. King says that Negroes cannot lift themselves up by their bootstraps because they are barefoot. This is only partially true. Like all consumers, the Negro has purchasing power, organized it can benefit him, un-

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THE REVOLUTION AND CONSUMERS COOPERATION

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organized it goes to increasing the profits of others. The same question can be asked of Negroes as is asked of many white consumers — Why not wise-up and organize your purchasing power? Why make profits for others when you can provide for your own needs through cooperatives which you can own and control?

Cooperation is not a panacea for all the social ills of our society but it does provide people with a practical method and opportunity to help themselves obtain the basic necessities of life at a savings. Equally significant is the fact that cooperatives afford people the opportunity to accept the responsibilities of ownership of their businesses. They give people an opportunity to have a voice in managing their own economic affairs.

It does not require vast amounts of capital for people to organize their own self-help enterprises. It does require people who are willing to join together and pool their common resources to help themselves. Be it housing, food, credit, furniture, clothing, health services, funeral services, and so forth, people can organize their purchasing power and operate their own businesses to serve and benefit themselves.

It would seem practical for those who are concerned about opportunities of equality and the welfare of people, be they colored or white, to do more than talk about doing *something* (the most over worked useless word in the English language) and really start to organize people in cooperatives so they can help themselves achieve greater equality in the market place and assume the dignity of people who control their own affairs.

CONSUMER PROTECTION

The best method of consumer protection is the ownership of your own stores. Not many persons individually can afford the luxury of owning their own markets. But they can achieve the same benefits by meeting their needs through consumer owned cooperatives.

New York City's Markets Commissioner Albert S. Pacetta stated this month that food retailers and wholesalers are cheating consumers on an ever increasing scale. The Commissioner said that every time violators are taken into court, they devise new fraud schemes to cheat the public. "The food distribution industry is at least two steps ahead of us by devising new schemes to reach the purse of the helpless consumer" Commissioner Pacetta recently told the New York Times.

One friend of ours does not have to worry about frauds cheating his family because he is the owner of his own market. In selecting meat, vegetables, fruit, or anything else for his own kitchen, he never cheats himself. He takes home quality products from his own store. This chap is an honest fellow and it is unlikely that he would cheat his customers.

But according to the Markets Commissioner who works with a limited staff, his department reports as many as five hundred violations a week involving mislabeling of food, overpricing, weight shortages, and adulteration. This is not a local problem; it is national in scope. There is, pending, in Congress, legislation known as the Truth In Packaging Bill. This legislation seeks to use the authority of the federal government to protect consumers from deceptive packaging at least in goods which are involved in inter-state commerce.

The concept of our system, at least until now, has always been that "let the buyer beware" of the practices of the seller. If he did not that was his own misfortune, and he had no one to blame but himself. This has always been one of the tenets of the rugged individualism of the capitalistic system. Now, however, a more enlightened even more moral view seems to be emerging, "let the seller beware," that he does not have license to cheat the consumer. This is the emerging theory behind legislation designed to protect the consumers' interest through government agencies.

There are hundreds of thousands of consumers who are wise enough to know that if they own their own markets, they need not worry about being cheated. These are the owners of consumer cooperatives. They are in the same position as the individual who is the proprietor of his own business.

A cooperative enterprise does not exist to make money; its function is to provide consumers with a service. With such motivation there is no reason or incentive to cheat the customers. The employees, and manager's incomes are derived from fixed salaries. The manager is not under pressure to meet a quota; his job is to find ways to provide better services to his customers.

Unlike chain or privately owned stores, coopera-

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Over a period of years many changes have taken place on New York's historic Lower East Side. The dozen buildings which comprise the Amalgamated-Dwellings, Hillman Houses, East River Houses and the Seward Park Housing cooperatives have changed the appearance of much of Grand Street.

As we become accustomed to things in certain places, we sometimes fail to see them. Only when a

change takes place are we apt to take notice, at least for awhile. Even in a relatively short period of time many have become complacent about the changes which have taken place on the Lower East Side.

The changes which have occurred on Grand Street have been dramatic and are worthy of notice. More than three hundred old buildings, most of them built in the 1870s and 1880s, as railroad and dumbbell tene-



One of the gardens of the Hillman Houses below, replaced buildings like those pictured above.

At Corlears Hook four buildings rep



FORGET

ments were replaced by the complex of cooperative buildings.

More than anything else the rebuilding of the area has brought sunlight, fresh air, trees and green grass for the benefit and enjoyment of more than fifteen thousand people.

The pictures of the past are reprinted here lest we forget what conditions were on Grand Street not too long ago. Also to remind us that such buildings still exist on Grand Street and on streets in the neighborhood. The buildings which still exist house people who have little opportunity to enjoy fresh air, sunlight, grass and dignity.



red one hundred ten old tenements.

The Seward Park cooperative enable the people to enjoy fresh air and sunlight.



RESOLUTION ON AMALGAMATED HOUSING

As passed by the Amalgamated Clothing Workers of America at their Fiftieth Anniversary Convention May 9-15, 1964 in New York City.

Housing has been a persistent problem of civilized society since the dawn of history. An acute housing shortage faced many after World War I and slums began to spread relentlessly. It became apparent that a revolutionary new program was necessary to provide decent housing for low and middle income groups — a program which could not be carried out by private means alone.

The Amalgamated has been deeply concerned with a better life for all since its inception. Its interest in the field of housing made it a logical area for work. From these beginnings, it was only natural that improved housing facilities for the membership would have high priority. Action was called for. The Amalgamated was the first labor organization to undertake a program to make modest cost housing a reality, and to renew blighted areas.

In the face of almost insurmountable problems, not the least of which was the worst economic depression this country has ever seen, the program went ever forward under the initial guidance of the late Sidney Hillman.

When the Amalgamated undertook sponsorship of the Amalgamated Housing Corporation, founded in 1926, it undertook the sponsorship of a dream — a dream born of economic necessity. A committee headed by Abraham E. Kazan, then a member of the staff of the Amalgamated Clothing Workers of America, explored sites and planned for a start of construction. Robert Szold has been a prime mover in this program since the earliest days. The first development, Amalgamated Houses, built in stages from 1926 to 1951 in the Bronx, is now composed of 1434 units. The City of New York gave it recognition by honoring the Amalgamated's President, Sidney Hillman, in naming a street after him.

In 1929 the success of the group of apartments completed in the Bronx sparked the creation of a similar project in a slum area on the Lower East Side of Manhattan. This grew into Amalgamated Dwellings and, upon its completion in 1930, provided 236 additional housing units. Thereafter, between 1946 and 1950 Hillman Houses, comprising an additional 807 dwelling units, were completed under the continued sponsorship of the Amalgamated.

As we consider this resolution, work is well under way on the ambitious Amalgamated Warbasse Houses

in the Coney Island section of Brooklyn. This new huge project of cooperative houses will provide 2585 families of moderate means with highly desirable housing facilities in 24-story air-conditioned buildings.

When the Amalgamated Warbasse Houses are completed, 5062 families will have benefited from the foresight of the leaders of the Amalgamated by living in existing cooperative housing at a cost substantially below that in privately built developments in the State of New York. These Amalgamated-sponsored cooperatives were completed at a total cost of approximately 66 million dollars.

The significant contribution the Amalgamated Clothing Workers of America has made in the origination and development of cooperative housing has been recognized the world over. Other labor unions and like-minded organizations have followed this example by entering this field. The United Housing Foundation, of which the Amalgamated is the founder and integral part is a federation comprising many housing cooperatives and labor unions and a number of other non-profit groups. The United Housing Foundation was a logical outgrowth of the Amalgamated's initial activities in this area. The purpose of the United Housing Foundation is to give assistance to groups in the organization of housing cooperatives for modest income families. It is headed by Abraham E. Kazan, who has carried on and expanded this good work with the Amalgamated's continuing aid and support.

Cooperative housing, provided through the momentum of Amalgamated leadership, has not only resulted in better housing at reasonable rentals for more families but it has rebuilt what were slum areas. Congested, unhealthy slum communities, which had housed many union members when the Amalgamated launched its first housing venture, have given way to communities offering wage earners full opportunities for wholesome living.

The germination of the seed of cooperative housing has given rise to other cooperative activities making for a better way of life, such as cooperative nursery schools, super markets, home milk delivery, credit unions, classes and cultural groups in fields of music, art, dramatics, crafts, hobbies and dancing; instead of a growing delinquency rate, a more wholesome life flourishes.

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RESOLUTION ON AMALGAMATED HOUSING (Continued from page 8)

The four Amalgamated sponsored housing cooperatives stand not only as a living monument to the vision of our union and its leaders but also are a yardstick and example to countless others who have followed the path blazed so effectively by the Amalgamated. The social significance of these four union sponsored consumer owned cooperatives in developing responsible citizens and building better communities has been a major contribution to the community at large.

RESOLVED, that the 50th Anniversary Convention of the Amalgamated Clothing Workers of America, AFL-CIO, CLC:

1. Approves and endorses the aid and assistance given by the General Officers and the General Executive Board to the cause of low cost cooperative housing;

2. Commends Abraham E. Kazan for the achievement of magnificent housing for families of modest means at the lowest possible cost;

3. Expresses to the officers and Board of Directors of the United Housing Foundation its appreciation for the work of the Foundation; and

4. Expresses our determination to continue and expand upon our cooperative low cost housing activities in the United States and Canada.

The President Praises Accomplishments of Cooperatives

President Lyndon B. Johnson met with cooperative leaders on the White House lawn, on May 20th. He had some nice things to say about cooperatives.

"I am proud of what I have to say about cooperatives. I know what they can do for people." The President recalled his own experience in helping to establish the rural electric cooperative in his home community in Texas. He made direct references to credit, telephone and farm supply cooperatives; he urged cooperatives in the United States to support the program of assistance to cooperatives in the newly-developing countries; and he asked co-op leaders to help pass the anti-poverty bill.

"We need the support of all of you," he said. "Go back to your homes and arouse your neighbors to help us, too."

The President, speaking of the Economic Opportunity Act of 1964, now before Congress, said, "With this bill, we can provide low-interest loans to poor farmers who want to improve their operations. We can provide loans to new cooperatives to provide low income Americans with services that are not now available. We can start to break poverty's hold on those millions of rural Americans who do not have a chance to lead a more abundant life."

Speaking of cooperatives, the President told the group:

"The catalog of your accomplishments is large. You brought credit where it seemed unobtainable. You brought light and power to rural Americans when it appeared out of reach. You brought modern telephone service to tens of thousands and lowered the price of gas and fertilizer to many thousands more.

"Your goal has been opportunity for all and not just success for some. You have achieved so much because you cared most about people.

"Those principles that have guided you," he continued, "must guide all of us as we try to make the ideals of our democracy live in the reality of our experience."

The President expressed his personal pleasure in signing, May 11, a bill authorizing loans to four rural electrification cooperatives in Nicaragua and Colombia, a development made possible largely by "the work that some of our own people in this country did."

"Cooperatives and credit unions are helping throughout Latin America to bridge ancient barriers across which people must then walk if they are to know a better life," Johnson said.

"I hope you will increase your efforts in that direction. As you seek to help people abroad, you must grow stronger at home. The revolution in food production and marketing in this country requires new programs to meet new challenges.

"I have already said that new legislation is needed to clarify the right of cooperatives to expand their operations by merger and acquisition. When this is accomplished, those who manage cooperatives can offer greater efficiency, and those who use cooperatives will benefit by lower expenses."

CONFLICT OF INTEREST

As tenants, cooperators want many services, as landlords they want to keep expenses as low as possible. This difference in wants often results in conflicts of interest.

Most people, after having lived most of their lives as tenants in someone else's house, are apt to develop split personalities when they move into housing cooperatives. This happens because when a person joins a cooperative he must assume two different roles. He is, at the same time, a tenant and a stockholder, which makes him one of the owners. Collectively, the tenants are their landlord, individually each landlord is a tenant. This dual role is, at times, complicated, confusing and frustrating. Being both tenant and landlord, the cooperator finds it difficult to hate himself, as he would the landlord of a private house.

In rental housing, the landlord and the tenant are often on opposite sides of the fence. The landlord has rented space to the tenant in order to make a profit. The less he has to do for the tenant, the more profit he will derive from his property. The tenant, on the other hand, is usually desirous of getting as much as possible from the landlord. These divergent objectives often result in an unpleasant relationship between tenant and landlord.

In cooperative housing it is different. First because there is no landlord. Second, because the objective of the cooperative is not to make profit, but to provide the tenant-owners with good housing at the most reasonable price. A landlord of a private house would like to increase the rentals as often as possible; the owners of a cooperative, on the other hand, would like to reduce the carrying charges whenever possible.

The tenants of a housing cooperative recognize the fact that there is no landlord who is going to pay the expenses of maintaining and operating the development. Every dollar which is spent is provided from only one source, the tenants themselves. It is for this reason that they are careful of why and how they spend their money.

Within the framework of the total carrying charges received from all of the cooperators the budget is carefully prepared. Fixed amounts are set aside for paying the expenses of operating the development. The major obligations are payments on the mortgage — interest and amortization, — taxes, insurance, fuel, utilities, salaries, maintenance, reserves. The total carrying charges must be sufficient to meet all of the expenses involved in operating the project. One expense which is not budgeted is profit to the landlord, or stockholders. For a cooperative is not a profit making enterprise.

Should, at the end of the year, the income of the or-

ganization exceed the expenses, the surplus could be returned to the members in proportion to their share of the carrying charges. If there is a surplus year after year the Board of Directors of the cooperative should consider lowering the carrying charges. Should, however, the expenses exceed the income, then it would be necessary for the tenant-owners to increase their own carrying charges.

There is only one factor which determines the amount of services a housing development can provide for its tenants — that is money. If money is of no consideration, then there is virtually no limit to what can be done. There are many rental apartment houses and cooperative apartments which appeal to, and attract people as tenants, because they provide luxury services. There is no shortage of this kind of housing; it is ideal for people who can afford very expensive rentals.

Most people, while they would like these services cannot afford them and must settle for much less. The objective of consumers cooperation is to offer the consumer quality commensurate with the price. Within a financial structure of a twenty dollar a room carrying charge, for example, there is only so much which can be done.

The budget of a cooperative organization is not unlike the budget of the average family, that is always tight. There never seems to be enough funds to do all the things the family would like to do. The members of a family understand that unless there is an increase in income some of the things they would like to do, or have, are not possible. Necessities must be provided before luxuries, and some luxuries will never be attained. The same is true in most cooperatives and most members of these organizations understand this when they join. However, as in some families, there are always some people in cooperatives who want more than the income can provide. When a family tries to live beyond its means it does so by going into debt. This is unwise for a family and even worse for a cooperative.

Unless a cooperative is willing to increase its income by raising the carrying charges, it must live within its means. There are always some members in any cooperative who are willing to pay a dollar or two more in carrying charges to obtain the additional services they desire. These people are rarely concerned with the members who could not afford such an increase. Fortunately for the affluent cooperators there is no

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CONFLICT OF INTEREST (Continued from page 10)

shortage of higher priced housing where they can obtain all the services they are able to pay for.

A low and moderate income cooperative has a primary obligation to all its members to maintain its carrying charges at the lowest possible level. The foremost concern of the organization must be for the wel-

fare of its members with the lowest incomes. For the objective of cooperatives should be to provide housing for these people first and for those with higher incomes later.

As tenant-owners, cooperators will have no conflict of interest with themselves if they keep the purpose of their organization clearly in mind at all times.

Joe Ryan Needs A Home—NOW

Joseph R. Ryan needs an apartment real bad. Joe is forty six, married and the father of a girl twelve, a boy nine and a new baby expected in October. At the moment the Ryan family live in a two bedroom apartment in Brooklyn, for which they pay \$87.50 a month rent. Joe is an automobile mechanic, has a steady job which pays \$125. a week.

With two children and a third on the way, the Ryans must find a larger apartment. "We live in an old building which is rent controlled" Joe told us recently. He went on to say that "when we moved into the apartment twelve years ago there was lots of room, now the children must each have a room of their own. Twelve years ago the neighborhood wasn't bad — today it is a jungle. I've got to get my wife and kids out of here."

"I've looked at lots of new apartments in decent neighborhoods," Joe said "but I just can't afford the rent they are asking. I don't know what I'm going to do."

With slight variations Joe Ryan's housing situation is typical of hundreds of thousands of families who live in New York City.

We asked Joe if he had heard about Co-ops. "Oh sure," he said, "they are a good deal, but try to get into one, they're all taken and waiting lists are a mile long. I have some savings and could make the down payment, but all of them I've looked at won't even accept an application. Why don't they build more of them?"

Co-ops can meet the need for housing for people like Joe Ryan — average income families. In fact their specific purpose is to supply housing for families of low and moderate means.

"Why isn't more co-op housing being built," Mr. Ryan asks? Lots of people ask the same question. They can't understand when the need is so obvious for \$20-\$21 a room housing why more is not built.

They constantly ask the United Housing Foundation what happened to the Seward Park Extension? What happened to Cooper Square? What is happening to your Proposal for North Delancey Street? These

three developments would provide housing for 10,500 families like the Ryans.

The City, State, and Federal Government are certainly aware of the housing situation which exists in New York and most other large cities. They do not know Joe Ryan personally but they know that there are many like him in need of good housing at a price they can afford. Joe Ryan has an immediate problem, its urgency is very real to him and his family. To city planners, housing officials, and elected officials Joe Ryan is not a person, he is but one of countless cold impersonal statistics. Anyone who has talked to Ryan can appreciate his plight and recognize the urgency of his need. Those to whom Ryan is nothing but a statistic, cannot and do not appreciate the urgency of his situation. Their concern is for masses of humanity, not individual people.

They reason if the Seward Park Extension is not built this year, then maybe next year, and if seven years have passed since it was proposed and the rotten slums still exist, and two thousand families have been denied decent housing, well maybe in a few years something might be done to improve the situation. The same thinking goes into every proposal for new housing.

In the meantime Ryan, and the many like him, wait and hope that something will happen so that they will get an apartment. Many like Ryan are willing to help themselves if given the opportunity. As individuals, most people are helpless to do anything to improve their housing conditions. But when they combine their resources and pool their efforts they are able to do a great deal.

What Joe Ryan and others must do first, before even joining a cooperative, is to combine their voices as citizens and have those responsible for housing in the City recognize the urgency of their need for housing. They need housing now not five years from now (others will need it then). Those responsible must wake up to the problems of the Ryans now and expedite the approval of plans within the immediate future. Only in this way will Joe Ryan get a home.

DOES IT PAY TO INVEST IN A CO-OP? *(Continued from page 3)*

the Bronx. For many years this co-op paid a refund which amounted to our getting one or two weeks "free" groceries. The last year we shopped in that co-op, we spent, during the year, a thousand dollars, for food, milk and other supplies. The co-op paid a two per cent refund, so we received a rebate of \$20.00. This rebate amounted to an 80 per cent return on our investment of \$25.00."

"Tom and I think it makes a lot of sense for people to join co-ops. We will soon be buying furniture for the apartment, so recently we joined a new furniture co-op which has been started in the city. Anyone can join and shop at a co-op. Why don't you and Bob join our co-op market and the Co-op Furniture Center?"

"I'd not only like to join those co-ops but wonder what the chances are of getting an apartment in this housing co-op," Alice said.

CONSUMER PROTECTION *(Continued from page 5)*

tives turn the "profits," if there are any, back to the members in proportion to the amount they have purchased. The management of a cooperative does not have to be concerned about making profits for the owners of the business. If a cooperative discovers that its surplus or "profit" is too high at the end of the year, it knows one thing; it can lower its prices to benefit all of its customers. This is what makes the difference between a cooperative and a profit making enterprise.

Consumers who venture into the jungle are apt to be fleeced by sharp operators. They do need protection by public agencies. There is, however, no reason why more and more people cannot protect themselves by joining or organizing their own enterprises to meet all their needs as consumers.



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