

ORIGINS AND LEGACIES

THE HISTORY OF A COOPERATIVE MOVEMENT

by CY O'NEIL
produced by the
SCOOP COLLECTIVE

Origins and Legacies

The History of a Cooperative Movement

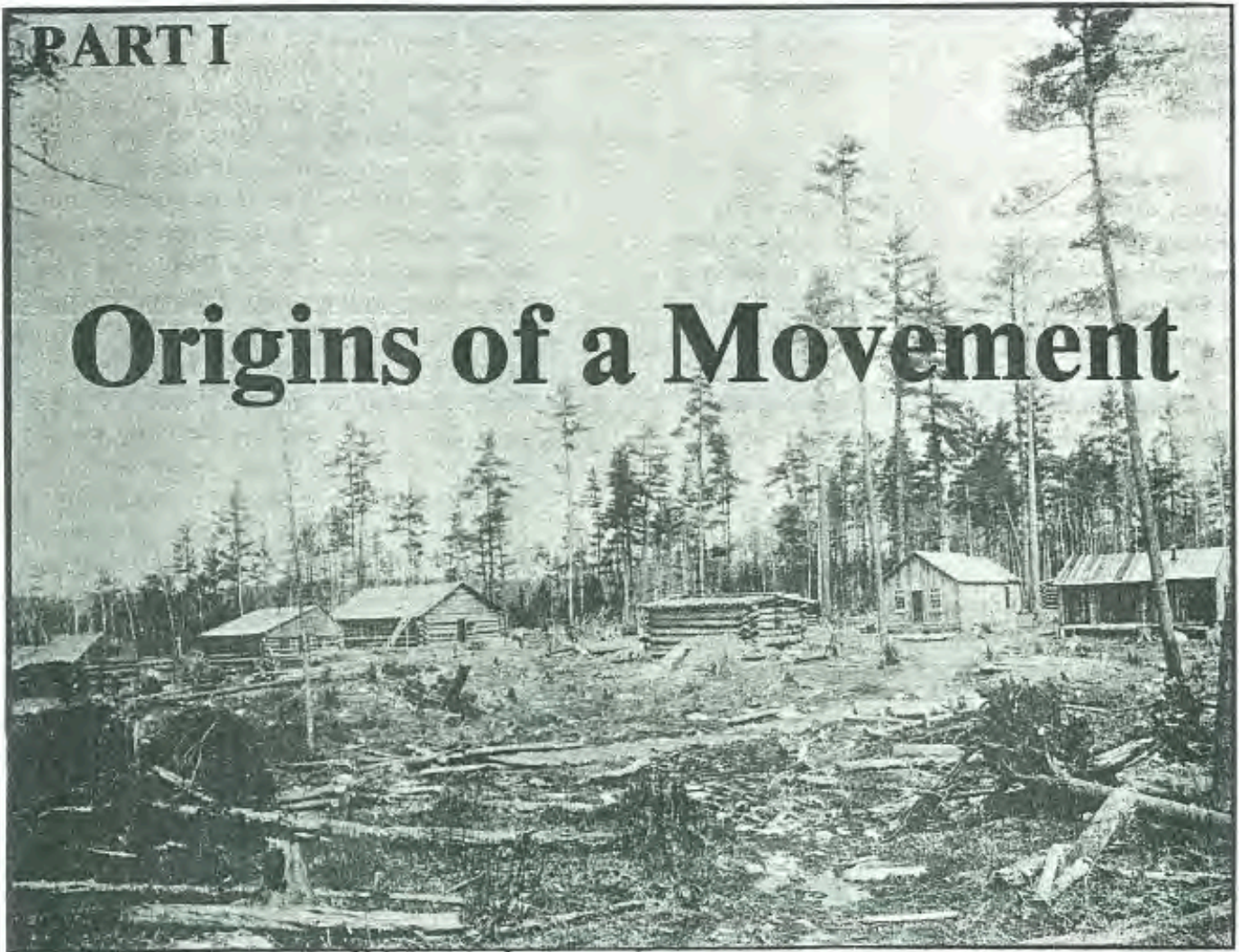
I. Origins of a Movement	1
Immigrant Finns in Mines, Lumber Camps, and Homesteads --from the turn of the century to 1917	
II. Heart of a Movement	10
Growth of a Cooperative Wholesale; Finnish-Americans in the Cooperative and Socialist Movements -- 1917 to the Depression	
III. A Movement in Crisis	19
The Split Over Political Direction and Ties to the Communist Party -- 1929 to the early '30's	
IV. A Movement "Americanized"	27
Class Struggle and Ethnicism Left Behind for Consumer Cooperation; the Rise of Farm Co-ops and the First National Wholesale -- the 1930's and '40's	
V. Legacies of a Movement	38
Financial Crisis in the Face of Capitalist Competition; Merger and Dissipation; Conclusion and Questions -- 1940's to the 1960's	

This is dedicated to those Finnish-Americans who have committed their lives to building cooperatives. Through some of their ideas come in for a few hard knocks here, their devotion to cooperation is worthy of considerable respect.

Cy O'Neil

PART I

Origins of a Movement



First mining camp near Mountain Iron, Minn. 1889

"I came to Duluth on October 3, 1905 and the following day went to an employment office where I got on to a work crew going to a logging camp. Well, we got an idea of what America was like when they lied to us at the office and told us it was only five kilometers from the train station to the camp when it was actually twenty-five! None of us could speak English, so at the station they pointed out the way. We walked and walked, wondering if we would ever reach the place..."

The speaker is Fred Torma. He emigrated from Finland in 1905 at the age of 15. Torma was only one of 300,000 Finns who took part in the migrations to the United States in the throes of industrialization at the turn of the century.

This is the first in a series of articles which, at least in the beginning, is about those Finnish immigrants: what they found when they arrived here and how they adjusted to their new surroundings. But more importantly, this is about the cooperative movement that was a part of that adjustment. It's about the origins of that movement and the organization it created, the Co-operative Central Exchange. It's about their achievements and struggles as cooperators and of the perplexing legacy of their movement.

The land Fred Torma and thousands of other Finns came to at the turn of the century was still semi-wilderness, though the area had undergone considerable change since the 1860's. In that forty years, industrialization had spewed out of the east in search of raw materials. The land of northern Minnesota,

Wisconsin and the Michigan Peninsula was rich in timber and ore and was quickly becoming a target of exploitation by logging and mining concerns.

The presence of logging and mining companies also meant jobs. Ready availability of work attracted many Finns from their homeland to the North Country. Given conditions in Finland, their immigration is not difficult to understand.

Eighty percent of those immigrating from Finland came from rural backgrounds, where life could easily be described as feudal. This, coupled with chronic unemployment and famine, made many Finns willing immigrants.

In 1864, the Quincy Mining Company recruited a boat load of Norwegians to work in the copper mines around Calumet, Michigan. Among the Norwegians were a few Finns who had migrated south into Norway in search of work. It wasn't long before they sent back word of jobs and, often, fare for passage to Calumet.

Except for the wages, life was as bad and at times worse than what the Finns had left behind.

Except for the wages, life along the industrial frontier of the North Country was as bad and at times worse than what the Finns had left behind. The logging camps and mining companies which were in large part responsible for opening up the area were out to extract resources, not settle territory. Consequently, the work was demanding and the living conditions bleak.

Fred Torma talked of his first job in a logging camp:

"The living quarters were made of rough hewn logs and even the floor was put together out of slightly trimmed, round logs. The conditions were really poor. Sometimes you'd go to sleep at night and your hair would freeze to the wall so you'd have to thaw yourself out in the morning! The food was adequate but you can imagine the filthy and unclean surroundings with 100 men living over winter together in one camp with no proper washing or bathing facilities. You can imagine the smell!... We were paid 50¢ a day, and our first pay check came to \$9.00 for three weeks work. In the morning, we'd set out for work in the dark and at night we'd return to camp in the dark. I spent only three weeks there and then I went to Biwabik to work in the mine."

The mines were hardly an improvement. Predominantly operated in the interests of U.S. Steel Corp. (see box), work in the mines was exhausting and perilous.

The work day in the mines varied in length over the years. Before 1900, it was a twelve hour day, six and sometimes six and a half days a week. By 1912, the day had been shortened to eight to ten hours a day. But these hours only refer to time actually spent with pick in hand. It did not include the time spent getting in and out of the mine, which would often mean another hour and a half.

Besides the long hours and heavy pressure of production quotas, the mines were also an ever present threat to life and limb. According to a Department of Labor bulletin, for every thousand miners in St. Louis County (which includes the Mesabi Iron Range), 7.5 miners died in mining accidents in 1905. It was a death rate as high as in the bituminous coal mines, without the massive cave-in type accidents prevalent in those mines. Instead, in the iron mines, men died in ones and twos, the victims of explosives, machinery and carelessness.

When the miners returned home, their



Typical iron mining town houses, Mesabi Range, Minn.

living conditions were less than ideal. Rents were high due to a shortage of housing. The short growing season and poor farmland caused food prices to be high as well -- nearly twice as high as in other parts of Minnesota.

Housing during the early years of the mining industry was little more than barracks for single men provided by the mining companies. They consisted of one room divided by a partition into cooking and sleeping areas, with both day and night shifts sharing the same beds. Soon, the mining companies erected rental housing for miners with families. These dwellings, crude tarpaper shacks located on the mine sites, came to be known as "locations". As Neil Betten, in a study

on the origins of ethnic radicalism in northern Minnesota pointed out, "locations... emulated typical immigrant slums of the overcrowded eastern cities."

For the most part, though, the locations served only as a way station for the newly arrived immigrants who would usually rent or buy a house in town as soon as their wages could finance it. Even here, with housing costs forcing homeowners to take in boarders, overcrowding was a way of life.

In short, along the Iron Range, early immigrant Finns encountered a social wasteland where the sole activity was working the grueling, dangerous mines of U.S. Steel.

BIG CAPITAL

The story of the development of the mining industry along the Mesabi Range provides insight into a key facet of life on the Range -- the presence of big capital.

Iron ore was discovered in the Mesabi hills in 1890 by John Merritt. Merritt was one of seven brothers who, "fired by their father with an enthusiasm and faith in a future empire on the Mesabi," had been searching the rugged terrain for iron ore since the 1880's.

Their discovery of ore sparked "mining fever" as prospectors and speculators swarmed into the area to cash in on Merritt's find. No sooner had the "land rush" to secure property rights subsided than a new rush began: a race to develop and own the railroads and ore docks necessary for getting the riches of the Mesabi to the steel markets.

The Merritts, dissatisfied with the deals they had struck with local railroads to develop the needed transportation facilities, and fearful of competition from other efforts towards the same ends, decided to build their own railroad and dock facilities. To finance their enterprise, they offered \$1,600,000 in bonds for sale in New York. John D. Rockefeller bought \$350,000 worth. Within a year, the Merritts needed more money. Rockefeller agreed to put up \$500,000 if the Merritts would merge their railroad and mining stocks with Rockefeller's own. In 1893 they formed the Lake Superior Consolidated Iron Mining Company. The railroad was finished the same year, but the Merritts were once again in financial straits.

In 1894, they again appealed to Rockefeller, offering to sell 90,000 shares of their stock in Consolidated at \$10.00 a share. Rockefeller agreed but paid them off with bonds and stocks in two companies which the Merritts later claimed were near bankruptcy. They eventually sued Rockefeller for fraud. In the settlement, Rockefeller paid them a half a million dollars, just enough to pay off the Merritts' creditors. As far as Consolidated Iron Mines went, however, the Merritts were out and Rockefeller was in control.

The other important development in iron mining came when Pittsburg steelmaker Henry E. Oliver visited the Mesabi. He was struck by the possibilities of operating a mining company, not to make a profit, but to simply supply ore for his furnaces. He formed the Oliver Iron Mining Company in 1892 and took out a lease on the Missabe Mt. mine near Virginia. He agreed to buy 400,000 tons of ore a year at 65¢ a ton with an advance payment of \$75,000. The venture proved highly successful. In 1896, Oliver contracted with Lake Superior Consolidated Iron Mines. This time Oliver agreed to buy at least 1,200,000 tons of ore at 25¢ a ton with the ore to be shipped over Rockefeller's railroads and lake boats.

This transaction knocked the bottom out of the price of ore. Other mining companies, unable to compete with these massive investments of capital, sold out to Oliver.

But this was not the end of it. In 1901, Oliver Mining Company, Lake Superior Consolidated Iron Mines, and a third combination on the Range, Federal Steel, merged into U.S. Steel. With this merger, 41 mines, 1,000 miles of railroad, a lake fleet of 112 vessels and more than half the ore properties on the Mesabi came under control of U.S. Steel's holding company, the Oliver Mining Company.

The same ethics of big capital which created U.S. Steel set the standards for working and living conditions of miners all along the Mesabi.

Perhaps one of the most striking statements on the Finnish response to the life they found in the mines and mining towns is the fact that by 1920, over one half of the Finnish population had moved from the more "urban" areas of the Mesabi Range to farms and homesteads. Conditions there, as we shall see, played an important role in the origins of the Finnish cooperative movement. But before making their move to the country, the Finns had to make what they could of the miner's lot.

grants from southern Finland, who, in many cases, had taken part in the social and political movements resisting Czarist Russia's control of Finland at that time.

It was these immigrants who spread the principles of socialism among the Finnish American community. Speaking in temperance societies and later in "worker's halls", their message found a receptive audience among the Finns who descended daily into mines of U.S. Steel. Ostensibly created as



Bringing ore out of the drift. ca. 1905

What is impressive about these Finnish immigrants was their response to such a situation. They banded together and created institutions to meet their needs. At first, these institutions took the form of boarding houses, church groups and temperance societies. But the harsh economic realities of their lives soon spawned two other institutions: the Finnish Socialist Federation and cooperatives.

Finnish radicalism had its roots in immi-

a place to hold socialist meetings, the worker's halls served the much broader role of providing a total social and cultural environment.

Fred Torma provided interesting footnotes on the spread of socialism and the rise of worker's halls among the Finns:

"I invited the Tyomies (a Finnish Socialist weekly) editor John Valimaki to speak

at the Nashwauk temperance hall. But the temperance society was sponsored and controlled by the mining bosses. The hall itself stood on company property. The company found out about the speech and locked us out. In order to continue to hold dances and other activities at the hall we had to go and promise never to invite such speakers again... In Aurora we socialists were in the majority in the temperance society; we voted to invite speakers and hold meetings. Well, the same thing happened. The hall was locked the same day. I could see then that the workers' movement would get nowhere through the temperance halls and there were no socialist halls anywhere in the Iron Range at that time... I was young and enthusiastic so I suggested building a workers' hall..."

The merchants cut off credit to strikers. The strikers responded by organizing co-ops.

"In 1907, an all Finnish Festival was held in Hibbing. Martin Hendrickson was there collecting money for the Tyomies newspaper so he opened up an umbrella to one side of the Festival grounds and collected some \$300 in individual contributions... There were eight of us from Naswauk who had contributed. We returned home that night at 12 and went to work at 7 in the mine. Each and everyone of us eight that had given money were told we weren't needed at work anymore. We'd got on the blacklist."

In 1906, the Finnish Socialist Federation was organized in Hibbing, Minnesota, as a foreign language federation of the American

Socialist Party. In ten short years, the FSF grew into a nationwide organization comprised of three regional districts, each with its own locals and, by 1907, each with its own official newspaper. One estimate is that, at its height, the FSF could claim the sympathy of nearly a third of all Finnish Americans.

The FSF eventually split apart, at first over syndicalism and the IWW (Industrial Workers of the World, the "Wobblies," for years one of the largest and most militant unions in the country) and, later, over support for the Communist International. But the FSF left an indelible stamp on the Finnish immigrants. It served to radicalize a broad segment of the Finnish-American community, offering them the vision of a better life that the Oliver Mining Company did not. It was these same radical Finns who played a major role in developing a network of Finnish co-ops in the region.

It was a bitter lesson in labor struggles which first interested Finnish Socialists in co-ops. During a 1907 strike of Iron Range miners (see box), merchants in Hibbing and Biwabik became angered over the sudden slump in their business due to the strike. In hopes of pressuring miners back to work and thus improving business, the merchants cut off credit to strikers.

In effect, their action cut off supplies to the financially strapped miners. The strikers responded by organizing co-ops in Biwabik, Hibbing, and Eveleth. The local business establishment did all it could to cut off these co-ops at the wholesale level, but their attempts failed. The co-ops, however, did not last long. Set up as stop-gap measures in response to a crisis, they quickly folded when Oliver Mining Co. succeeded in breaking the strike. Short-lived though they were, these stores provided a vivid lesson for the socialists on the role cooperatives could play in the class struggle.

Consequently, socialist Finns took an active role in another realm of Finnish ad-



Minnesota mine workers, ca. 1910

justment to America, the trend toward establishing co-ops to meet common needs.

In 1903, thirteen Finnish farm families around Menahga, Minnesota, pooled what resources they could spare and invested \$170 towards the development of a cooperative store. The Cooperative Sampo of Menahga was soon followed in 1906 by similar undertakings in Clifford and Brantwood, Wisconsin. There was one common factor behind all of these early, rural co-ops: exploitation by local merchants.

In 1906, "roads were still bad and communication poor," began a history of the Farmer's Industrial Association of Clifford, Wisconsin, "so it was impossible for farmers to trade at farther points..." The isolation of the farmers made them dependent on the "excessive prices" of the local storekeeper. In Clifford, 16 Finnish farmers chipped in \$10 each to create an economic alternative.

Similar conditions led to the founding of

the Brantwood Supply Company. The Finnish homesteaders around Brantwood survived chiefly by cutting and selling the timber on their land. Local merchants had set up a deal whereby they agreed to market the homesteaders' lumber while at the same time sell the farmers necessary supplies on credit. Accounts were to be settled once a year.

To their surprise, the Finns around Brantwood often discovered during the annual accounting that their timber had been sold at less than the previously agreed upon price and that somehow it always turned out that they owed money to their local middleman. They decided the only solution was to establish their own cooperative.

So began the Finnish cooperative movement. A strike by copper miners in Michigan in 1914 and another strike on the Mesabi in 1917 led to the formation of still more co-ops.

In all, by 1917 sixty-five co-ops had

STRIKE!

Conditions in the mines were bound to lead to strikes. In 1907, that's exactly what happened.

Sporadic walkouts had occurred at various mines in the past. They had always ended the same way: the militia was called in to protect the rights of strikebreakers entering the mines. It didn't take long before miners recognized that more organized efforts were necessary.

In 1905, Bill Haywood, the secretary-treasurer of the Western Federation of Miners, received a request from a group of Finns to send WFM organizers to the Range. This he did, but WFM's organizing efforts proved unsuccessful until they sent in Teodoro Petriella. An immigrant himself, Petriella succeeded in organizing Range miners by recruiting immigrant leadership for the WFM locals. By the spring of 1907, Petriella had organized fourteen locals with 2,500 members.

In July, with organizing efforts still incomplete, events forced the union's hand. A dock workers' strike in Duluth threatened a work slowdown and layoffs all along the Mesabi. WFM leaders decided to act. On July 19, Petriella presented the miner's demands to Oliver officials: recognition of the union, an end to contract mining (whereby miners were paid only for the amount of ore they unearthed), a minimum wage of \$2.50 a day for open pit and \$3.00 a day for underground work, and an eight hour day. The Oliver responded immediately. It fired three hundred of the WFM's most active members.

The strike was immediately effective. Using the Finns' worker's halls as strike headquarters, the miners marched from mine to mine calling out, sometimes forcing out, fellow workers. In all, ten to sixteen thousand miners walked off their jobs.

At first, Oliver officials were content to wait out the miners. But when the Duluth strike was settled and ore was once again able to flow to the steel mills, they changed their minds. First, Oliver officials called on Governor John Johnson to send in the state militia to protect Oliver's strikebreakers. When the governor decided the militia wasn't necessary, Oliver officials, with the help of local businessmen, hired special deputies to keep the peace. Clashes between strikers and the special deputies became common.

What finally broke the strike, however, was the Oliver's ability to import hundreds of strikebreakers. Turning to labor agents on the east coast, Oliver officials found countless newly arrived immigrants who were ignorant of American labor struggles and more than willing to travel thousands of miles to find work. By mid-August, the arrival of whole trainloads of these unsuspecting scabs, primarily Montenegrins and Croations, became a common sight on the Mesabi. One labor agent alone supplied the Oliver with 1,100 strikebreakers in a single month. By September, the strike was effectively broken.

In all, breaking the strike cost the Olives \$254,949.53 in deputies and strikebreakers. The strike, however, proved to be more costly for others, particularly the Finns and the East European strikebreakers.

The Finns, who had played a leading role in the strikes, returned to the mines to find that they had been blacklisted en masse. Unable to find work, most of them were forced to make a go at homesteading in the cut-over lands left behind by the logging industry.

For the strikebreakers, their fate was even more bitter. Economic depression set in on the Range shortly after the strike. The Oliver decided to cut back on its labor force. The first to go were the inexperienced and consequently less productive Montenegrins and Croations. Hardest hit were the Montenegrins. Unable to find work, and in some cases, starving, most of them were gone from the Range by year's end.

sprung up in the three state region of northern Minnesota, Wisconsin and Michigan. They had been spawned by the Finn's plight in the more remote rural areas, by labor strikes, and by the support of the widespread radical element within the Finnish community.

These co-ops had a number of common characteristics. First, they were member controlled. Membership consisted of buying a share in the co-op. Members then elected a board; the board hired a manager for the co-op, as well as assisted in managing the store. But a serious lack of experienced managers also was characteristic of many of the early Finnish co-ops.

Also, for the most part, these co-ops were far flung and isolated from each other. There was no way either to build upon their common interests nor work out solutions to their common problems. But this changed early in 1917.

"The current war has provided the food speculators with a greater chance than ever before to profiteer at the expense of of both the producer and the consumer..."

began an open letter which circulated the Finnish co-ops of the North Country in 1917. The letter, drawn up by cooperators from Hancock and Iron River, Michigan, continued:

"We have noticed that prices drop when producers get ready to market their harvest...Why shouldn't we gather our purchases into one...We could buy

flour, or even grain, and mill it ourselves. We could buy soap, coffee and other merchandise direct..."

The letter ended with a call to meet in Superior in July, 1917.

Representatives from 19 co-ops came to the meeting. High on their list of concerns was the formation of a "joint buying circle" to secure Finnish favorites made scarce by the war: hardtack, toasts and heavy rye breads. \$15.50 was raised at the meeting as initial capital, and a young man, John Numiyuori, volunteered his services as manager.

Thus began the Cooperative Central Exchange. Perhaps more than any other organization of the immigrant Finns, the CCE would succeed in pulling together the diverse elements of the Finnish American community, both the moderates who saw their co-ops as a practical response to the local, exploitative storekeepers and the radicals who saw co-ops as a useful aid in class struggle.

Out of their common belief in the potential of cooperatives to bring about change, these Finns would begin to build the CCE into a multimillion dollar cooperative organization whose 50-year history would include confrontations with the Great Depression, a world war, the International Communist Party, and corporate capitalism. The story of the Cooperative Central Exchange is a history of cooperatives as a force for change.

PART II

Heart of a Movement



Warehouse workers at the Co-operative Central Exchange

"Ten years have past. From an insignificant beginning, a cooperative wholesale has grown up. The co-operative movement has become a living movement. The local co-operatives are not merely stores, but links in the working class movement."

The co-operative wholesale mentioned here is the Co-operative Central Exchange of Superior, Wisconsin. The co-operative

movement is that of Finnish-Americans in the first quarter of this century. The passage itself comes from the September 1927 Co-operative Pyramid Builder, English language organ of the CCE. The article continues:

"...The Co-operative Central Exchange has based its struggle to strengthen the co-operative movement on the fact that the co-operative movement is a working class movement...Workers and farmers..."

feel that their local societies, and their central organization as well, are their own institutions... This makes the movement a living movement deeply rooted in the every day struggles of the working masses."

There's more to this than mere rhetoric. In ten short years, the CCE grew from \$15.00 worth of pooled donations into a business with sales of more than a million dollars. That in itself suggests the CCE did indeed have substantial support. Further, this support, welded together out of widely dispersed elements in the Finnish co-operative movement, came together behind an organization with a decidedly political thrust.

In 1917, however, the CCE was little more than a notion in the minds of those who attended a meeting in Superior. At the time, though the sixty Finnish co-ops of the region could have benefited from a central organization, few were interested or willing to join one. Even though the call for the meeting to set up a "joint buying circle" was widely distributed and was carried in the Finnish periodical Pelta ja Kolti (Field and Home), representatives from only 19 co-operatives showed up.

Reasons for this less than broad based support are not hard to find. The Finnish co-operative societies were far-flung: from the upper Michigan peninsula to western Minnesota. This, combined with poor roads, has to be considered as one reason why few co-ops considered attending the meeting in Superior.

Another reason was simply apathy. Not all Finnish societies at the time recognized the benefits of a central organization. For the most part, these societies were fairly young in 1917. They had been started by farm families, miners, and timber workers. They pooled what money they had and often, as soon as they could afford it, hired a storekeeper to manage the co-op. They saw little else involved in cooperatives.

A third reason for CCE's humble beginnings needs to be recognized: friction among the Finnish immigrants themselves. Conservative and radical Finns had been heating it up between each other ever since the tides of socialism first began to sweep through the Finnish-American community. The friction boiled down to this: The more conservative Finns resented the "Red" stigma that had been pinned on all Finns. As they saw it, Finnish radicalism only served to keep the entire Finnish-American community further alienated from the American way of life they all were so acutely dependent upon. The radicals, on the other hand, saw this attitude of their compatriots as nothing less than a betrayal of the interests of working class Finns. This friction simmered over the years, occasionally flaring up traumatically. With the development of cooperatives, this friction merely spread into a new area of Finnish-American activity. Some cooperative societies were conservative, organized primarily for economic advantages; some were progressive, organized out of specific labor struggles; and still other co-ops re-

The CCE did not appear on the scene with broad support. Only a small segment saw a central organization as a useful ally in the struggles of working people.

presented an uneasy truce between the two factions.

For Finnish co-operators who wondered, in 1917, which faction this new organization supported, the answer was not hard to surmise. For one, the meeting was strongly promoted by Pelta ja Kolti. Pelta ja Kolti was put out by the Tyomies Publishing Society. The society's weekly, Tyomies



The Red Star Chorus with twin pines symbol.

(Worker) had for some years served as one of the official organs of the Finnish Socialist Federation. Through Pelta ja Kolti, the Tyomies Society regularly promoted the development of co-operatives as an aide to workers in the class struggle. Further, the Exchange's first office was located in the Tyomies building in Superior.

In short, the new organization clearly bore the stamp of the radical element in the Finnish-American community. For conservative co-ops, that was reason enough

to stay away.

For a variety of reasons, then, the Co-operative Central Exchange did not appear on the scene with broad support already in existence. At best, it came from a small segment of the then dispersed cooperative movement who saw in a central organization the potential to strengthen the Finnish cooperative movement and make it a useful ally in the struggles of working people. The task in 1917 was to build support for the new organization.

The economic crisis of 1920-22 provides a good vantage point from which to see how the CCE managed to build that support.

Throughout the war years, the American economy was characterized by both scarcity and inflation. Although these conditions made it difficult for the CCE to establish itself, for the cooperative movement as a whole, the state of the economy had its benefits. Inflation had made the advantages of cooperatives all the more obvious, stimulating the formation of a number of new societies. Furthermore, for established co-ops, high prices made possible the accumulation of surpluses, often in the form of large inventories.

People at the CCE, however, were aware of hazards in the situation. With the close of WWI, scarcity would no longer be a dominating factor in the market. Inflated prices were due for an adjustment.

"A board member suggested that a warning be issued to all CCE affiliates," wrote V.S. Alanne several years later. In 1920, Alanne was the CCE's first director of a new education department at the Exchange and thus was intimately involved in the gathering crisis.

Alanne, at the board's direction, sent out a letter. A general drop in prices is to be expected presently. Reduce your stocks as quickly as possible. Buy goods in small quantities only.

"Sad to say," Alanne later wrote, "many managers paid no heed to the warning but drifted blindly toward disaster..."

By mid-1920, prices suddenly began to tumble. In desperation, numerous affiliated and unaffiliated co-ops turned to the CCE for help and advice. When someone from the Exchange arrived on the scene, they found that all of these co-ops had

a common problem. The deflation had served only to bring long term mismanagement to a crisis,

At the Wright, Minnesota, co-op, for instance, Alanne found that local farmers who had organized the store in 1919 had hired a former storekeeper to manage the co-op. By 1921, he had "managed" to lose all of the store's capitalized stock and put the store \$4000 in the hole. By 1921, the CCE's response to a situation such as the one in Wright had become routine. It sent in a "troubleshooter" to straighten out the co-op's books and help the farmers understand the causes of their predicament. With the CCE's help, they were able to strike a bargain with creditors and find a more competent manager. In return, the co-op joined the Exchange.

The example of the Wright co-op was often repeated throughout the deflation period. In some instances, such as at Kettle River and New York Mills co-ops, the economic crisis and the CCE's ability

Throughout the war years, inflation made the advantages of cooperatives all the more obvious, while deflation brought long term mismanagement to a crisis.

to help brought on fundamental changes in control. Conservative board members opposed to CCE's programs and politics were swept out of office and replaced by progressive, pro-CCE majorities.

In short, a large degree of the CCE's support was built upon its ability to be a very real asset in the struggles for survival of the local co-ops.

By 1926, the Exchange had gone a long way toward realizing the goals of those 19 people who had gathered in Superior almost a decade earlier. By that year, the CCE had grown to 74 members with a net sales of over one million dollars. It owned and staffed its own warehousing and baking facilities. It operated testing kitchens to insure the quality of the products it distributed. It had also developed a wide ranging inventory which included its own "Red Star" label of goods. (See box.) These distribution operations were further augmented by two other departments: auditing and education.

The Auditing Department developed a simple, efficient bookkeeping system which did much to bring order to the chronically chaotic financial records of many co-ops. The department also provided badly needed auditing services to member societies.

The Education Department was in all respects a "well-oiled propaganda machine." It conducted annual cooperative training courses which taught basic management skills as well as an appreciation for close cooperation between local stores and the CCE. These courses, begun in 1918, became a reliable supply of managers for the entire Finnish co-operative movement.

The Education Department also put out a propaganda and information monthly, the Co-operative Pyramid Builder. The Builder, published in English, was designed specifically to reach out beyond the confines of the Finnish-American community. It contained timely articles ranging from the immediate concerns of the co-ops to features on the growing labor and cooperative movements, both in the U.S. and abroad.

The department also organized a theatrical troupe. The troupe, featuring the Red Star Chorus (see box), toured the co-ops putting on plays which, through song, dance, and vaudeville, underscored the advantages of worker solidarity and a central cooperative organization.

Your Own Coffee-



IN YOUR OWN STORE!
THE FINEST COFFEE YOU CAN BUY
IS THE
"CO-OPERATORS' BEST"

**RED STAR
COFFEE**

By the 1920's, with the words "cooperator", "communist" and "Finn" having become practically synonymous in northern Minnesota, the CCE began to run into a few problems: some Duluth suppliers refused to sell to the Exchange.

As a result, the CCE was forced to go outside of their area -- often to the producers themselves -- in order to acquire goods. They soon found that, in many cases, their sources of supply were comparable in quality but less well known than nationally advertised brands. To rectify the anonymity of their goods, the Exchange developed its "Cooperator's Own Red Star" label.

To outsiders, particularly conservative Finns, the label was held in contempt. "Co-op label means slap on the table," went one local saying. But to loyal cooperators, the Red Star label was a symbol, not only of their achievements but of the real potential of their movement in creating a cooperative commonwealth for all working people.

But economic and organizational success, as already mentioned, were not the only motivating factors at work within the Exchange. Many at the CCE saw their work as an effort to develop cooperatives in solidarity with the labor movement. In this area, two developments -- the growth of communist sympathies within the Exchange and debate over the question of political neutrality -- were to be of fundamental importance.

The growth of communist influence at the Exchange actually reflected a shift in the direction of the broader Finnish-American radical community. Up until 1920, the Finnish Socialist Federation had served as the principal political organization and ideological forum for radical Finns. But repeated setbacks for the labor movement in the U.S., and the successful Bolshevik takeover in Russia in 1917 combined to steer many Finnish-American radicals out of socialism toward communism.

In 1920, the FSF voted to withdraw from the American Socialist Party and establish itself as an unaffiliated Finnish Federation. This new federation had strong sympathies for Lenin's Third International, the Comintern. From that point on, ties between Finnish-American radicals and the Comintern increased.

In 1922, the Worker's Party of America (WPA) was organized as a united front effort which the Comintern hoped would bring the then illegal communist parties of the U.S. into closer contact with other left groups.

The new party seemed made to order for the Finns. Ten years of affiliation with the American Socialist Party (ASP) had developed among radical Finns a distinct appetite for involvement in broadly based political parties. The Finns soon made up 6,000 of the WPA's 15,000 members. But the Finns didn't stop there. In the same way that their Finnish Federation had once been a foreign language federation of the ASP, the Finns now voted to make it a foreign language affiliate of the WPA. This arrangement

meant that many more Finns could participate in party activities without being actual party members.

But the WPA proved to be something quite different than the American Socialist Party. Where the ASP had relied on an extensive structure of district and national conventions in its decision making, the WPA relied on the directives of the Comintern.

In 1925, the Comintern instituted a program designed to eradicate all "vestiges of socialist organization" and bring communist parties around the world into uniformity with democratic centralist principals. Known as Bolshevization, the program called for the

Two developments — the growth of communist sympathies within the Exchange and debate over the question of political neutrality — were of fundamental importance.

abolishment of all communist clubs and organizations (e.g., foreign language federations) affiliated with the Party. In their place, "fractions" or cells were to be formed at the workplace and in the neighborhood. The fractions, under the direction of a hierarchy which extended all the way to the Comintern itself, were to "spread the influence of the Party in non-Party spheres."

Bolshevization did not sit well with the Finns. What to the Comintern were "vestiges of socialist organization" were to the Finns their worker's halls, their theatres, their newspapers, their cooperatives and the rich associative life that went along with them. These were the very institutions that had

served as life rafts for thousands of Finnish-Americans in their seemingly hostile new world.

Bolshevization, then, was viewed as a threat by many of the Finns, and at first they opposed it. But their opposition brought stiff pressure from the WPA and the Comintern. When reorganization seemed inevitable, some Finns began to draw up alternative plans.

“Cooperation is not a class movement. It is based on the interests of all people. It does not recognize class nor set one class against another.”

In the fall of 1925, the Finns voted to dissolve their Finnish Worker's Federation and thus bowed to Party pressures for reorganization. But few federation members went on to join the WPA. Instead, they simply voted to form their halls and clubs into a new, unaffiliated federation officially outside the bounds of further Party directives. It's important to note, however, that the Finns chose not to break completely from the Party. On the contrary, the more dedicated communists among them did form fractions within the new federation and, in effect, kept it operating right along party lines.

The CCE mirrored these developments within the radical community. By 1925, most of the employees and staff at the Exchange were either members of the WPA or strongly in sympathy with its aims. The CCE also showed the effects of Bolshevization. A fraction committee responsible for CCE affairs was formed, composed of those who were already in virtual control of the Exchange.

In short, many Finnish-American radicals, from the workers' hall to the CCE board room, put themselves in the position of having loyalties to two movements, the cooperative and the communist. Both movements had a common goal, the advancement of the interests of working people. But events would soon bring the two movements and the Finnish radicals themselves into sharp conflict.

That same conflict was also brewing on another front.

“The question of the day in the cooperative movement is not communism or non-communism. The question is, shall the cooperative movement be a working class movement to help the workers and the farmers to fight against the exploitation and robbery or the present profit system, or shall it decay into a meaningless, powerless and selfish business affair.”

So wrote George Halonen in the February 1928 issue of the Co-operative Pyramid Builder. Halonen wasn't being melodramatic. Debate over that question had been steadily heating up during the previous three years.

In 1925, V.S. Alanne resigned his position as educational director of the CCE. During his five years with the CCE, Alanne had come to regard cooperatives as a sphere of activity capable of building a new economic order based on democracy, economy, equality, and unity. He left the Exchange to take up cooperative work elsewhere because he felt the strong class stand at the CCE, as well as a pervasive clannishness among Finnish cooperatives, were obstacles to the development of the movement. But Alanne could not find a way around these obstacles simply by leaving the Exchange.

In November 1926, the Fifth Cooperative Congress (made up of co-ops from across the U.S.) met in Minneapolis and, strongly influenced by CCE representatives, adopted

a resolution to the effect that the cooperative movement was a part of the broader labor movement.

To Alanne, this was an ominous threat to the entire movement. He feared that the Congress was being dominated "by elements which have not become sufficiently Americanized... to grasp the peculiar requirements of an American movement." He warned that anything less than political neutrality would cause a severe split in the diverse elements of the movement, alienate as yet unaffiliated cooperatives from the Congress, and leave the movement vulnerable to attacks from conservative and reactionary quarters.

The resolution was particularly galling to J.P. Warbasse, president of the Congress. Warbasse was a philanthropist whose efforts

money had played a major role in getting Congress off the ground. Where Alanne's class distinctions were an obstacle, Warbasse saw them as foolishness.

Warbasse wrote,

"There is only one class struggle. This struggle consists in the struggle of the workers to get into the capitalist class and the struggle of the capitalists to keep out of the working class... Cooperation is not a class movement. It is based on the interests of all people. It does not recognize class nor set one class against another."

With the lines drawn, the differences began to sharpen throughout the '20's. George Halonen, who succeeded Alanne as education director, attacked the notion that a classless, consumer-based cooperative



Graduates of the first CCW co-op management training session, 1918.

movement could bring about any significant changes in the profit system. Certain segments of consumers, he argued,

are getting all the benefits under the present system and will fight every movement that sets as its purpose the changing of the present system..."

Consumer cooperation, said Halanen, is an attempt

to mislead the working class cooperators with a most fallacious political doctrine."

Alanne also came more to the point:

"These cooperators want to tie up our young movement of cooperative enterprises closely with the destinies of the political working class movement...As cooperators they are ready to accept the intellectual hegemony of a certain political working class party, which means...they are willing to take dictation in the cooperative work..."

By 1928, the debate struck closer to home

for the CCE. At co-ops in Taimi and Menahga, Minnesota, conflicts broke out. Some members were flatly opposed to their store's affiliation with the CCE and its radical positions. When these members failed to obtain decisive majorities in their societies, they initiated legal action, claiming their stores were not adhering to basic cooperative principles.

As the decade drew to a close, the Co-operative Central Exchange and the Finnish cooperative movement as a whole could well be proud of their accomplishments. Their efforts were also gaining them respect in their communities and in the larger American cooperative movement.

With the dawn of the '30's and capitalism's slide into the Great Depression, their economic and organizational achievements seemed only to hint at the real potential that lay in their movement. But the issue of political direction was still hotly contested. Ironically, the factors which would finally tip the balance and turn the debate into near warfare were not to come from Superior or Minnesota at all...

PART III

A Movement in Crisis

The CCE, though it had grown by leaps and bounds over the past ten years, faced growing internal dissension over its future direction, particularly its political direction.

On July 25, 1929, the following letter was sent from the Secretariat of the Worker's (Communist) Party of America (WPA) to its Fraction Committee in charge of Party affairs at the Co-operative Central Exchange (CCE) in Superior, Wisconsin:

"Dear Comrades:

The Party is confronted with the most serious financial crisis it ever faced in its life. Only with the combined efforts of all of the Party members and of all of the organizations connected with the Party, will it be possible to overcome this crisis..."

The letter went on to direct the Fraction to secure a \$5,000 loan for the Party from the Exchange. The letter concluded:

"The need for this money is so great that we can hope to get out of the present difficulties only if we take for granted that immediately upon receipt of this letter you will carry out this decision."

On the whole, the granting of such requests was not unusual at the Exchange. The CCE sat at the hub of a cooperative distribution network which had a clear allegiance to the Left politics of its day. A resolution passed at the 1928 CCE annual meeting declared the cooperative movement to be a part of the larger labor movement and thus could not be neutral in the class struggle. On this basis, the CCE Board made regular, generous donations to a variety of political causes.

The likelihood of the Party getting its requested loan was heightened by another factor. The CCE Executive Committee and Board of Directors included the Party's own Fraction Committee as well as some of the key leaders of Finnish-American communism, including George Halonen, CCE Educational Director; Eskel Ronn, CCE general manager; Matti Tenhunen, manager of the Finnish language communist paper Tyomies, and Jack Vainionpaa, also of Tyomies.

But the source and timing of the request

made it a particularly loaded issue. It came at a crucial moment, both for the CCE as a whole and for Finnish-American communists as well.

For its part, the CCE, though it had grown by leaps and bounds over the past ten years, faced growing internal dissension over its future direction, particularly its political direction.

The Finnish-American communists at the CCE began to doubt the leadership of their political party, the WPA.

Finnish-American communists, on the other hand, while consistently arguing for a working class allegiance at the Exchange, were confronted by another problem in their own ranks. How were they to relate to a political party, the WPA, which had become increasingly demanding and directive?

Given the conflicting forces at work within the Exchange, it's not surprising that the Party's letter touched off a series of events which became a major turning point in the development of the CCE. Like any controversy, the facts surrounding events in Superior in 1929-30 are awash in controversy. Over the years, all sides have created their own versions of the conflict.

What follows is my own interpretation of those events, based largely on an account to be found in a PhD dissertation, For the Common Good: Finnish Radicalism in the Western Great Lakes Region, by Mike Karni.

Karni's account is the most detailed and balanced accounting of the "struggle on the cooperative front" that I have seen. It is based on documents from a variety of sources

not readily available, including minutes of CCE Executive Committee and Board meetings, Finnish newspapers, (particularly Tyomies), interviews, and unpublished manuscripts written by those involved.

No one really knows what went through the minds of those on the Fraction committee when they received the Party's letter. But it took them four long days to respond to the Party's urgent request. Whatever went on in those four days, no doubt it intensified all of the ambivalence which Finnish-American communists felt toward the WPA.

As already mentioned, "Bolshevization" had done much to sour relations between Finnish-American communists and the Party. Because the Finns had balked at the reorganization, the Party cast a suspicious eye on the Finns' Party loyalty. Several of the Finns, on the other hand, had seriously begun to doubt the political wisdom of the WPA.

All of this was aggravated in 1928, following a general leftward shift in Communist policy throughout the world. This shift originated in Moscow as Stalin took increasingly extremist positions on issues within the Russian Communist Party in an effort to isolate and undermine the position of his closest rival, Nikolai Bukharin.

This struggle eventually spilled over into the Communist International (Comintern). Since 1926, Bukharin had held sway in the formulation of Comintern policy. The result had been an effort on the part of Communist Parties around the world to build united fronts with other left groups in trade unions and cooperatives.

Beginning in 1928, however, Stalin began to undermine these policies and with them the power of Bukharin, their principle architect. Stalin claimed that world capitalism had entered its third period of post World War I development, a period which would be marked by crises and upheavals of revolutionary proportions. The Third



The Management Committee in session
 left to right: Ivan Lanto; Peter Kokkonen; Henry Koski, secretary;
 Oscar Corgan, president; Matti Tenhunen; Eskel Rohn; George Halonen.

Period, according to Stalin, demanded appropriate tactics. First, Communist Parties should prepare to seize the revolutionary potential of the period by refusing to collaborate with social democrats, previously the Communists' principal ally in united fronts. Secondly, Communists should destroy reformist tendencies in the working class by attacking social democratic parties. Finally, Communist Parties should gird themselves for the coming revolutionary struggles by purging their ranks of "right deviationists" who, under the circumstances, were the main danger from within.

It was this "Third Period" line which found increasing expression in the Comintern and thus in the actions of Communist Parties around the world.

In 1929, the whole phenomena of the Stalin-Bukharin rift and Stalin's rise to pre-eminence in the Communist world struck closer to home for American Communists.

Judged by the Comintern to be out of line with Third Period policies, the WPA leadership was abruptly summoned to Mos-

now to answer to a special commission set up to solve the "American question." Stalin's solution was to strip Jay Lovestone, who had once had ties with Bukharin, of his leadership position and to elevate Max Bedacht and William Z. Foster in his stead. Bedacht and Foster returned home to begin instituting Third Period policies in the WPA.

For Finnish-American communists in Superior, such developments posed real problems. As Karni points out, Third period policies clearly threatened the coalitional basis of their most promising work—the co-ops. The sour relationship between the WPA and Finnish-Americans in Superior grew worse.

"As a *Tyomies* employee at that time, I listened to the discussions of editors and other seniors as they made up their minds on the Third Period policies of the Party, weighing their doubts against Party discipline,"

wrote Erick Kendall recently.

Throughout the '40's, Kendall served as editor of the *Co-operative Builder*. But in 1929, he worked in the circulation department of the *Tyomies*, near the epicenter of an impending political upheaval in the Finnish-American community.

"Loyalties and affiliations swung back and forth, usually depending on the person's own fortitude and job fears when it came to confronting the formidable power of the Party."

It was into this growing ambivalence and confusion that the Party's letter arrived. Fraction committee members had to come to a decision on how to proceed.

On July 29, the Party received the following wire:

"Impossible to loan money. Have no funds. Are borrowing ourselves. Halonen."

No one will ever know what played the decisive role in the Fraction's reply. Was it really a lack of funds or a growing rift with the Party which tipped the balance?

Stalin demanded that Communist Parties refuse to collaborate with social democrats. It must have been clear to the CCE that this policy would destroy the coalition basis upon which the movement was founded.

Apparently the Party itself didn't know. Technically, the Fraction's reply was a breach of Party discipline, but the Party chose not to assume the worst. Two weeks after the Fraction's initial response, the Party sent another directive to their CCE Fraction. In a letter signed by Henry Puro, highest ranking Finn in the WPA, the Party again asked for money, this time a donation of \$1,000, with \$500 to be raised by the Exchange and the other \$500 to be raised from local co-ops "who have our own people on the boards." Puro made it clear that the Party now expected the CCE and central states co-operatives to "increasingly finance the Party and its institutions."

After some delay the Fraction responded with a \$250 contribution, half of what was asked of the Exchange. Affiliate co-ops had not even been contacted. In fact, according

to Kami, up until this time, no mention of the requests for money appears in the minutes of any CCE Executive Committee or Board meetings. So far, the Fraction had kept the matter an intra-party affair.

For its part, the Party must have decided it was time to deal with its errant Fraction in no uncertain terms. Robert Minor, a high party functionary, was dispatched to Superior as the Party's personal representative. Minor, like the Party, was in no mood to equivocate.

The Party, he told the Fraction, now wanted from the Exchange a regular stipend of 1% of its gross annual sales. (In 1929 sales were \$1,755,627; 1% equalled \$17,556). Payments, he said, could be hidden from non-party co-operators by disguising them as legal fees to a non-existent New York lawyer.

Furthermore, Minor put the Fraction on notice that the remaining \$750 was still due

By now, both the Fraction and the Party must have realized the situation had grown serious. By deferring a final decision to the CCE Board and ultimately to member societies, the Fraction had not only sent the Party's personal representative home empty handed; they had made it clear they were willing to put the question before the entire Finnish co-operative movement.

Still the Party resisted regarding the matter as open defiance of Party authority. Late in August, Max Bedacht, head of the WPA, wired Halonen that all Party members were instructed to support "with persuasive methods Minor's proposals" at the upcoming CCE Board meeting. The Party's tolerance to this point has to be regarded as an indication of how badly they needed the financial support of the Finnish Cooperative Movement.

At the end of August, the Board of the CCE, the majority of which were WPA members,

RED STAR

on the Party's donation request. Lastly, he informed the Fraction that the Party wanted a CCE field representative, Walter Harju, relieved of his current responsibilities but kept on the CCE payroll as a Party organizer.

Apparently the CCE Fraction had become equally hard nosed about its position. Led by George Halonen, the Fraction told Minor that only the full Board of Directors could make such a momentous decision and, at that, only with the consent of the CCE annual meeting.

met and turned down the Party's proposals.

The situation had reached the point of no return. The Party summoned Halonen to New York to "liquidate Superior problem." When Halonen did not appear, the Party officially expelled him. It also urged the CCE Board to fire him as Educational Director and hire Walter Harju in his place.

When the CCE Board refused, the Party enlisted the support of the Finnish language

Without its leadership, the party warned, the cooperative movement will "drift into absorption by the capitalist system or into destruction in competition with it."

paper Tyomies. In an editorial the day after the Board's decision, Tyomies declared that the Party's Third Period move against the Right extended into the cooperative movement as well.

Referring to the 1928 resolution of the CCE annual meetings, the editorial went on to declare that simply being a part of the general labor movement was no longer enough. Conditions of the Third Period necessitated that Tyomies readers get behind the effort of communists to bring all mass organizations under closer direction of the Party. The editorial also called for stronger discipline in the fraction system.

Two days later, Tyomies began what would become almost daily attacks on Halonen as an arch right-winger and chief danger of the cooperative movement.

The Party also sent in a special Party organizer, Karl Reeve, to head a commission whose main purpose was to orchestrate efforts to oust Halonen from the CCE.

The main thrust of the campaign was that "Halonen and Co." were guilty of treachery of the worst kind. Instead of educating "the working masses in the cooperative movement" of particular demands of the Third Period -- namely bringing the cooperative movement under closer direction of the Party -- Halonen and Co. were trying to cause a breach between the Party and the movement. Without its leadership, the Party warned, the cooperative movement will "drift into absorp-

tion by the capitalist system or into destruction in competition with it." In short, the cooperative movement had two choices: "the authority of Halonen and his supporters or the authority of the Comintern, the leader of the revolutionary working class..."

From the outset, it was the CCE Board which took on the official task of countering the Party's charges, saying that the issue at stake was not one of personalities or "the opinions of this or that group" but rather a question of control of the Exchange. Ever



careful to stress that the Exchange had always aligned itself with the working class struggle, the Board took the position that it was essential for cooperatives to remain neutral to the various factions within the broader working class movement. Attacks such as the Party's, the Board charged, threatened to reduce the CCE into a meaningless sectarian movement by destroying the democratic mass character of the organization. In short, the Board charged, the Party was threatening the unity of the cooperative movement.

From November of '29 through the early months of 1930, the Board and the Party took their cases to the Finnish cooperators. From the very beginning, the Party not only failed to make headway, it began to lose ground. In late '29, annual regional cooperative meetings came out solidly behind the CCE Board.

By the end of the year, several chapters of the Communist-led Finnish Worker's Federation came out with endorsements of the Board's position in the controversy. For the

Party, the situation was quickly changing from one of bringing the Exchange under "closer direction" to simply maintaining discipline within its own ranks.

Convening special "Peoples Tribunals", Reeve offered renegade Party members the opportunity to confess and repent. When few chose that option, Reeve found himself in the self-defeating position of summarily expelling entire chapters of the Workers Federation. Youth and women's auxiliaries were decimated as well. Hundreds of individuals were purged.

For the Party, there was tragic irony to their position. Everywhere they turned, evidence of the correctness of Stalin's Third Period analysis abounded. In late 1929, stock markets around the world were crashing in chaos. The economic fortunes of workers and farmers were growing grim.

But Stalin's corresponding tactics of attacking social democratic "fascists" and



The delegates to the all-important April, 1930, Annual Meeting of the CCE

purging "right deviationists" within the Party were increasingly isolating the Party and those of its members who continued to be loyal.

As the April Annual Meeting of the Exchange drew near, the conflict headed into near frenzy. Both sides knew what was necessary — obtaining a decisive majority of delegates at the meeting. Consequently, the conflict, which had once been limited to Superior, soon radiated into cooperatives and workers halls throughout the region.

It was in this period that friendships and families broke apart over the controversy. Speakers were heckled. Fist fights broke out. Clandestine transfers of stock took place on both sides in efforts to garner voting majorities in local co-ops.

Meanwhile events took a new turn within the Party. Matti Tenhunen, Fraction and Board member, was summoned to Moscow to explain the Fraction's side in the controversy. Tenhunen had long been involved in both the Communist and cooperative movements among Finnish-Americans. He had believed all along that a rift between the Party and Finnish co-ops could be averted. Once in Moscow, however, Tenhunen suddenly sided with the Party. In the first of what would become a barrage of cables to Superior from the Comintern, Tenhunen urged Finns to rally round the Party.

Finally, the day of the annual meeting arrived. According to Kami, only official delegates with credentials thoroughly checked could enter the Worker's Hall on Tower Avenue in Superior. Fraternal organization delegates had to apply formally to the Rules Committee for permission to enter the building. Husky young Finns were posted around the walls as sergeants at arms.

The meeting opened on April 21 with "greetings" from "fraternal organizations" read to the delegates.

Among the greetings were cables from the Comintern and the Communist Party of Finland

(in exile) attacking "Halonen and...urging Finnish cooperators not to let the entire movement go down the drain for the sake of one man."

Next on the agenda came the annual reports of auditor, manager and educational director.

The Left Wing Committee, organized by the Party for the meeting, spent nearly two days tearing into the reports, particularly Halonen's, charging that the actions of Ronn and Halonen were driving the CCE in the direction of the bourgeoisie.

The main issue didn't come up until the third and last day of the meeting.

A motion was made from the Left Wing Committee that Halonen and Ronn be fired. It was ruled out of order. Only the Board of Directors could hire or fire.

Following this came a motion that Tenhunen, Corgan, and Vianionpaa—three board members who had at the last moment switched their support to the Party—be removed from the Board for advocating a boycott of the CCE.

After long debate the question was called: 167 in favor of their ouster; 89 opposed.

Two other motions were offered and passed in quick succession. One was a motion approving the actions of the Board and staff over the previous year. The other was a motion that a wire be sent to the Comintern, thanking them for their greeting to the annual meeting and informing them of the meeting's decisions.

The Party had lost, soundly -- defeated by its own inflexible and unrealistic demands.

But more importantly, the CCE's divorce from the WPA would have a profound impact on the political character of the CCE, rocking the very underpinnings which had guided much of the CCE's development.

PART IV

A Movement “Americanized”

The Finns found themselves confronted by Americans very much in need of the advantages of co-op organizations.

"The collapse of the profit system, which every cooperator has always known must come, has finally arrived,"

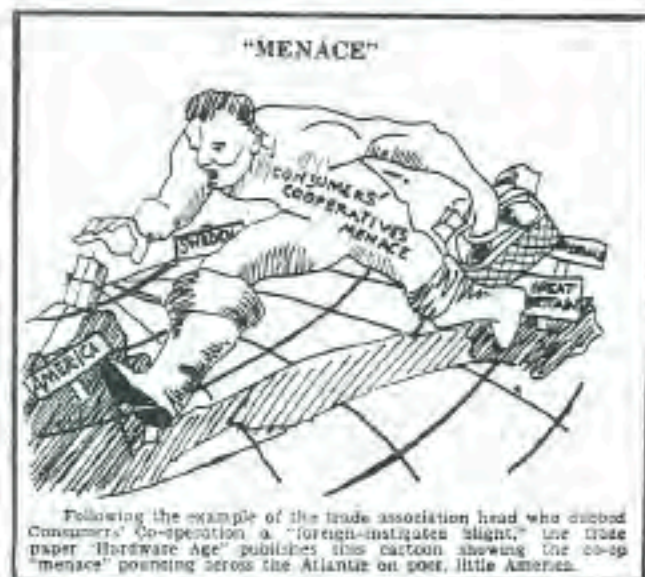
began an editorial in the Co-operative Builder, official English language organ of the Co-operative Central Exchange (CCE),

"...and in arriving, it has provided us with a great opportunity."

The year was 1932, and indeed it must have appeared to Finnish-American cooperators of the CCE that they were on the verge of great opportunities. With economic chaos gripping the entire nation and major financial and government institutions doing little to help, the Finns found themselves in the very position they had been building towards for years. With fifteen years of experience behind them in developing and maintaining a cooperative network of their own in relative isolation, they found themselves confronted by Americans very much in need of the advantages of cooperative organization. Further, the recent break with the Workers'

Party of America (WPA) had served to resolve key questions concerning the fundamental purposes of the Exchange,

As a result, a new consensus had emerged within the CCE which would provide a definite direction for the future.



From the Co-operative Builder, 1936
(redrawn: L.F.)

The Builder editorial concluded,

"Never before has there been such fertile ground for propagating the seeds of cooperation."

By 1932, the CCE had made an important transition. It had broken all ties, ideological as well as organizational, with the WPA. During the factional fight, the CCE had argued that the cooperative movement must remain neutral to various factions within the working class. This move toward "neutrality", however, took on quite different connotations following the 1930 annual meeting. This was because, although the WPA was rejected by CCE co-operators, it didn't simply go away. Rather, it set up a competing wholesale, the Worker's and Farmer's Unity Alliance. The Alliance remained a persistent thorn in the side of the CCE throughout the early 1930's.

This ongoing struggle with the WPA underscored the need within the Exchange to make a distinction between cooperative and communist activity. Increasingly, that distinction was found through viewing coopera-

The CCE was left with an ideology where the enemy was no longer the bosses, the weapon was no longer the strike, the goal was no longer revolution.

tive development as a progressive movement in its own right. Initial steps taken in this regard, though superficial at first, gradually gathered momentum.

For example, immediately following the

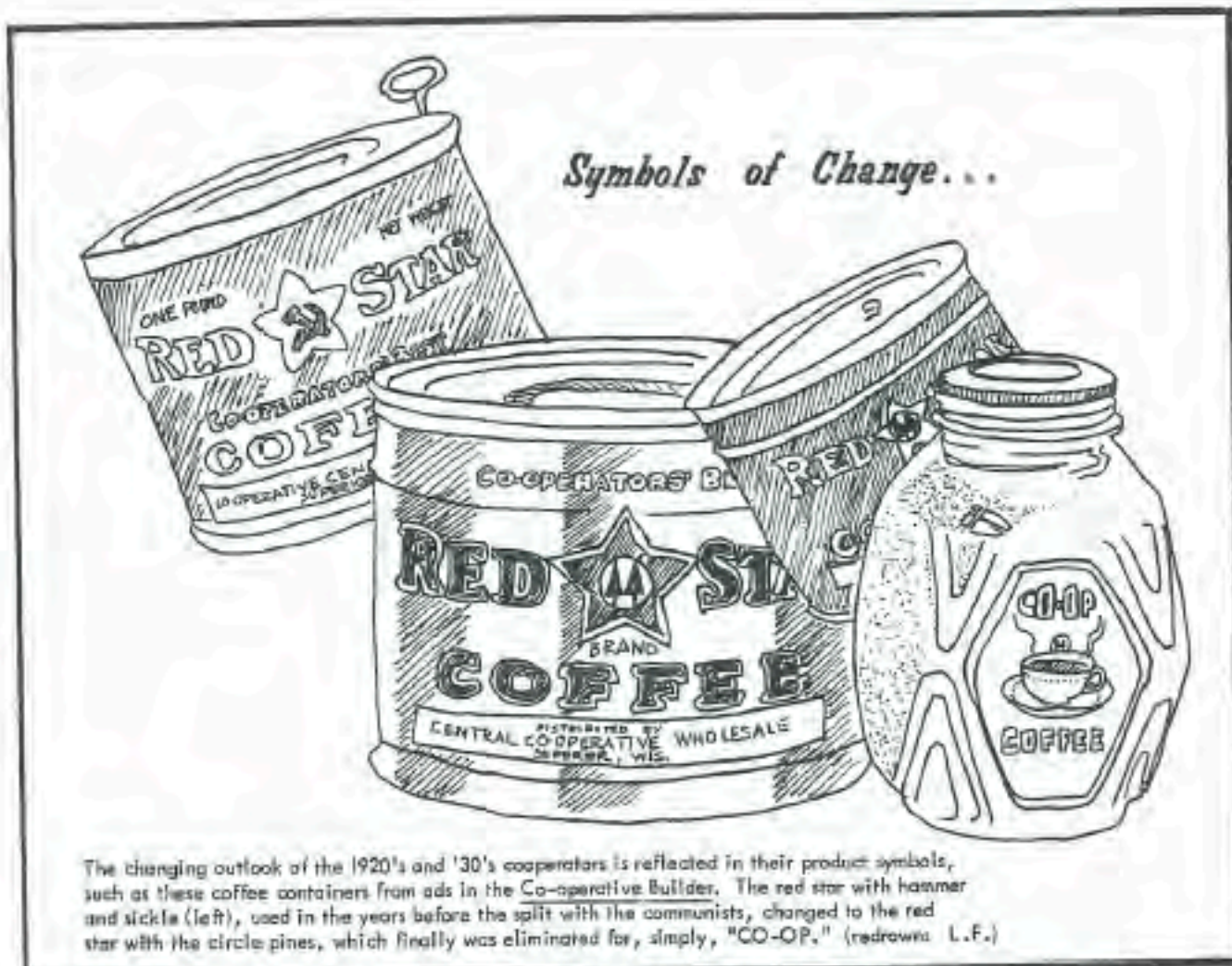
climactic 1930 annual meeting, steps were taken to remove the hammer and sickle from the CCE's Red Star label and replace it with the circle pines emblem of American cooperativism. Soon, the Red Star was gone as well, with the simple word "Co-op" appearing on the label in its stead. With a new label came a new name. At the 1932 meeting, it was voted to change the name of the CCE to Central Co-operative Wholesale (CCW).

More fundamental changes revealed themselves through the pages of the Co-operative Builder. The views of both V.S. Alanne and J.P. Warbasse, who had previously come in for scathing attacks within the pages of the Builder, were now given extensive and cordial exposure.

Rather than co-ops as auxiliaries of the class struggle, these men promoted co-ops as part of a broad consumers movement, based on the common interest of all people as consumers and aimed at replacing the profit system with a system based on satisfying needs. In "Cooperatism as a Philosophy of Consumers Co-operation," a 1935 Builder article by Alanne, he elaborated: "Co-operation does not acknowledge labor as the only creator of wealth." Alanne contended that, actually, nothing has any value until it is the object of consumer demand. Asserting that the "creators of value" deserved the right to "economic leadership of society," Alanne held that society should be controlled and operated in the interests of the consumer.

Therefore, Alanne concluded, cooperation is not a proletarian movement operated in the interests of the working class, but rather it is a consumers movement, operated by and for consumers. In effect, Alanne was relegating interests along class lines to no more nor less than factional interests to be subordinated to the broader consumers' movement.

What all of this actually reveals is the profound impact of the '29-30 struggle on the



The changing outlook of the 1920's and '30's cooperators is reflected in their product symbols, such as these coffee containers from ads in the *Co-operative Builder*. The red star with hammer and sickle (left), used in the years before the split with the communists, changed to the red star with the circle and pine, which finally was eliminated for, simply, "CO-OP." (redrawn L.F.)

development of CCW co-ops. Not only was the CCW increasingly neutral toward organizations not directly involved in cooperative development, but it increasingly divorced itself from the class outlook which had guided its development for nearly 15 years. In its stead was an ideology where the enemy was no longer the bosses but rather price gougers and profit taking middlemen; where the weapon was no longer the strike but rather quality controlled merchandise and a trade rebate; and where the goal was no longer revolution but rather consumer control of the economy.

The CCW's increasing consumer orientation naturally determined where the Wholesale would seek to cultivate its allies -- namely, among the broadest possible base of consumers as well as among the larger American consumers' cooperative movement. But

alliances in both these areas would in their own ways affect the direction of the CCW.

For instance, attracting a broader range of consumers into CCW co-ops called for a major drive at the CCE to, in the words of Erick Kendall, "gradually break out of the confining shell and image of Finnish ethnicism."

Kendall is a good source on the matter. Working as assistant editor of the *co-op Builder* at the time, he was part of the "second generation" of CCW functionaries who, having grown up in the milieu of the Finnish co-ops, were, by the '30's, gradually assuming the reins of responsibility from the CCW's "founders." Kendall wrote,

"It was a major drive to rid us of the 'Finn co-op' image so as to make (the

co-ops) more inviting to other Americans."

Like earlier changes which had taken place at the CCW, the initial steps were seemingly superficial. For example, in 1932, the Builder was expanded into a tabloid format in the style of American journalism. First as a bi-weekly and then as a weekly, the Builder regularly presented cooperative news, propaganda and advertising, all geared to attract other American consumers.

But as more non-Finns did begin to join CCW co-ops, Americanization necessitated a more fundamental change: the need to change the official language from Finnish

Every period of depression gave rise to a new wave of farmer's organization with their auxiliary cooperative enterprises.

to English. That transition was not quite as painless as some others had been. Wrote Kendall,

"We younger members of the People's Co-op Society of Superior, Wisconsin, were determined to change the official language, then bi-lingual, to English only. After an acrimonious debate at an annual meeting, the vote was overwhelmingly for the change. I was seated next to a language-locked veteran named John Tarkia-inen. When the vote count was announced, he asked for the floor in a shaky voice and

said, with tears streaming down his cheeks, 'It is the beginning of the end of People's Co-op, now that control has been handed over to the ignorant non-Finns.'"

The language issue, the final bastion of ethnic clannishness among CCW co-ops, gradually worked itself all the way up to the CCW annual meetings as English became the dominant language used by delegates. In 1937, English was voted the official language of CCW annual meetings. The drive to Americanize the CCW and thus serve a broader section of consumers was largely a success. In 1927, 44 of 60 societies were exclusively Finnish. By 1940, that number had dropped to 12 out of 88. Further, the total number of co-ops at CCW increased from 97 in 1930 to 118 by 1940. Sales also climbed to nearly \$4 million by that year.

Besides broadening its base among consumers, the CCW also sought to, as Kendall put it, "get into the swim, to join the then growing American cooperative movement."

The CCW had always seen the importance of building ties with other cooperative organizations. Throughout the 1920's, it had involved itself in the Cooperative League of the U.S.A. CLUSA, primarily an educational organization, had been launched and largely financed in its early years by one man, J.P. Warbasse. Warbasse, a medical doctor, educator and "philanthropist," hoped to promote a consumers movement in America patterned after the extensive cooperative movement in Europe. Throughout the '20's, CLUSA, as well as the cooperative movement, remained relatively small and of little influence. The situation began to change, however, as the Depression deepened.

The reason for this lies in an alliance formed early in the '30's which brought new, economically powerful elements into the cooperative movement in the U.S. These new elements were the farm supply organizations.

An Anti-Monopolist Tradition

The farm supply co-ops which dominated National Co-operatives, Inc., were actually much more diverse a group than the term implies.

First, there were those organizations, such as the Farmer's Union Central Exchange, which were started by the Farmer's Union. The Farmer's Union was organized in Texas in 1902. It was, in a sense, a direct descendant of such farmers' organizations as the Grange and a group called simply, the Alliance. The Farmers' Union, however, put particular emphasis on improving the farmer's position in the marketplace through organizing cooperatives.

The Farmer's Union spread throughout southern and western states. As it moved northward, into Iowa, the Dakotas and Minnesota, it took on increasingly more progressive political overtones, reflecting the widespread discontent of the farmers of the region.

Efforts at organizing farmer-owned elevators and terminal marketing agencies resulted in the creation of the Farmer's Union Grain Terminal Association in St. Paul. Shortly thereafter, in 1927, the Farmer's Union Central Exchange was established to furnish farmers with necessary production supplies.

Another group of farm supply organizations came out of the development of the farm bureaus. Farm bureaus had their roots in the Agricultural Extension Service established in 1914. The Extension Service made federal funds available for the hiring of county agricultural agents. The prime function of the county agent was to educate farmers on new scientific and technological advances made in farming. Many county agents also saw themselves as organizers who believed that farmers, like labor, needed to organize in their own interests. This dual purpose of the county agent often found expression through the creation of county level farm bureaus. Gradually, the farm bureaus federated, first on the state level and then on a national level with the formation of the Farm Bureau Federation.

Though the various marketing and supply branches of the farm bureaus never centralized on a national level, they did on a state level. Often combining marketing and supply functions under one organization, such as the Indiana Farm Bureau Co-op Association, they served the entire range of needs of their farmer members.

One other type of farm supply group is worth noting — the petroleum supply co-ops. At a 1921 farm bureau meeting in Cottonwood, MN, it was suggested that members pool their oil and gas purchases to secure a better price. Despite a price war with a local Standard Oil competitor, the Cottonwood Oil Co. was able to pay a patron rebate at the end of the first year. News of the oil co-op's success spread rapidly. Others soon were formed.

E.G. Cort, a county agent from Albert Lea, got behind the idea and began promoting a wholesale to supply the oil co-ops. In 1926, the Minnesota Co-op Oil Co. was formed toward that end, with Cort as its manager. In 1930, with co-ops from Wisconsin affiliating, the name was changed to Midland Oil Co-operative. (See p. 46)

The success of the oil co-ops in Minnesota encouraged similar efforts around the country. In Kansas, similar co-ops soon formed their own wholesale, Union Oil Co-operative (which later became Consumer's Co-operative Association). Union Oil was one of the three farm supply organizations initially behind the formation of National Co-operatives, Inc.

Farm supply organizations such as the Farmer's Union Central Exchange and the Indiana Farm Bureau Cooperative Association were built upon a cooperative tradition among American farmers which reached back into the 19th century. Struggles with the railroads, banks, and middlemen had made farmers decide anti-monopolists who could readily grasp the advantages of organizing their own marketing and distribution networks. All it took to stimulate these cooperative sentiments were adverse economic conditions. Thus, it seems that every period of depression gave rise to a new wave of farmers' organizations with their auxiliary cooperative enterprises. By the time of the Great Depression, which began in agriculture in the early 1920's, the "farmers' own" organizations had once again appeared, this time in the form of the National Farmers Union, the Society of Equity, and the American Farm Bureau, as well as other organizations. Each of these groups was organized not only to protect the political interests of the farmer but to help farmers gain a better position in the marketplace through marketing and supply cooperatives (see box).

The supply co-ops were particularly successful. Prices in feeds, fertilizers, and

The alliance between consumer and farm supply co-ops which created the National was very shaky

petroleum products were so inflated that the supply co-ops had little trouble in undercutting the going market rate. Further, by retaining many of these savings in the form

of capital reserve, the supply co-ops began increasing their control over the price of a given commodity by buying up each successive link in its distribution chain.

Exactly how and why these farm supply organizations became involved in the consumer cooperative movement is not clear. But two factors suggest an answer: First, despite the fact that these groups were operated in the interests of the farmer, the consumer character of their function was obvious. Secondly, consumer cooperation offered the farm supply organizations a potentially useful common ground. There is some evidence to suggest that the parent organizations of many of these supply groups were locked in a struggle for the political power which comes from being recognized as the "voice of the farmer." The common feeling at the Farmer's Union, for example was that the regional farm bureau federations had been organized into the American Farm Bureau Federation in an attempt by unnamed conservative interests to counter the growing "radicalism" of the Farmers Union and the Society of Equity. This political rivalry could only hamper the economic development of the supply organizations in which the simple pooling of purchasing power brought economic advantages to the farmer.

Since it was obvious that the parent organizations would not provide a path for pooling this purchasing power, it is conceivable that some of the farm supply groups began casting about for a way to build bridges on their own and saw, in the consumer cooperative movement, a timely opportunity.

By 1932, references to various farm supply organizations began appearing in the Builder -- an indication that consumer co-ops were likewise becoming at least aware of, if not interested in the farm supply groups.

Late in November of that year, a conference was convened in Chicago to discuss the creation of a new national wholesale. The impetus for the conference came from



The CCW building in Superior, Wisconsin -- from the Co-operative Builder, 1932
(redrawn: L.F.)

two farm supply groups (Indiana Farm Bureau Co-op Association and Illinois Farm Supply) and a rapidly growing and diversifying oil co-op wholesale (Union Oil Co-op of Kansas). They had invited a number of Farmers Union and Farm Bureau groups (including the national "education" offices of each group), as well as Midland Oil Cooperative. But, significantly, invitations were also extended to two other organizations, the CCW and CLUSA.

Out of the Chicago conference came National Co-operatives, Inc. Its first priority, relatively limited in scope, was to co-ordinate bulk purchases of petroleum products for its members. But CCW cooperators had grander visions. In the new National, they saw the potential for a truly national consumer cooperative organization, capable of both unifying co-ops throughout the U.S. as well as pushing consumer co-ops further into the realm of production.

But it was not long before the CCW's high expectations for the future of consumer

cooperation in the U.S. began to run into problems.

At National, these problems surfaced almost immediately. Two weeks after the founding conference, a follow-up meeting was held at which the whole project nearly ground to a halt.

Representatives from the American Farm Bureau Federation, as well as representatives from the Minnesota, Tennessee and Missouri Farm Bureaus, attended to voice their opposition to the new wholesale.

"Why should the American Farm Bureau care to sponsor a general consumers cooperative wholesale? Let this wholesale be organized primarily for farmers and under an agricultural marketing act,"

was the way the Builder summarized the Farm Bureaus' position.

At the same meeting, misgivings among the consumer co-ops also began to emerge. Var-

ious changes in the proposed bylaws were requested. Among them were requests that the wholesale be incorporated under cooperative statutes, rather than a general corporations act as first proposed. Further, they asked that, if preferred stock were issued, that it be restricted to cooperatives only. They also asked that educational organizations such as CLUSA, Farmers Union, and the American Farm Bureau Federation be excluded from voting membership.

These requests suggest two things: First, that the consumer co-ops were worried about someone co-opting the organization and turning it along other than consumers cooperative lines. Secondly, they were particularly worried about the effect the national farm organizations might have on the wholesale and thus were against voting rights for "educational" groups.

The consumer co-ops had one other request. They asked that votes be apportioned on the basis of total membership within a regional wholesale instead of upon the volume of a wholesale's purchases. The meeting itself ended with the establishment of a special committee to study all of the issues raised and meanwhile to go ahead with initial purchases of petroleum products.

In the end, the one change which was made was that "educational" organizations were not allowed a vote in the new wholesale.

This early episode in the development of the National reveals two characteristics of the organization. First, the alliance between consumer and farm supply co-ops which created the National, was very shaky. Several farm bureau co-ops saw no common ground between farmers and consumers. Consumer co-ops such as the CCW, on the other hand, saw considerable common ground, so long as the farmer was also viewed as a consumer. What kept the alliance afloat were those larger farm supply co-ops such as the Indiana Farm Bureau Co-op and Union Oil Co-op which saw advantages in a wholesale which served both kinds of co-op.

This episode also reveals the extent to which these same co-ops, the Indiana and Kansas groups, held sway over the new wholesale. Clearly they, like the consumer co-ops, had no use for the possible interference of the American Farm Bureau Federation. Thus "educational" groups were out. At the same time, they were not inclined to change the method of apportioning votes.

Over the years, the lack of unity and the dominance of farm supply co-ops within the National became more pronounced.

The National never became a force for unifying all types of co-ops behind a single consumer ideology as CCW cooperators had hoped. The closest it came was in 1946, when the National's members voted, by the slimmest of margins, to merge with CLUSA into a single economic and educational cooperative organization. The merger barely lasted a year, no longer than it took certain farm supply co-ops at National to muster enough votes to kill the plan.

Further, the National never moved into the production of consumer goods quite the way it did with farm supply products. Rather, by 1948, the bulk of National's investments went into owning milking and farm machinery plants and an oil refinery, clearly investments oriented to serve farm supply interests. Although consumer co-ops such as CCW benefited financially from them, these investments did not have the same effect as investing in the production of certain consumer goods, for instance canned foods, could have had on the development of consumer cooperation.

National, then, did not become the hoped for national consumer co-op. In fact, it had almost an opposite effect, for the influence of the farm supply co-ops did not stop with National Cooperatives, Inc.

From 1932 on, a number of Farm Bureau co-op groups became increasingly involved in CLUSA. By 1941, Murray Lincoln, executive secretary of the Ohio Farm Bureau, was elect-

ed president of CLUSA; the only other person to have held that post was CLUSA's founder, J.P. Warbasse. In less than ten years, farm supply organizations had burst upon the scene of the consumers cooperative movement and quickly came to dominate it. And in dominating the movement, the farm supply co-ops also infused it with their own ideology and goals. What were these doctrines?

During the '30's, all of the farm groups organized around and lobbied for "parity"

In less than ten years, farm supply organizations had burst upon the scene of the consumers cooperative movement and quickly came to dominate it. Their influence proved to be a powerful conservative force.

for the farmer -- that is, a situation in which the price farmers received on their produce equaled the costs of production. The farm supply groups naturally reflected this orientation as well. Pooling their purchases to gain a better price on, say, fertilizer, was seen as one way to help farmers achieve parity. In essence, then, the farm supply groups saw the co-ops as one tool for achieving a better position in the marketplace for their members.

Another facet of this orientation is reflected in an article by James Moore, editor of the Ohio Farm Bureau News, which appeared in the October 1938 issue of CLUSA's Co-operation magazine. Entitled "How the Co-ops Busted the Fertilizer Monoply," the article tells of earlier cooperative purchases of fertilizer:

"When first undertaken in Ohio, Indiana, and Michigan, the retail price of fertilizer

sold by all companies, co-operative and otherwise, immediately fell an average of eight to ten dollars a ton, while the price just across state lines remained at the previous level."

From this, Moore concluded that the co-ops need not establish dominance in a given field. Rather, by capturing no more than 15-20% of the market of a given commodity, co-ops could become "yardsticks" of profit-oriented businesses and thus force them to reduce prices to a "fair basis." In short, Moore held that the co-ops need not be monopolies in order to fight monopolies.

The point is, the farm supply groups took a much more accepting attitude toward the prevailing economic structure in the U.S. Rather than seeking to establish a new economic order, the farm supply groups promoted co-ops as a counter weight within that order.

The influence of the farm supply co-ops proved to be a powerful conservative force within the cooperative movement as a whole and upon the CCW in particular.

How CCW cooperators responded to such a conservative force on the development of the consumer movement might have been different had it not been for other influences on their situation.

The radicalism of CCW had always been largely attributable to the bitter economic plight of its members. Oppressive working conditions and price gouging merchants had done much to foment the development of CCW co-ops. The severe depression in 1929-1930 attracted thousands more people to CCW co-ops, people who, though they had never known the harsh oppression and exploitation of the Finns, were none the less getting a first hand taste of a recurring malaise of capitalism: the inevitable bust of the boom-bust cycle. It was this shared experience of being the innocent victims of capitalism's own self-destructive qualities which lent considerable momentum to the consumer cooperative movement of the early 1930's.

But it was not consumer cooperation which brought the U.S. out of the depression. It was, rather, the New Deal of Franklin Roosevelt and the war against fascism -- World War II. Both of these "events" had a tremendous impact on CCW cooperators.

Quite simply, through the Social Security Act, various welfare and public works programs and recognition of the right to collective bargaining, the New Deal did much to alleviate problems that CCW cooperators had been attacking for years.

Writes Kendall:

"During the Depression I saw that even though our co-ops did give significant economic benefits, we were making no real headway towards consumer cooperatives control of industries. Then along came FDR. He made basic social changes through government while we saved people pennies on the price of bread. Having already rejected the "dictatorship of the proletariat" as cruel, bureaucratic and inhuman, and seeing that the Socialist Party would never become significant in America, I and others of my kind bought the idea of using our two party system to build socialism, or at least to modify capitalism."

The New Deal, then, combined with the growing influence of more conservative farm supply groups in the co-op movement, did much to tone down the CCW's progressive thrust. The rise of Fascism in Europe further

accelerated this trend.

As noted earlier, many of the goals of the consumer cooperative movement were largely patterned after successful European consumer co-ops. In fact, throughout the latter half of the '30's, consumer co-ops increasingly turned to European co-ops for advice and ideas on building a consumer movement in the U.S. It was with an understandable sense of outrage, then, that consumer co-ops in the U.S. witnessed the fate of their European counterparts at the hands of Fascism.

First in Italy, then Germany, then in war-torn Spain, wherever the Fascists came to power, they invariably smashed indigenous co-ops. The casualty list continued to grow as fascists invaded other countries such as Austria, Poland and Finland.

The effect of such events on U.S. co-ops was simple and dramatic. Realizing that democratic rights were essential to the survival of consumer co-ops, they quickly rallied around the patriotic call of America, seeing the U.S. as a bastion of democracy in a looming confrontation with Fascism. Rather than a new economic order, consumer co-ops such as the CCW now saw themselves as a bulwark of democracy on the homefront. This shift was significant, for it brought consumer cooperation squarely into the mainstream of American politics.

There is one other facet to be mentioned



A truck from the CCW fleet, Superior, Wisconsin 1940s

when looking at the fate of the consumer cooperative movement which the CCW championed in the '30's.

In its earliest years, the CCW had grown strong by relying essentially on the unity of Finnish Americans and their struggles for a better life. But the CCW did not confine itself to Finnish immigrants. During the Depression, "Americanization" was an attempt to unite the struggles of the Finns and the larger struggles of all Americans around the goal of a cooperative commonwealth. The Americanized CCW, however, never developed the strong unity that the earlier CCW had once had.

For instance, in 1948, a grooming products factory owned through National Cooperatives, Inc. (one of the few efforts at producing consumer goods) had to be sold due to a lack of demand on the part of local co-ops. The reason: many local co-ops, including CCW co-ops, carried nationally advertised grooming aids even though similar co-op produced goods were available and needed support. Local managers, when criticized for such a situation, blamed co-op member patrons who insisted that their favorite brand name products be carried.

In short, the CCW lacked the kind of grass roots support necessary to build an integrated, consumer cooperative economy.

In all, by the end of the 1940's, consumer cooperation as an identifiable movement had ceased to exist, both in the U.S. as a whole and at the CCW as well. Its demise was due to a number of factors:

Consumer cooperation, in the end, seemed somehow alien to the American way. Though many people grasped immediately the advantages of democratic self-help inherent in consumer cooperation, few -- too few -- recognized the need for and the demands of a collective effort to restructure the prevailing economic order in the U.S.

Also, other forces such as the New Deal

and the war effort tended to diffuse the essential thrust of the movement.

There was another factor behind the demise of the consumer cooperative movement of the '30's -- the movement's own ideology. In 1928, V.S. Alanne wrote of the emerging consumer movement:

"We must strive to build our movement on the broadest possible basis and not let it become divided by any class or party lines...It is the great task of the cooperative movement to ultimately do away with such distinctions and unite the broad masses of consumers..."

But for a movement with goals as ambitious as those of consumer cooperation, such a doctrine was ultimately self-defeating. George Halonen, who has appeared elsewhere in these articles, as CCE educational director and chief target of the WPA, pinpointed the reason why:

"Those consumers who are getting all the benefits under the present system do not want a change...They will fight every movement that sets as its purpose the changing of the present system of society."

To obscure such a distinction, as did consumer cooperators of the '30's, was to obscure a fundamental problem in building a truly cooperative economy. It's little wonder that at National Cooperatives, Inc., for the sake of unity and the economic growth of the movement, consumer cooperators eventually compromised away much of their own identity and goals.

By the end of the '40's, entangled in the weaknesses of its own doctrines and unable to build a broad-based, consumer-oriented movement, consumer co-ops such as the CCW increasingly restricted their focus to the economic function of their organizations. But it soon became evident that in operating simply as businesses, consumer cooperatives were increasingly vulnerable to prevailing economic forces.

Legacies of a Movement

The CCW had slipped into a precarious situation. In 1952, for the first time in its history, the CCW was losing money.

"We were in the red. The bank got real tough. All our money went to the bank before we could pay our bills with it, so the bank was sure to get away from these big overdrafts. And a lot of our suppliers, they were really putting the pressure on too. We were losing our big cash discounts with them."

The speaker is Walt Koski. In 1952, Koski was comptroller for the CCW. By that year, the CCW's operations had grown to serve as the hub of a cooperative network spanning nearly six hundred miles, from the upper peninsula of Michigan to North Dakota. In addition to its central warehouses, the CCW operated three branch warehouses, a bakery, coffee roastery, and feed mill. Through National Cooperatives, Inc. it was involved in a nationwide program of "Co-op" labeled consumer goods, a cooperatively owned oil refinery, and a farm machinery plant. Though it had scaled down its goals considerably over the past 35 years, the CCW still represented a considerable accomplishment.

In recent years, however, the CCW had slipped into a precarious situation. Many local stores were in the red. The CCW's own annual reports showed dwindling earnings. But the exact nature of the troubles sapping the CCW's financial health seemed hard to define and harder still to eradicate. By 1952, for the first time in its history, the CCW was losing money.

"The board decided there was going to be a change in management [relates Koski]. They asked for suggestions and for each of us to apply. Myself, I didn't apply. I had other opportunities, and I'd tried to show right along there as comptroller that they were getting into real trouble."

Though Koski didn't apply for the job of general manager, he did submit seven pages of detailed recommendations for dealing with the CCW's financial crisis. Armed with an array of suggestions and plans from CCW's management, Koski's among them, the board followed the same advice that



An old CCW co-op -- before the days of self-service.

CCW had long been dishing out to financially troubled local co-ops: it met with CCW's bank in an effort to make a fresh start. Following the meeting and presumably upon the bank's recommendation, Koski's program was adopted by the board, and Koski himself was appointed CCW's new general manager. "I didn't want to be manager," said Koski, "I knew it was going to be a very painful situation."

Basically Koski's program pinpointed high expenses and lagging sales as the crux of the CCW's woes. It outlined a number of immediate and long range steps for cutting costs and boosting sales both for the CCW and for local co-ops as well.

The first phase of the program called for close scrutiny of CCW's operations with an eye toward closing any parts of the operation that were losing money. After a number of cost analyses, it was evident that the

CCW's branch warehouses and its bakery were all in serious financial trouble.

The CCW had launched a program of building branch warehouses in the late 1930's. The argument at the time was that CCW's area was so vast and transportation costs so high that expenses could be reduced by adding branch warehouses. But the program did not develop as planned. Branch warehouses, it turned out, could at best carry only a limited stock. Local managers still had to order certain items from the central warehouse. Rather than placing two separate orders, local co-ops gradually returned to ordering solely from the central warehouse. The result: volume dropped at the branch warehouses; inventory in them sat gathering dust; money was being lost.

It was a similar story with the CCW bakery operation. The bakery was one of the first and most successful services started

by the CCE. For years, it had been able to rely on local railroads to provide inexpensive, daily deliveries to many of the outlying areas. But gradually, especially following World War II, train service was cut back. Transportation costs via trucking proved too costly for daily deliveries. Without frequent deliveries, the bakery's sales volume dropped to the point where it, too, was losing money. [This is but an example of the drastic effects the auto industry and its allies had on the food distribution system: It has been shown elsewhere that that industry's owners planned and won government aid in destroying much of the railroad system while engineering the dominance of gasoline-powered transport. The power of monopoly capitalism hinted at here will be touched on again shortly. -- Ed.]

But cutting back services and personnel was not a simple matter. The people affected had to understand and support the cutbacks. It was, according to Koski, "a highly charged, emotional situation." For instance, when Koski met with the

The CCW had not kept pace with some of the profound changes in food distribution methods in the U.S.

managers and local boards of the Virginia branch warehouse, they were adamantly opposed to the closing. It was only after they had studied the possibility of operating the branch themselves that they understood the problems involved and agreed to the closing.

"One of the managers [said Koski], he told me later, 'you know, we were ready to get physically violent with you fellas.'"

There was also considerable outcry over the closing of the bakery and an arrangement made for local, private bakers to take over supplying local co-ops.

"It wasn't easy for the board or management to give this up. But facts were facts. We just didn't have the finances to afford those things that had a past history and were close to us..."

At the same time that efforts were being made to cut costs, Koski was also orchestrating the first real sales campaign in CCW's history. The cornerstone of the campaign was the Co-op Builder. The Builder had reflected a number of perspectives over its nearly 30 years. It had been a tool in the class struggle, an official organ of the cooperative movement, and more recently a news and information source providing a cooperative slant to events of the day. But now it was to become the chief advertising oracle for CCW co-ops.

For some time, local co-ops had been at a distinct disadvantage when advertising in local newspapers. Where the cost of a single ad for Red Owl stores in the paper would be shared by two or three Red Owl stores in the area, the cost of a co-op ad usually was borne by the sole co-op in the community. In an effort to make local co-ops' advertising more "cost effective", a centralized advertising program through the Builder was devised. Essentially, local co-ops designated those who should receive free Builder subscriptions in their area. The local co-op then paid a "group subscription rate" to support the Builder. This group subscription approach quickly boosted the Builder's circulation to 75,000. In return, the Builder featured regular advertising for the co-ops.

Walt Koski



Walt Koski was born in Winona, Michigan in 1909. When he was 11 years old, his family returned to Finland. It took 9 years and considerable effort before Koski managed to re-enter the U.S. and return to his home in the North Country. When he did get back, he found that, though conditions were better than those in Finland, hard times had come. The depression was deepening, and the co-ops were in political turmoil.

There were big political debates at the co-op in Mass, Michigan — a big co-op with a branch store in Ontonagon. One side said the co-ops were secondary and revolution the most important. The other said that if we could get the economic power first, then the political power would follow.

"It was sad to see the way some of these Finns would come in from the farms. They were all worked up, saying that the revolution would start next Tuesday. It was crazy, suicidal thinking that this isolated group of Finns could start the revolution by marching down mainstreet next Tuesday."

The branch co-op in Ontonagon eventually fell into the hands of the Communists. Cooperators decided to open a competing store. The new store needed a clerk, and Koski applied. "I think because I had had experience with a merchant in Finland and because I wrote my paper in Finnish, I got the job."

In many ways, Koski typifies the second generation of Finnish-Americans who took over the CCW. They saw Americanizing Finn co-ops as an essential ingredient for achieving their goals, goals which had little loyalty to the socialism of the "old timers." "This whole idea of any one group dominating is wrong. It wouldn't work if the whole economy were co-op or anything else. When I was in England, they admitted -- the co-ops there, they were very big, practically the only ones in the consumer field -- they admitted they'd gotten lazy and careless. These chain stores from America and such, it wake them up..."

"No, actually the co-op needs only 15-20% to become a 'yardstick' for the big monopolies -- to keep prices at a real cost to the consumer. You see, it's like a triangle. At one corner are the big monopolies, at another are the co-ops, and at the other are the small businessmen, the retailer co-ops and so on. It would be no good for anyone to dominate. Competition between all three is best for the consumer..."

For Koski, as for most at the CCW, sound business meant survival for the co-ops. And survival of cooperative businesses in a competitive economy insured a fair shake for the consumer, they reasoned.

Relying on the Builder for publicity and advertising, CCW's first annual sales campaign began on October 1, 1952, ostensibly celebrating Co-op Month. In past years, Co-op month had been a special time for holding co-op rallies and boosting co-op membership. In 1952 (and for every year following) it was time for "specials" and "slashed prices." The campaign boosted CCW co-op sales, and by the end of 1952, through cutting costs and boosting sales, CCW managed to pull itself into the black.

Once out of the immediate crisis, Kaski's program called for initiating some longer range plans in hopes of strengthening the CCW's overall financial health.

Over the years, the CCW had not kept pace with some of the profound changes which had occurred in food distribution methods in the U.S. In its earliest years, the sole competition of the Finn co-ops and the CCW had been far-flung local merchants and mostly indifferent jobbers in Duluth/Superior. Then two new developments came onto the scene. The first of these was the natural tendency of merchants to open up one and then two branch stores. This tendency led to the creation of chain store operations. Advantages such as a larger total sales volume, which brought price breaks from wholesalers, and centralized management, which made possible coordinated operations, quickly established chains as competitively more powerful than retailers.

As chains and even organizations of affiliated small retailers began to proliferate, another innovation burst upon the scene: the self-service "super" market. (see box)

By comparison with its competition, CCW co-ops seemed disorganized and saddled with outdated facilities. Efforts, then, were turned to "modernizing" and "integrating" CCW co-ops. High on the list of priorities was converting local co-ops to

self-service operations. Most of the local co-ops had begun their businesses in, literally, a different era of food distribution. Back in 1917, the standard set-up put the store clerk or manager and a counter between the shopper and the merchandise. The shopper was "waited upon". But over the years, self-service with aisles of merchandise and a check-out counter had proved itself to be both a more efficient operation for the store as well as more convenient for the shopper.

To facilitate the modernization program, CCW did two things. First, it began redeeming shares of common stock which it had, over the years, issued in lieu of rebates to member co-ops. Having thus strengthened the capital resources of its co-ops, the CCW made available "modernization" packages to the co-ops. In effect, these standardized, remodeling packages, promoted on a "mass" basis to CCW co-ops, made self-service facilities available to each co-op at a fairly low cost. The "modernization" program led to significant increases in sales volume throughout CCW's area.

Meanwhile, efforts were made to study shifting business trends within the CCW's territory and to take a more integrated approach to developing plans for the CCW and member co-ops.

It had become evident that the advent of the automobile and better roads were affecting business patterns. It was easier now for people to drive to larger business areas to do their shopping. Those co-ops located in the new trade areas were strengthened by such developments. Others, which were spawned and had survived over the years in remoter areas, were now suffering.

In response to these developments, the CCW took several steps. First, it began encouraging co-ops to begin exploring ways of integrating their operations with neighboring co-ops. Essentially, CCW was encour-



Birth of Supermarkets

In 1932, Robert Otis and Roy Dawson, both experienced in department and chain-store operations, leased a vacant Durant automobile plant in New Jersey.

Using the cheapest, most temporary of materials — pine board tables, cardboard, and so on — they jerry-rigged a circus-like emporium in the plant. Surrounded by specialty departments of auto accessories, paints, radios, hardware, and drugs, they set up the heart of their operation: a self-service food section. Every department was an unprecedentedly massive display of merchandise. Cashiers' booths were situated at each exit. The idea was for people to roam freely among the tables and stacks of goods and pay on their way out the door.

On December 8, 1932, Otis and Dawson ran full page ads in local papers proclaiming the grand opening of "Big Bear, the Price Crusher." The ads listed nationally advertised goods at literally unheard of low prices.

Big Bear's opening day made history in the food distribution industry. Crowds thronged the old auto plant to cash in on the "give away" prices of the new, "super" market. By the week's end, people were coming from as much as 50 miles away to shop at Big Bear.

Business of the local competition, both independents and chains, dropped to record lows. At first, they took the attitude that the novelty would soon wear off and Big Bear's record crowds would diminish. Besides, no business could survive selling at below cost, as Big Bear was surely doing. When Big Bear continued to have weekly sales of \$60-90,000, skepticism turned to fearful outrage.

Independents and chains teamed up to attack the "unfair tactics of selling at below cost." They put pressure on wholesalers not to sell to Big Bear. They forced a blackout of Big Bear advertising in local papers. Still, Big Bear rolled on, chalking up record sales. By the end of its first year, from an investment of only \$1,000 in cash, Otis' and Dawson's Big Bear had earned \$166,507.

Big Bear's secret, of course, was not "selling below cost." Rather, it was selling at the lowest possible mark-up while generating the greatest possible demand.

It was a new approach to merchandising, and its influence was overwhelming. Both chains and independents were forced to climb on the bandwagon.

aging the initial steps in a process which, it was hoped, would lead local co-ops to pooling their resources through mergers in an effort to create a single, stronger local cooperative. Secondly, in an effort to capitalize on both the new centers of trade and new methods in food distribution, plans were drawn up to develop certain co-ops into co-op supermarkets. Financially it was a sound move. By 1959, CCW's nine supermarkets comprised nearly one-fourth of the total volume contributed by CCW's 153 members.

Finally, in an effort to promote a more interdependent attitude among the entire co-op network, the CCW changed its name, in 1957, to Central Cooperatives, Inc. (CCI). Dropping the word "wholesale", it was thought, would more accurately reflect the ever broadening range of the activities of the co-ops' central organization.

In its essence, then, Koski's program sought to adopt many techniques of chains and supermarkets to the CCW's own operation. But for all the dramatic changes which the CCI had undergone throughout the '50's, it still confronted certain basic problems...

Said Koski,

"We weren't growing fast enough. We were being badgered by growing costs, rapidly growing costs. At the same time, our gross margins were rapidly diminishing because of the highly competitive situation with these big chains with their constant growth through acquisitions... We were gradually slipping into a very difficult position."

Herein lies the crux of the troubles that dogged CCI all during the '50's. For throughout CCE/CCI's * development, another trend had continued along its own natural path: the

* Hereafter, CCE/CCI will be used whenever the full historical range of Central Co-operatives is referred to.

growth of monopoly capitalism in almost every sector of the U.S. economy.

Survival in a capitalist economy is a matter of fierce competition. Every business operation must join the stampede to cut costs and boost sales or suffer the consequences. From its beginnings, CCE/CCI had always recognized this problem. It turned to developing a grassroots cooperative movement and cooperatively trained management as a solution.

But capitalism not only breeds fierce competition; it also breeds a tendency for one business to drive out and then absorb its competitor. This is the tendency towards bigger and bigger corporations, the tendency of capital to concentrate in fewer and fewer hands.

By the early 1960's, though chain supermarkets represented only 6.7% of the total number of food stores in the U.S., they accounted for nearly 40% of all sales. Moreover, five of those chains (A & P, Kroger, Safeway, Acme Markets, and National Tea) accounted for fully one-half of all chain store sales. That's five chains accounting for 20% of all food sales in the U.S.

These giant corporations, already dominating the market, also held a distinct competitive edge in that they had ready access to the raw economic power of capital. Access to such power provided giant corporations with the ability to adapt quickly to new innovations, such as mass merchandising, lavish promotional campaigns, and operating in the newest, most attractive facilities. Perhaps most important of all, such power made it possible for the giants to capture larger and larger shares of the market simply by buying up weaker competitors.

The CCI's vulnerability to these food giants is revealed in the following figures. Where CCI had 228 "retail outlets" (local co-ops) in 1962, A & P, the largest chain at the time, had 4,442 stores -- almost 20 times the number of CCI co-ops. CCI's total sales

were roughly \$14 million. A & P's total sales were \$5 billion -- 357 times larger than CCI's total volume.

It was inevitable that sooner or later, the squeeze of monopoly capitalism would come to bear on the CCI.

Simply to survive, CCI had to find some way to expand its operations. Realizing the limits of its ability to further develop consumer co-ops in its own territory, CCI began to give serious consideration to a proposal long relegated to the back burner of CCI options: merging with Midland Cooperatives, Inc.

Actually, merger had long been regarded as an eventual goal by both organizations. Over the past twenty years, annual meetings of both groups had passed frequent resolutions in favor of a variety of joint ventures as well as merger studies.

By the late 1950's, Koski and A.J. Smaby, Midland's General Manager, as well as board members from both groups, began regular meetings to study a possible merger. They soon realized that such a merger could significantly reduce costs by eliminating a number of duplicating facilities.

But there were more hopes linked to the merger than simply a more efficient operation. The merger was envisioned to pave the way for a new, total service cooperative organization which combined the petroleum and farm supply services of Midland with the grocery and consumer goods operations of CCI.

In 1963, a definite proposal to merge was presented to the memberships of both organizations. Although there were misgivings in both groups, plans for the merger were approved, and CCI became a consumer goods division of the "new" Midland. But the new organization didn't develop quite as expected.

"I was invited to many Midland cooperatives to talk about consumer plans and budgets and projections. They were dis-

cussed each year. But you see, there were two strikes against it. One, Midland had been in and out of groceries, and a lot of their co-ops had a very unpleasant experience, losses and so on. Then, too, at the time, there were co-op supermarkets and food operations throughout the country having a difficult time. So the managers and boards of these co-ops were naturally scared of it."

The reluctance of Midland Co-ops to expand into consumer goods proved to be a serious blow. Without necessary expansion and capital resources, the situation steadily deteriorated for former CCI co-ops. By 1967 all nine of CCI's supermarkets had closed, as well as a number of small co-ops. Further, the warehousing facilities that CCI had brought into Midland had now become too outdated and costly. Something had to be done.

In the fall of 1967, Les Herbert, general manager of Midland's consumer goods, was approached by Twin Ports Grocery Co. Twin Ports is a wholesale cooperative. At that time, it had close to 100 member stores, all of which were private, non-cooperative retailers. They had recently built a modern, one-story warehouse in Superior. Twin Ports suggested that Midland buy into Twin Ports and that Twin Ports take over distributing groceries to Midland co-ops. Late in 1967, Midland shut down its warehousing facilities in Superior and turned its food distribution operations over to Twin Ports Grocery -- fifty years after a small group of Finns had gathered in the Workers' Hall in Superior to organize a central buying agent for some Finn stores.

Today, the old CCW cooperative network of northern Minnesota, Wisconsin and the Michigan peninsula has dwindled to a handful of co-ops in towns such as Cook and Hibbing, Mn. The wholesale which serves these co-ops, Twin Ports, in some instances delivers to the competition across the street.

For its part, Midland Cooperatives, Inc., has become very successful financially. It's

CCW and Midland



Over the years, CCW had always maintained a special kinship with Midland cooperatives. This special relationship went back to Midland's earliest days as the Minnesota Cooperative Oil Co. and to the co-op's first manager, E.G. Cort.

The Minnesota Co-op Oil Co. was founded in 1926 by local oil co-ops in southern Minnesota. During those early years, Cort became the driving force behind the organization. It was Cort who developed a staff and struggled to build loyalty to the organization among local oil co-ops and attract new members. Cort drew considerable moral support and advice from CCW cooperators in Superior who understood well both the potential of co-ops and the problems of bringing co-ops into a central organization.

That Cort and his staff shared CCW's cooperative zeal is reflected in the fact that in the early '30's, the CCW Co-operative Builder was adopted as Midland's own official organ. This arrangement was shortlived, however, primarily because the Builder in those days was pushing hard to organize a national cooperative movement. Though Cort was behind such an effort, Midland members were not. They objected to "that radical Builder." Though Midland developed its own organ, the Midland Cooperator, which continues to push for a cooperative movement, the on-again off-again nature of the builder episode reveals something of the conflicting views which existed between manager Cort and his more conservative member/patrons.

This conflict grew more severe in 1936 when Cort went abroad to an International Cooperative Alliance conference. While there, he was deeply impressed with the success of consumer cooperation in many European countries. He returned to the U.S. determined to launch a chain of Midland grocery stores and plunge Midland into the swiftness of consumer cooperation. The plan generated considerable controversy at Midland both for its top-down nature of organizing (Midland was to create local co-ops) and for Cort's dogged insistence on the plan. Despite this, Midland soon went into the grocery business, proceeded to lose money, and then got out of the business. Internal dissension, lack of capital, and a lack of grassroots initiative were the primary causes of failure.

The ill-fated nature of Cort's grocery plan only further exacerbated the tensions between Cort and Midland members and eventually led to Cort's resignation in 1940. Following Cort's departure, Midland did expand and diversify, but in the direction of farm supply rather than consumer services. Over the years, Midland went into supplying seeds, feeds, fertilizers, farm machinery, and soil and swine testing services to its member co-ops. It also made a number of successful strides in the areas of production, entering with other co-ops in joint ownership of feed mills, fertilizer plants, oil refineries, and farm machinery factories. Though Midland had taken a strikingly different path than that of CCW over the years, the two organizations continued to build upon the working relationship developed by Cort and early CCE cooperators.

one of the 1000 largest corporations in the US and one of the biggest competitors in the farm supply field in Minnesota. It has succeeded by playing the competitive game of capitalism quite well, concentrating its resources on its more profitable operations, phasing out the less profitable. Reportedly, Midland is increasingly cool toward its own involvement in consumer goods. (Midland recently declined a chance to sell Co-op label canned goods to DANCe, the "new wave" co-op warehouse in Minneapolis. The general impression DANCe people got was that, because Midland's competitive position in the grocery field is weak, they are reluctant to take on any new accounts.) This reluctance on Midland's part will likely lead to the phasing out of its grocery division.

Here, then, is the perplexing legacy of the CCE. For Midland, like the CCE/CCI before it, is merely bowing to prevailing market forces, the only sensible course in the business world. But what really are these forces?

In what relation to capitalism shall co-ops place themselves today?

In the end, they are no more nor less than the relentlessly competitive character of corporate capitalism, where lower costs, higher profits and constant growth have become the litany of economic survival.

For CCI and Midland, as for all businesses, this creed is the only road to economic survival. Such a doctrine, however, creates a dichotomy between the needs of people and the needs of their economic organizations, with foreboding consequences.

Under capitalism, people as workers are seen solely as labor costs, costs to be kept down. In this regard, capitalism's attitude towards workers hasn't changed in the slightest since the days when Finnish immigrants toiled in the mines of U.S. Steel. Though people will no longer tolerate the conditions the Finns confronted, they must now contend with job displacing mechanization, standardized and regimented work roles, and persistent disregard of occupational health and safety. In the end, labor costs are kept as low as possible. But human resources not only go wasted -- they are stifled.

Off the job, people are relegated to the function of being consumers. In the drive to stimulate profits, capitalist economics seek to stimulate demand. Consequently, people become the targets of a constant bombardment of advertising and promotional techniques representing new heights in mass manipulation. Always the implicit message is: Consume. And consume we do. Buy up, use up, throw away and buy again, goes the syndrome

In the process, capitalism turns every aspect of human life -- from nutrition to culture, from education to sexuality -- into commodities. Inevitably, these commodities are geared to bring the consumer back for more, not because of a product's superior quality, but rather because of its qualities of planned obsolescence or capacity to induce dependence.

Further, capitalist economics inevitably result in the wanton consumption and waste of natural resources, the befouling of water, soil and air, and the subversion of the democratic process.

This is not to say that co-ops such as CCI or Midland participate *pari passu* in the worst of capitalist tendencies. But the question is: In what relation to capitalism shall co-ops place themselves today?

The "yardstick" or "counterweight" doctrine of the farm supply co-ops would have it that

simply being a strong competitor will curb capitalism's worst abuses, namely price gouging and poor quality of goods. But this view of capitalism is too superficial.

How will the "yardstick" co-ops counter the threat that capitalism poses to natural resources and a healthful environment? How will "yardstick" co-ops counter the wasteful consumerism that capitalism promotes daily? How in their drive to be a strong competitor will "yardstick" co-ops begin to liberate working people enslaved by that competition?

The answer, of course, is that "yardstick" cooperation cannot begin to do any of these things. "Yardstick" cooperators might say, however, that these problems are beyond the scope of co-ops. Such issues, they might say, are better dealt with through the democratic process of government. But such a response is really a throwback to another era, to the Depression and the New Deal. The implication is that what's needed is another FDR.

What such a response ignores is that events such as the New Deal do not come about through the efforts of one man. The New Deal, as limited in scope as it was, could never have happened without years of grassroots struggle on the part of people through their unions, their farm organizations, and their co-ops.

Co-ops are a vital part of this country's progressive heritage. We can thank those immigrant Finns and the consumer cooperators of the '30's for doing what they could to keep that heritage alive. But the "yardstick" doctrine of co-ops would sever cooperation

from that heritage. In the end, "yardstick" cooperation is but a smokescreen that allows for business as usual, unfettered by the sacrifices which are inevitably made when one stands apart from the capitalist ethic.

If co-ops are to once again play a part in building a new progressive movement in the U.S., they have to break out of this narrow economic role to which the older and larger co-ops have restricted themselves.

They have to respond to the deeper needs of people: the need to be free from oppression as workers, to be free from exploitation as consumers.

Co-ops must be organizations whose workers can take on the responsibility and decision making power that make work satisfying.

Co-ops must be organizations that are responsive to people's basic material needs -- and supply those needs.

But this is not enough. Co-ops must become organizations in which both workers and consumers develop a deeper awareness of the effects of capitalism. They must become organizations which bring workers and consumers together into one collective effort, geared to exploring and developing a socialist order and a socialist ethic, both human in scale and humanizing in practice.

Co-ops won't be able to do this alone. But by working in this direction, they will be nourishing the kind of environment in which progressives can once again take on an organized political focus that will bring fundamental change.



RESOURCES

Information for these articles came primarily from three places: the Immigration History Research Center of the University of Minnesota; the Resource Library of the Minnesota Historical Society; and the Publications Department of Midland Cooperatives, Inc. All three have on file a wealth of material on the Finns, CCE/CCI, or cooperative history in general. I have drawn from the following in writing the articles:

ALANEN, Arnold. "The Development and Distribution of Finnish Consumer's Co-operatives in Michigan, Minnesota, and Wisconsin, 1903-1973"; The Finnish Experience in the Western Great Lakes Region: New Perspectives, ed. M.G. Karni, M.E. Kaupa, D.J. Ollila.

ALANNE, V.S. "Reflections on the Fifth Co-operative Congress"; Northern States Co-operator, December 1962, p. 2.

"Some Vital Problems of Consumer Co-operation in the U.S.A." Northern States Co-operative League Yearbook 1928, p. 23.

"Through the Critical Years with the Central Exchange"; Co-operative Pyramid Builder, August 1928, p. 229.

BERMAN, Hyman. "Education for Work and Solidarity: The Immigrant Miners and Radicalism on the Mesabi Iron Range"; unpub., Minnesota Historical Society

BETTEN, Neil. "Origins of Ethnic Radicalism in Northern Minnesota, 1900-1920"; International Migration Review IV (Spring 1970).

CCE BOARD OF DIRECTORS. "Unity of our Movement in Danger"; Co-operative Pyramid Builder, November 1929, p. 323.

COHEN, S.F., Bukharin and the Bolshevik Revolution; Alfred A. Knopf Co., New York 1973

DRAPER, Theodore, American Communism and Soviet Russia; Viking Press, New York 1960

HALONEN, George. "So This Is Neutrality"; Co-operative

Pyramid Builder, August 1928, p. 225 "What is Co-operation, A Review"; Co-operative Pyramid Builder, January 1927

HARJU, Walter. "Halonen and the Comintern Line"; unpub.

HAUTALA, Victor. "Brantwood Co-operative Supply"; Northern States Co-operative League 1927 Yearbook (Minnesota Historical Society).

HIGHTOWER, Jim. Eat Your Heart Out; Random House, New York 1975.

KARNI, M.G. Yhteishyva, or, For the Common Good: Finnish Radicalism in the Western Great Lakes Region, 1900-1940; PhD thesis, University of Minnesota.

KENDALL, Erick. "We Conquered Communism"; unpub.

LINDEWAL, Kaarlo. "Farmer's Industrial Association, Clifford, Wis."; Northern States Co-operative League 1925 Yearbook (Minnesota Historical Society).

PROGRESSIVE GROCER. Annual Report: "How Supermarkets Fared in '62"; July 1963.

SIRJAMAKI, John. "The Mesabi Communities"; unpub., Minnesota Historical Society

ZIMMERMAN, M.M. The Supermarket. Revolution in Distribution. McGraw Hill, New York 1955

One other excellent resource on the Finnish experience in Northern Minnesota and Wisconsin is the film, Children of Labor-50 minutes long, 16mm. (See Scoop #23 for a review). It's available from:

(Midwest:)	filmmager Al Gedicks, Madison, or Committee for Action on Latin America, 731 State St., Madison, WI 53703
(Eastern U.S.):	CD Film Workshop, 28 Fisher Ave., Roxbury, MA 02120

Lastly, a special thanks to Lucille Ethridge and Terry Nagel of Midland or their help and cooperation.

ACKNOWLEDGMENTS

This pamphlet would not have been possible without the efforts of many, many people. There are a few, however, who deserve special recognition.

Special debts of gratitude are owed to Mike Karni, Erick Kendall, and Walt Koski. In many ways, without Karni's own work on the radicalism of Finnish immigrants in the North Country, my writings really would not have been possible. Erick Kendall, by his responsiveness and willingness to carry on a running correspondence over the course of this project, likewise added immeasurably to this pamphlet. Walt Koski spent most of an October day providing a perspective on CCW/CCI that would have been totally missed had it not been for his cooperation.

Dave Gutknecht said the other day, "Everybody needs a good editor." I was lucky in getting one. Thanks, too, to Tom Copeland for his goading yet good natured support in writing, rewriting and rewriting again. And the entire Scoop collective volunteered many hours during the planning, production, and distribution of this special issue.

Finally, no word of thanks can quite do the job in acknowledging Delight's role in all of this. Throughout, she has been a good friend, roommate and comrade in, if not beating, at least meeting the deadlines.

Scoop collective this issue: Paul Choitz, Craig Cox, Leslie Fedorchuk, John Flory, Tom Gedgudas, Dave Gutknecht, Tom Hatch, Nancy Johnson; with help from Kathy Sharp.

Scoop

This is a special issue of Scoop (#26, November 1977), a paper of "cooperation in the North Country." Since late 1974, Scoop has regularly published news and analysis on issues relating to collective and community empowerment: cooperatives, alternative culture, the content and process of radical social change, and more.

We draw our support from individuals, co-ops, collectives, and the All Cooperating Assembly (ACA). The ACA is a regional federation of co-ops and collectives, organized to promote the development of the growing cooperative movement. Their mailing address is Box 6022, Minneapolis, MN 55406. Scoop is a member of the ACA and shares an office with them at the Walker Community Church, 3104 16th Ave. S., Minneapolis; (612) 721-4925.

You can help by subscribing to the Scoop and by arranging for your co-op, community group, or bookstore to receive and sell copies of each issue. We'd appreciate it. Distribution arrangements will be made upon request. Write to:

Scoop
Box 7271, Powderhorn Station
Minneapolis, MN 55407

SUBSCRIBE !

Subscriptions: \$5.00/year for individuals
 \$10.00/year for libraries and institutions

Bulk orders of this special issue: 45¢ each/10 or more
 35¢ each/50 or more

* This issue of Origins & Legacies was reprinted in 1993.
For additional information or copies contact:
Kris Olsen

Co-op Directory Service
1254 Etna St.
St. Paul, MN 55106
651-774-9189