

WHY TRY? --ISLANDS OF SANITY IN A CRAZY WORLD

We don't have too much to say about things today. Sure, we have a vote. But the real decisions, the tough economic decisions are made by boards of major corporations--boards chosen by and responsible to the few who own most of those major corporations. Interlocking boards, anonymous and faceless boards. How futile to talk of regulation when the businesses regulated are the past and future employers of the regulators. How futile the attempt at invasion of annual stockholders meetings when the dominant financial interest so outweighs the protesting human interest.

There's no perfect answer, no cure-all. But we believe one basic need is to place control in the hands of the people who buy and use the product and the service. Or at least enough of the control to provide a major yardstick. And that means: develop cooperatives. For the important fact about a cooperative is that the customers own the business. Make that one change, and you build a completely new orientation: production and distribution to meet the needs and wants of consumers, as they themselves decide, through their elected representatives.

Not an easy change. But, we believe, an absolutely essential one. A change that puts the emphasis on people working together for their mutual benefit--on cooperation. A change that returns to customers the excess net earnings of the business, instead of siphoning them off as profits into the pockets of those who already have most of the wealth. A change that makes it possible for political democracy to become effective, by reinforcing it with economic democracy.

HANDLES FOR AN IDEAL

With a cooperative, people start where they are. Major corporations are really untouchable, until you first organize the purchasing power on which they depend. So we start at the retail level--with purchase of credit and housing and farm supplies and consumer goods and health care. Each member-owner has one vote; there are no proxies. We finance the first beginnings, elect our board--then they employ an experienced manager--and this we must have. We recruit

more members, give our cooperative all the support we can, accumulate net earnings, grow and build. Handles, here, for what one writer calls "brotherhood economics". No guaranty of success, no guaranty (even) of effective participation by the co-op's customer-owners. But the only structure, the only method, that makes both business success and customer control possible.

For a cooperative--a cooperative of any kind--is a business that's owned and controlled by the people who use its services. Given success at the local level, the local co-ops pool their strength and develop a wholesale cooperative--which means more control over quality and packaging and additives and service.

There, in its simplest terms, you have the cooperative idea: a middle way between government ownership and corporate domination. Easy to say, not so easy to do. But an ideal worth the dedicated enthusiasm of that active member nucleus without which no cooperative, no democratic organization, can make it.

THIS WE HAVE NOW

In America, most cooperatives are farmer-owned, purchasing farm supplies and marketing farm products. In urban areas, only credit unions are well-established. But there are, here and there, cooperatives providing just about every service anyone could want--from cradle to grave--credit, housing, health, pre-school nurseries, funerals, consumer goods. here, we'll talk only the latter. Where do we stand, today, in this field?

Well, we have strongly-established consumer goods cooperatives in only five areas--and even there, they're not a dominant force in the market place. Here are those areas: San Francisco Bay area, in California--with 60,000 family members and some \$40,000,000 a year sales. Minnesota/Wisconsin area, with scores of cooperatives totalling 125,000 families and \$80,000,000 a year sales. Greater New York, some 30,000 families and \$25,000,000 a year sales. Maryland/Virginia, one multi-unit cooperative with 30,000 families and about \$50,000,000 a year. And largest of all, Puerto Rico, with

60,000 families and about 90,000,000 dollars a years sales.

There are scattered consumer goods cooperatives also in New England, upstate New York, Ohio, Illinois, Michigan, Nebraska, and Kansas --and that's about it. All together, they account for perhaps 1/2% of the total retail sales in the country. And yet, in the areas where they have developed strength, they have set an effective example in consumer information, in consumer protection legislation efforts, in open dating, in unit pricing, in elimination of some packaging wastes, in elimination of deceptive merchandising. But, of course, not nearly enough.

THE WAY TO GO

In those five areas, the answer is clear. For we know that the chance of survival for any small business is not to good: the U.S. Department of Commerce says 75% fail within two years. So, in the areas where we have a base already, we urge any new group to work with the established co-op to develop new centers and new services. Never start a brand new cooperative if this is possible.

In other areas, there are two general alternatives: (1) buy a group of stores and convert them to multi-unit cooperatives--not easily done, but it has been done successfully in Maryland, Ohio, and California. (2) Organize a "CO-OP DEPOT", or direct-charge cooperative, which sells everything at cost--and charges a fixed weekly service charge, set by the members. The former alternative requires organizing a strong, large new group--and securing very skilled management, plus substantial capital. The latter can be done with a group of 500 families or so, modest capital (perhaps \$50,000)--but it still requires experienced management.

We can discuss the details later, but these appear to be the only viable alternatives in areas where there is no existing co-op to help develop and expand. Buying clubs and group buying alternatives are usually short-lived activities, and seldom build permanent organizations. Small stores are not apt to survive, unless they charge high prices or have lots of volunteer help.

TO HAVE--AND HAVE NOT

But in a low income area, in the inner city, we face additional complications. These problems are not unique to cooperatives. The success record of new minority-owned businesses in these areas is not good--failures, as with small cooperatives, usually result from lack of managerial experience and inadequate capital. There are also added operating costs in these areas: higher insurance premiums, more pilferage, small purchases, lower margin sales mix--to name a few.

There is no easy answer: that's one of our problems--we keep looking for cheap low-cost easy answers to a problem that's been developing for a few generations. And there just is no easy answer.

Point is: if you develop a cooperative that's strong and viable, you'll give local member families a handle on their community that they never had before. For the first time, they really own a piece of the action. And if you settle for just "black capitalism" (or any other color)-- and succeed--you may have only replaced the white exploiter with a black one. So let's ask next what we can do to make success more probable.

There are three basic needs to be met: community organization, financing, management. Only the first is peculiar to cooperatives--and that's because a cooperative is, in a real sense, community owned. Somehow, we need to find ways to meet these needs.

We need to prepare relevant materials, a sound training program, and strong supervision--then recruit organizers from the area, and pay them for their work. (In these areas, you cannot depend on volunteers--"volunteering" tends to be a luxury of middle income groups.) We need to establish a financing institution for urban cooperatives, both inner city and suburbs--and back it with a well-planned technical assistance program. We also need to launch a management training program for people from the area itself, for future replacements. And all of this on a continuing five or ten year program! And that's all!

This we must, somehow, develop if these Americans are ever to have a voice in determining their own destinies. Not that this is a cure-all: it won't get us out of Vietnam, or cure urban mass transit problems or end pollution or provide employment in massive doses. These, too, we must work on. But as we do challenge these major social diseases, we must at the same time develop an economic system responsive to the needs of its customers. Without strong urban cooperatives at the heart of it, I do not believe we will.

There's nothing easy about this. But I never offered you an easy life.

ART DANFORTH

OPEN LETTER CONTINUED

However, to recount the picture a little, we had a lot of guts to try putting on a conference at all. We had run \$500 in the hole on a local conference in February, our bank account was approaching zero, and we had virtually a volunteer effort to rely on.

Hoped for funding from the Co-op Foundation for the February meeting had been delayed so we vacillated several weeks about whether it was wise to go ahead with the April conference --given our lack of Co-op Foundation support.

So we were late. Fortunately the Co-op Foundation appears now to be coming through and CLUSA stepped into the financial gap on the April meeting. That is the kind of support that really helps--there will be another conference --and we will keep your program suggestions in mind for the future. Meanwhile, invite us to any meetings you may be having.

MAX KUMMEROW

WANT TO WORK IN CO-OPS?

WANTED, an Executive Secretary for the Michigan State University Student Housing Corporation. Experience in housing cooperatives necessary. Job involves working closely with member co-ops, and supervising secretarial work, about thirty hours per week. If you are interested in this position, send a resume to:

Ken Cunningham, President
Student Housing Corporation
Room 315
Student Services Building
Michigan State University
East Lansing, Michigan 48823

NEED HELP?

Richard Kleker, now of the Student Economic Development Corporation is interested in job possibilities in the cooperative management field. He has much experience in cooperatives. Contact him at:

Richard Kleker
606 State St.
Lawrenceville, Illinois 62439

HOW ABOUT SOME COOPERATION?

Did you get a copy of the U.S. Youth Council NASCO survey--the long one? If not, and you feel left out--or, have you returned the one you got? If you haven't, please do so. The results of the survey will be used to eventually put a book on cooperatives out. So, it's quite important that your co-op stand up and be counted. Any questions, contact:

A. E. Dreyfuss
120 East 32nd St.
New York, N. Y. 10016

We recently got a letter from a Roy Kiesling representing this group and thought you might be interested in it. Paul Ehrlich, the population biologist is listed as one of the three founders--

DECLARATION OF CONSUMER RIGHTS

BEFORE THE CONSUMER BUYS ANY PRODUCT HE HAS A RIGHT TO THE FOLLOWING INFORMATION:

1. THE NAME AND COMPLETE MAILING ADDRESS OF THE ACTUAL MAKER OF THE PRODUCT.
2. A NAME AND MODEL NUMBER, CLEARLY AND PERMANENTLY VISIBLE, THAT ABSOLUTELY IDENTIFY THE PRODUCT.
(THE SAME PRODUCT WILL ALWAYS BE SOLD UNDER THE SAME NAME, AND IDENTICAL MODEL NUMBERS WILL BE PLACED ONLY ON IDENTICAL PRODUCTS.)
3. A LIST OF ALL INGREDIENTS OF THE PRODUCT, IN ORDER OF PERCENTAGE CONTAINED, WITH THE PERCENTAGES STATED.
4. A WARNING OF KNOWN HARMFUL EFFECTS OF ANY INGREDIENT.
5. COMPLETE INSTRUCTIONS FOR NORMAL USE OF THE PRODUCT, AND A STATEMENT OF WHAT IT CAN ACTUALLY AND DEMONSTRABLY DO FOR ITS BUYER.
6. WARNINGS OF HAZARDS OF NORMAL USE, AND OF ANY HIDDEN HAZARDS OF ABNORMAL USE.
7. A STATEMENT, IN PLAIN ENGLISH, OF THE DATE OF MANUFACTURE OR PACKAGING.
8. A STATEMENT OF THE EXPECTED LIFE OF THE PRODUCT, INCLUDING SHELF LIFE, AND A WARNING OF CONDITIONS OF USE OR STORAGE THAT SHORTEN ITS LIFE.
9. NOTICE OF THE OTHER MODELS OR FORMULAS OF THE SAME PRODUCT BY THE SAME MAKER, SO THAT THE FULL RANGE OF CHOICE IS DISCLOSED.
10. AN EXPLANATION IN LAYMAN'S TERMS OF THE WORKING PRINCIPLES OF THE PRODUCT.
11. ALL SPECIFICATIONS AND PROCEDURES NECESSARY FOR ADJUSTMENT AND REPAIR BY A NORMALLY SKILLED REPAIRMAN.
12. A LIST OF PARTS, WITH CURRENT RETAIL PRICES AND AN ADDRESS FROM WHICH THEY CAN BE OBTAINED BY MAIL.
13. A CLEAR NOTICE ON THE PACKAGE IF THE PRODUCT CANNOT BE USED EXCEPT IN CONJUNCTION WITH SOME OTHER PRODUCT.
14. IN THE CASE OF PRODUCTS SOLD BY WEIGHT OR VOLUME, A STATEMENT OF THE UNIT PRICE.

FURTHERMORE, THE CONSUMER HAS A RIGHT TO DEMAND THAT EVERY PRODUCT BE DESIGNED TO IMPOSE THE MINIMUM BURDEN ON THE ENVIRONMENT FROM ITS MANUFACTURE TO ITS DISPOSAL.

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Junior membership (under 18) \$2 per year

No application form is necessary - just send us your name, address, and telephone number with your dues or donation.

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