Cooperative movement and its promotion by Catholic leaders

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THESIS

THE COOPERATIVE MOVEMENT AND ITS PROMOTION
BY CATHOLIC LEADERS

Submitted by
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INTRODUCTION

Far from achieving a constantly greater and greater stability, the twentieth century economic world shows every symptom of continuing the evils of the business cycle with its recurring booms and agonizing depressions. Even the boldest and most sincere efforts of governments to make capitalism work have met with sharp and challenging reverses. Capitalism is on trial. Every large scale business reversal with its toll of lost jobs, mortgage foreclosures, bankruptcies and sheer human misery is evidence to strengthen the Communist and Fascist attacks upon capitalism. The Communists would end the system of private property entirely, and the Fascists would place private property under the strict administration of an all-powerful government. Both of them say that the present system is inherently unsound, that all attempts to patch it up are mere palliatives, and that social justice is doomed unless we establish a revolutionary new order. Is there an answer to their charges?

The purpose of this thesis is to present an answer. It is not the answer to all our economic problems but it is one solution that has been applied successfully to the economic problems that confront some people. The unemployed, the dispossessed, the innocent victims of the economic machine demand a realistic answer. They know from tragic fact that
the present system is unstable. If they are to turn away from the Communists and Fascists, they must turn toward something else. For many the answer has been found in the promotion of the Cooperative Movement. This is an economic program that has been used more extensively abroad than in the United States, but the movement is of world-wide significance since the problems that it seeks to remedy are of world-wide extent.

The purpose of this study will be to investigate and discover the extent of the use of cooperatives and especially the use that the Catholic Church has made of cooperatives in its program of Catholic Social Action, that program by which Catholic leaders -- clerical and lay -- strive to promote economic and social reconstruction.

The term "economic and social reconstruction" as used in this study means rebuilding the economic order so that all people concerned may share equitably in the fruits of production and enjoy a decent standard of living.

This thesis will begin with a study of the meaning of the Cooperative Movement, the origin of the Movement, and will proceed with a discussion of the growth of the Movement, confining itself largely to its development in America and its promotion by Catholic leaders in America.

Chapter I will present a study of the economic situation to-day as evidence that there is need for economic reforms.

Chapter II will consider the meaning of cooperation,
the origin of the Movement, and its widespread development. Necessarily this will be only a superficial study since the growth of cooperatives in any one country is a study in itself. In this chapter an attempt will be made to discover why cooperatives have not developed greatly in The United States.

Chapter III will discuss the attitude of the leaders of the Catholic Church toward the Cooperative Movement. Included among the leaders whose opinions will be sought are Pope Pius XI, Pope Pius XII, Catholic bishops, clergymen, and laymen.

In Chapter IV a study will be made of the "Antigonish Movement" directed by the Extension Department of Saint Francis Xavier University in Antigonish, Nova Scotia. This is the center of Catholic interest in cooperatives in America.

The extent to which Catholic cooperatives have grown in The United States will be analyzed in Chapter V. This will include a study of the following cooperative ventures:

1. The Granger Homesteads under the direction of Monsignor Ligutti;
2. Saint Teresa's Village, Balling, Alabama. This is the first Catholic sharecroppers' cooperative in the South.
3. Father Soucy's cooperative community experiment in Sinclair and Guerette, Maine;
4. Cooperatives on the Chesapeake organized to solve the economic problems of the farmers and the fishermen of that region.
5. The organization of a cooperative community in Ashford, Connecticut, by Father Dunn.

The Credit Union, one aspect of the Cooperative Movement
will be considered in Chapter VI. This separate treatment is made because credit unions have received more support from Catholic leaders than any other single aspect of cooperation.

Chapter VII will follow with a discussion of those cooperative enterprises which James Warbasse, President of the Cooperative League, refers to as "near cooperatives." Included will be the Maternity Guilds and the communes which The Catholic Worker is trying to promote. Some consideration will be given to the efforts of the directors of The Queen's Work to develop an interest in cooperatives.
CHAPTER I
THE ECONOMIC SITUATION TO-DAY

This study of cooperatives is based upon the belief that there is a need for improvements in our economic life and that the Catholic Church has and can continue to show the way to building a sounder economic structure in this country. What are these conditions that are evidence of the need for improvements? The following statement gives a graphic description of the evils in our economic system:

"It is not surprising that the spirit of revolutionary change which has long been predominant in the nations of the world should have passed beyond politics and made its influence felt in the cognate field of practical economy. The elements of a conflict are unmistakable: the growth of industry, and the surprising discoveries of science; the changed relations of masters and workmen; the enormous fortunes of individuals and the poverty of the masses; the increased self-reliance and the closer mutual combination of the working population; and, finally, a general moral deterioration. The momentous seriousness of the present state of things just now fills every mind with painful apprehension; wise men discuss it; practical men propose schemes; popular meetings, legislatures, and sovereign princes, all are occupied with it -- and there is nothing which has a deeper hold on public attention." (1)

With these words Pope Leo XIII in his memorable Encyclical, Rerum Novarum, described the general economic situation in 1891. The venerable Pope pleaded that these evils be remedied. However, forty-nine years later we find the same

Evils continue to exist, and in some respects they have grown more acute.

Inequitable Distribution of Wealth

There are to-day in The United States approximately nine and a half million unemployed dependent on relief and the dole for the necessities of life. (1) The tragedy of this is realized when we consider that these unemployed live in a nation which has been abundantly endowed with the natural resources to supply the comforts of life! The wealth of The United States is so enormous that efficient use of the physical and human resources that we possess to-day could provide every family in the country with a minimum income of something over $4,000 a year. (2) Instead we find the following inequitable distribution of the wealth of the American people:

"The figures . . . reveal in a striking way the wide disparity in incomes, and also the concentration of the great bulk of the families in a relatively narrow income range. The greatest concentration of families was between the $1,000 and $1,500 level, and the most frequent income being about $1,300. The following summary statement will aid in showing both the range and the concentration that exists.

Nearly 6 million families, or more than 21 per cent of the total, had incomes less than $1,000.

(2) Fairchild, H. P., Economics for the Millions, p. 218.
About 12 million families, or more than 42 per cent, had incomes less than $1,500.

Nearly 20 million families, or 71 per cent, had incomes less than $2,500.

Only a little over 2 million families, or 8 per cent, had incomes in excess of $5,000.

About 600,000 families, or 2.3 per cent, had incomes in excess of $10,000.

... about 21 per cent of the families received only 4.5 per cent of the income.

... 0.1 per cent of the families at the top received practically as much as 42 per cent of the families at the bottom of the scale." (1)

"In 1929 about 70 per cent of the families of the nation had incomes in the range from zero to $2,500 ... A family income of $2,500 was in 1929, and despite the decline of prices still is, a very moderate one. It permits few of the luxuries of life, even for families of only two or three persons." (2)

The relief rolls of our cities during the depression which began in 1929 provide bitter confirmation of the social toll exacted by our unstable economic system.

"In August, 1934, the peak of relief distribution, New York City had 400,000 families, or nearly one-fourth of its population, receiving various forms of relief. This represents a population greater than any other American city, excepting Chicago. The annual cost for such relief in New York City alone was estimated at $200,000,000. Just four years later, or August, 1938, New York City still had 171,000 persons on W.P.A. projects alone." (3)

(1) Leven, Moulton, Warburton, America's Capacity to Consume, pp. 55-56.  
(2) Ibid, p. 119  
This story of economic distress is duplicated in the figures for relief in other cities in 1934.

"Chicago carried (on its relief rolls)
11.8 per cent, Pittsburg 16.0 per cent, ... Cleveland about 16 per cent, ... Denver, 12 per cent." (1)

The Agricultural Situation

As we turn our attention to agricultural conditions we find the lot of the farmer is deplorable.

"Gone is the American farmer's security. The heyday of our agriculture is past. The most arresting facts regarding our once outstanding agriculture of the world now are: vanishing ownership, insecurity of tenure, inability of those who till our acres to climb the agricultural ladder, or in other words, to rise gradually from the lowest rung of hired hand or farm laborer to the coveted goal of ownership ... These are unmistakable facts that indicate a constantly decreasing equity in the land, the loss of farms by farmer owners, increasing tenancy, mounting agricultural labor, in a word, a rapidly growing rural proletariat. It is one of the most sorry and distressing, and at the same time most dangerous developments in our country to-day. An unstable, shifting people, a growing proletariat without root in the land can bode nothing but ill for the future of America." (2)

The wages of agricultural workers are inadequate for any decent level of existence. We have only to study the wages of migratory agricultural laborers to realize the poverty of the group. In the Monthly Labor Review for July, 1937, these facts are cited.

"These studies suggest that adult men among the seasonal migrants in agriculture may average about $300 per year and that migrant families average about $400 per year. Assuming an average

(1) Ibid., p. 79
(2) Schmiedeler, E., O.S.B., Our Rural Proletariat, pp. 5-6.
of two workers and four to five persons per migrant family, it may be estimated that the earnings of migrant agricultural families are equivalent to a wage of only about $200 per worker, and that they provide maintenance of less than $100 per year for each member of the average migrant family."


Bertram Fowler in his book *Consumer Cooperation in America* describes the plight of our farmers:

"Across the sweep of the West the story is written for all to read. The huge farm debt, the top-heavy weight of farm mortgages, the plight of the farmer and small businessman--all exist because of the profit system whose toll was remorseless and unvarying. The farmer consistently bought at a loss, and year by year drained his capital investment to make up the difference represented by outgoing profits, until his capital investment vanished and he slipped from ownership to tenancy." (1)

We need use as an example of present agricultural conditions one state, Iowa, to show the trend.

"Fifty years ago the picture of a free agricultural population had begun to change. The figures of farm mortgages and tenancy were mounting. When the state was settled, all the land was owned by the men who worked it. But almost immediately the pressure of the economic system began to force the change. Industry crept in upon them and with it the toll of middleman monopoly.

To-day 57 per cent of the farms of Iowa are worked by tenants... Agriculture has begun to shift from the free American pattern to a duplication of the situation that had driven the tides of the immigrants to the New World." (2)

What has been done to aid the poverty-stricken industrial and agricultural victims of an economic system that is out of order? Much has been attempted. The Roosevelt administration has sought by various laws to relieve the economic distress. What are the results? The answer is that this trial and error legislation has cost the American people

(2) Ibid, p. 21.
approximately $18,000,000,000 (1) and there are still approximately 9,500,000 (2) unemployed. These figures would seem to indicate that the government alone can not solve the economic problems confronting the American people.

The purpose of this thesis is to show how some people and especially Catholic groups directed by their leaders have solved their most serious economic problems by the development of the Cooperative Movement.

Many studies have been made of the Cooperative Movement in general and as it has developed in specific nations. Outstanding contributions to the literature of this field have been made by the following: Beatrice and Sidney Webb in their book, The Consumers' Cooperative Movement; Charles Gide in Consumers' Co-operative Societies; James Warbasse in Co-operative Democracy; Horace Kallen in Decline and Rise of the Consumer; Marquis Childs in Sweden - The Middle Way; F. C. Howe in Denmark: A Cooperative Commonwealth.

The development of the Cooperative in The United States has been well handled by Ellis Cowling in his book, Co-operatives in America.

As yet no writer has made a study of the development of the Cooperative Movement by Catholic leaders. The material to prepare this thesis had to be gathered largely from pamphlets and articles in Catholic periodical literature. To

(1) The World Almanac, 1940, p. 614
(2) Ibid, p. 762
be sure some consideration, but not much, is given to the Cooperative Movement by the following Catholic writers: Monsignor J. A. Ryan in Distributive Justice and in A Better Economic Order; Father J. Husslein in The Christian Social Manifesto. A most scholarly contribution to the study of rural cooperatives promoted by Catholic leaders has been made by Monsignor Ligutti and Father Rowe in Rural Roads to Security. There is need for some Catholic writer to make a survey of the whole Cooperative Movement as sponsored by Catholic leaders.
CHAPTER II

COOPERATIVES - THEIR MEANING, ORIGIN, AND DEVELOPMENT

The Meaning of Cooperatives

Those whom the machine age has disinherited must acquire ownership of stores, wholesales, and productive machinery which makes and distributes goods if they are to enjoy economic security. Such is the philosophy of the Cooperative Movement, that "middle way" by which every individual shares in the ownership of the essential economic services and thereby can exercise the same form and degree of control over the economic interests of himself and his fellowmen that he now does in democratic states over his own and their political interests.

What is the Cooperative Movement? It is a movement which makes service the dominant spirit of our economic life rather than profit. Cooperative societies are voluntary associations in which the people organize democratically to supply their needs through mutual action, and the members are motivated by the spirit of service rather than profit. Cooperative organization begins with the people as consumers and builds upon the belief that production should be for their benefit and not to enrich a few. As cooperatives develop, the consumers become producers, and the interests of consumer and producer are one. These cooperative societies seek to obtain for a relatively weak group all or part of the profits and interest which in the ordinary capitalist enterprise are taken
by smaller and different groups. In the cooperative form of organization the profits go to the members either as cooperative producers who have pooled their individual capital and labor or as consumers who receive dividends according to the amount of purchases made. The group forming the cooperative acts together to obtain results which would be difficult or impossible for them to realize individually. Thus we find in this country a cooperative farm experiment which might otherwise be defined as an experiment to relieve sharecroppers.

Cooperation has many aspects among which are consumers' cooperatives, producers' cooperatives, and credit unions. There are other forms of cooperation which James Warbasse, President of the Cooperative League, refers to as "near-cooperation." Included in the latter are the Maternity Guilds and communes which are being promoted by The Catholic Worker under the leadership of Dorothy Day.

The term "consumers' cooperatives" is a very broad one and includes many different kinds of activities, all of them supplying certain goods or services of which the members stand in need. The retail store is the commonest expression of the cooperative consumers' society. Very often, these stores are organized upon a small basis. The members of the cooperative put together a small amount of capital and purchase in quantity some one or more articles. Larger consumer enterprises include restaurants, bakeries, gas and oil stations, cooperative power lines for electrification, cooperative
recreation projects; cooperative associations for insurance and telephone service, for medical aid and even for burial service. This does not exhaust the list as new fields are opened constantly.

Associated with and yet distinct from consumers' cooperatives are producers' cooperatives. These are organizations of producers whose purpose is to market the goods produced by the members. Such cooperatives are often agricultural and are concerned with the marketing of farm products. Producers' cooperatives provide for manufacturing, marketing, and purchasing. All three functions are seen combined in a cooperative dairy. The owners of the cows hold stock or shares of the concern and in addition to dividends receive profit in proportion to the amount of milk they supply. Through the marketing societies and the purchasing societies the farmers are enabled to sell their products to better advantage and to obtain materials needed for carrying on the agricultural cooperative more cheaply than would be possible by individual action. Through the purchasing societies costly machines are owned by the group. Although we have considered agricultural producers' cooperatives here, it is to be understood that industrial groups can and have organized producers' cooperatives, but they are not common in The United States.

A third kind of cooperation is the credit union. Fundamentally a credit union is an association of neighbors who
combine their resources and their credit in order to obtain loans on better terms than are given by ordinary commercial banks. The credit union is frequently the basis of other cooperative enterprises since to establish a consumers' cooperative or a producers' cooperative capital is required. The capital is supplied through combining the resources of the group in the credit union.

Grouped together as "near-cooperatives" are the Maternity Guilds and communes. They are called "near-cooperatives" as they do not adhere to the Rochdale principles which serve as a guide for all true cooperative enterprise.

The Principles Which Guide Cooperatives

The Rochdale principles constitute the guiding principles of all successful cooperatives. They were formulated from the experiences of those pioneers in cooperation, the Rochdale weavers whose desperate plight caused them to organize in 1844 the first successful cooperative in England from whence the idea has spread around the world. These fundamental principles are:

1. In cooperative societies there shall be democratic control -- one vote per member regardless of the number of shares held.

2. Capital invested in the society, if it receives interest, shall receive not more than the minimum prevalent rate.

3. If a surplus - savings (profit) accrues, by virtue of the difference between the net cost and the net selling price of
commodities and services, after meeting expenses, paying interest (wages to capital) and setting aside reserve and other funds, the net surplus shall be used for the good of the members, for beneficial social purposes, or shall be returned to the patrons as dividends in proportion to their patronage. (1)

In addition to these principles, there are certain methods which are commonly associated with them in managing cooperatives. They are:

1. A cooperative society shall be composed of individuals who voluntarily join.

2. There shall be unlimited membership. No reason shall exclude a person from membership except that his purpose might be injurious to the society.

3. Each member is expected to patronize the society in any commercial enterprise in which it engages so long as it supplies his needs as advantageously as other agencies.

4. Business shall be done for cash.

5. A certain percentage of the profits shall be used for educational purposes in the field of cooperation.

6. Goods and services shall be supplied not at cost but at prevalent prices charged in neighboring competitive profit-making business; this is for the purpose of accumulating a surplus and of obviating the hostile competition of profit business.

7. The ultimate aim shall be to supply all the needs of the members which a social organization can supply, especially to obtain the control of production, to encourage membership, to promote other societies, to create national

(1) Cowling, E., Co-operatives in America, pp. 45-46
organizations in every country, and to form a union of societies of the world into an international organization having the same common purpose. (1)

Economic cooperation has three main characteristics. These are: (1) its universal appeal, (2) its individuality, (3) and its promotion of education. Its universal appeal is evidenced by the fact that any group may apply the principles of cooperation to solve its own problems. It is significant to learn that the Chinese are resisting the Japanese by the establishment of cooperatives. With perseverance they have moved industrial equipment into the hinterland and have organized the Chinese Industrial Cooperatives. To-day these societies are engaged in manufacturing textiles, milling flour, mining iron. Moreover, the Chinese refugee workers are paid a decent wage. Through economic cooperation the Chinese may successfully resist the militarism of Japan and at the same time reestablish the internal economy of China on a sound basis. (2)

Individuality is a second characteristic of cooperatives. Here we find a wide gulf between cooperation and Marxian socialism. Cooperation is essentially individual for it stresses the importance of the individual with a goal in sight. It gives human beings freedom by making them economically secure through their own efforts. State socialism,

(1) Warbasse, J., Cooperative Democracy, pp. 17-18
the end of Marxism, is synonymous with human bondage.

The third of the fundamental qualities of cooperation is its insistence upon a broad educational program as a means of cooperative success. The champions of cooperatives believe in education which starts with the everyday problems of living and earning a living, and leads gradually into wider problems of social and cultural development. This recognition of the importance of education reaches back to the Rochdale pioneers. From the beginning they reserved a portion of their funds for educational purposes. George Holyoake in his History of The Rochdale Pioneers states that a fund was reserved "for the intellectual improvement of members of the store, the maintenance and extension of the library, and such other means of instruction as may be considered desirable. Their newsroom is as well supplied as that of a London club and the library contains two thousand two hundred volumes of the best, and among them, many of the most expensive books published." (1)

The Origin of The Cooperative Movement

A study of the growth of cooperatives reveals that their need must be felt before they can be successful. Cooperatives are the "children of Adversity." This latter statement needs no more proof than is evidenced by a study of the origin of the Cooperative Movement. England is the pioneer country in

(1) Holyoake, G., History of the Rochdale Pioneers, p. 50
economic cooperation for it was in 1844 in Rochdale that a group of twenty-eight flannel weavers took their destiny in their own hands and organized their consumers' cooperative. Theirs was not the first cooperative, but it was the beginning of the first successful cooperative. The experiences of the Rochdale weavers formed the basis upon which the principles of all successful cooperatives are built. What caused this little band, fortified only with courage and ambition, to start their venture? George Holyoake in his History of The Rochdale Pioneers describes vividly the economic conditions which caused these men and one woman to become "masters of their own destiny."

"At the close of 1843 on one of those damp, dark, dismal days such as occur towards the close of November . . . . a few poor weavers out of employ and nearly out of food, and quite out of heart with the social state, met together to discover what they could do to better their industrial condition. Manufacturers had capital, and shopkeepers the advantage of stock; how could they succeed without either? Should they avail themselves of the poor law? . . . . of emigration? That seemed like transportation for the crime of having been born poor. What should they do? They would commence the battle of life on their own account. They would, as far as they were concerned, supersede tradesmen, mill owners, and capitalists; without experience or knowledge, or funds, they would turn merchants and manufacturers. The subscription list was handed around -- the Stock Exchange would not think much of the result. A dozen of these liliputian capitalists put down a weekly subscription of twopence each -- a sum which these Rochdale Rothschilds did not know how to pay." (1)

(1) Ibid, p. 2
These poor weavers were engaged in the flannel weaving industry, and in 1843 there was considerable discontent among the workers and a desire to improve wages. Strikes and lockouts were followed by acute distress. Not daunted by these conditions the sturdy group followed the suggestion of some of their members and decided upon cooperation.

"In the end it came about that the flannel weavers' committee took the advice of the advocates of cooperation . . . . At length the formidable sum of £128 was accumulated, and, with this capital, the new world was to be commenced." (1)

The Rochdale consumers' cooperative, their first venture, had most humble beginnings. Again let us turn to Holyoake's description of the origin of their store.

"On one desperate evening -- it was the longest evening of the year -- the 21st of December, 1844, the "Equitable Pioneers" commenced business. It had got wind among the tradesmen of the town that these competitors were in the field, and many a curious eye was that day turned up Toad Lane . . . . A few of the cooperators had clandestinely assembled to witness their own denouement; and there they stood in that dismal lower room of the warehouse, like . . . . conspirators . . . . debating on whom should devolve the temerity of taking down the shutters, and displaying their humble preparations. One did not like to do it, and another did not like to be seen in the shop . . . . and at length one bold fellow rushed at the shutters and in a few minutes Toad Lane was in a titter. On the night when our store was opened, the "doffers" came out strong in Toad Lane -- peeping with ridiculous impertinence, ventilating their opinion . . . . with pertinacious insolence about the scanty arrangements of butter and oatmeal." (2)

(1) Ibid, pp. 13-14
(2) Ibid, pp. 13-14
From such a lowly origin came the beginnings of the Consumers' Cooperation, a development which has enveloped the world. The ultimate aim of the group was to make themselves their own employers. Their basic objectives were:

1. Establish a store for the sale of provisions, clothing and the like.

2. Build, purchase, and erect a number of houses in which those members desiring to assist each other in improving their domestic and social conditions may reside.

3. Manufacture such articles as the society may determine upon to provide employment.

4. Purchase or rent land which may be cultivated by members who may be out of employment or whose wages are too low.

Guided by this program the Rochdale Pioneers began their battle with the giants of capitalism. By 1850 they entered the field of production and bought a flour mill which produced excellent flour but heavy losses until a market was found for the surplus flour.

During 1847 and 1848 stores were started in nearby towns and by 1852 there were one hundred and thirty cooperative societies in North England and the Scottish Midlands. A sense of unity ripened into the conviction that cooperation between cooperatives might have in it greater possibilities than just the exchange of ideas. A buying federation was the logical move, and on Good Friday in 1863 the North of England Cooperative Wholesale Agency and Depot Society, Limited,
was organized. To-day this is referred to as the Cooperative Wholesale Society or the C. W. S. Through the succeeding years the C. W. S. has steadily expanded. It is to-day the largest single food distributing business in the world. Its flour mills are the most modern in the Empire; its textile factories hold a like position. It owns nearly one hundred and fifty manufacturing enterprises. Its property includes thirty thousand acres of tea plantations in India and Ceylon, olive farms in Africa, acres and acres of farmland in England producing food for the five million and a half families which are now part of the English Consumers' Cooperative Movement. The banking department is second in financial strength to the Bank of England. The general insurance department, established in 1898, is writing one-half the insurance of the nation. (1) In 1938 the retail societies alone handled more than a billion and a quarter dollars worth of business, that being about ten per cent of the total retail trade of the British Isles. They had made a total savings of $150,000,000, of which $120,000,000 was returned to consumers in dividends on purchases. (2)

The Spread of The Cooperative Movement to Other Nations

As the Industrial Revolution spread around the world, the economic problems which it created spread with it. Out

(1) Cowling, E., Co-operatives In America, pp. 58-59
(2) Stewart, M. S., Cooperatives in The United States -- A Balance Sheet, p. 5
of the efforts to solve them came the establishment of cooperatives. Scotland established her first Rochdale cooperative society in 1851. Denmark and Russia followed fifteen years later. Sweden tried in the sixties but could not make the idea work until the present century. Finland had a like experience. France had successful cooperative stores as early as 1885.

Some European nations have made economic history by the development of cooperatives. The story of Sweden's conquest of recurring depressions, of Finland's erection of a sound economic structure are encouraging notes in a world struggling with tremendous economic problems. Denmark's economic and cultural achievements which have reached a high level are the results of economic cooperation. Here is the story of a small nation, defeated in war, with meager natural resources, rising to social greatness in a generation. In thirty-five years she revolutionized her business life, reduced farm tenancy from fifty per cent to five, and made security and culture available to all her people. (1)

Iceland is the most completely cooperative country in the world, and she has the smallest percentage of illiteracy of any nation on the globe. (2) In Belgium the movement has been an important factor in making it possible for that country to support Europe's greatest density of population.

(1) Howe, F. C., Denmark: A Cooperative Commonwealth
(2) Cowling, E., Co-operatives in America, p. 69
The Swiss have used cooperation as a means of making good living possible in a mountainous region. The Irish have used cooperation to revive and expand their agriculture.

The cooperators of the world are united in an international fellowship called the International Cooperative Alliance. This organization which includes agricultural and industrial producers' societies, agricultural credit organizations and cooperative banks as well as consumers' cooperatives, has affiliates with a membership in thirty-eight different countries. It is estimated that these cooperatives do about twenty billion dollars' worth of business annually. Outside of England and Scotland where there are more than eight million members, the movement is strongest in the Scandinavian countries -- particularly in Finland, Sweden, and Denmark.

The consumers' cooperatives of Finland handle about thirty per cent of the country's retail trade. No other country except possibly Iceland quite equals this record although twelve per cent of Swedish trade, ten per cent of British, French, and Danish trade, and from ten to twelve per cent of that of Switzerland is through cooperatives. The Danish societies control seventeen to twenty per cent of the trade in articles dealt in by cooperatives. (1) The figures for the so-called Russian cooperatives are omitted since

(1) Stewart, M. S., Cooperatives in The United States -- A Balance Sheet, pp. 5-6
the definition accepted in this study describes cooperatives as voluntary associations. It must be admitted that any organization in Russia, be it economic, social, or political, is government organized and controlled.

The Swedish cooperatives have been distinguished primarily by their successful struggle against price fixing by monopolies. This is proved by the report of a Swedish Government Commission appointed in 1922 to investigate the middleman's profit. The commission said:

"It is clear that consumers' cooperation offers a vigorous defense against the tendencies of private trade to combine in order to keep up prices artificially. Many examples could be mentioned where large organizations of shopkeepers have been forced by the Cooperative Society to scale down their prices. The great importance of the cooperative movement in this respect has been proved in a remarkable degree, particularly during the period of declining values, when the cooperative societies as a rule have been the first to reduce prices." (1)

Since 1922 the Swedish cooperatives have had a tenfold increase in productive activities.

The changing political order has had a disastrous effect upon cooperatives in Germany, Austria, and Czecho Slovakia.

The Development of Cooperatives in The United States

Cooperation is much stronger abroad than in The United States although the cooperative spirit is as old in this country as in Europe. Proof of this lies in the fact that

(1) Childs, M., Sweden -- The Middle Way, pp. 6-7
the Shakers are said to have started cooperative buying as early as 1798. Historians appear to be in agreement that the first-known instance of a purely consumers' cooperative in The United States was the buying club started by John Kaulbock, a tailor living in Boston. (1) In 1844 he induced members of his labor union to undertake joint buying of their household supplies and distribute them at weekly meetings of the union. The first purchase was a box of tea. Business grew and in 1845 a store was opened. By 1847 twelve "divisions" had been formed, and these united in that year to form the Working-men's Protective Union, later known as the New England Protective Union. This organization did not follow the Rochdale principles except that goods were sold for cash. The Union had a rapid growth, and its main strength was in The New England States although it had divisions in New York, Ohio, Illinois. However, dissensions led in 1853 to divisions in its membership. A second organization called the American Protective Union was established, but it, with the original, went out of existence due to The Civil War.

After The Civil War the next attempt to establish cooperatives was that of the Patrons of Industry. They accepted as members only farmers. Founded in 1866 it spread through the Middle Eastern States, New England, and the Mississippi Valley.

(1) Parker, F., Consumers' Cooperation in The United States Annals, Vol. 191, p. 91, May, 1937
Exclusion of all except farmers from the latter organization led to the formation in 1874 of the Sovereigns of Industry, intended for wage earners. As far as known, this was the first American cooperative of any size which followed the Rochdale principle of the return of savings in proportion to patronage. This cooperative went to pieces in 1879 after the depression of 1874-1878.

During the 1880's the Knights of Labor were responsible for the next wave of interest in cooperatives. They were interested in the formation of workers' productive rather than consumers' cooperatives. With the failure of this movement, their cooperative enterprises came to an end.

In the 1880's local societies were formed in New England by immigrants who were millworkers from England and from other European countries.

Shortly after 1900 the members of newer immigrant groups undertook cooperative activities. Among these were the Finns and the Lithuanians whose favorite forms of enterprise are stores and cooperative bakeries. The Finns have never lost their interest in the cooperative way of life, and their cooperative associations form one of the strongest elements in the cooperative movement in this country to-day.

The years 1914-1921 are characterized by the expansion of cooperatives due to the rise in prices as a result of the war boom. The American Federation of Labor in 1917 endorsed American cooperation as a remedy which, in addition to
unionism, may solve the wage earners' economic problems. Miners' unions took up the cooperative idea, especially in Illinois and in Pennsylvania where cooperative stores were started.

There existed a need for understanding the cooperative philosophy and proper cooperative procedures. To meet this need the Cooperative League of The United States was formed with James Warbasse as President.

By 1934 consumers' cooperatives showed gains in sales. This is evidence of the rising fortunes of the movement. Further evidence is shown by the expansion of services, new plants, and equipment. Although the consumers' cooperatives have been gaining rapidly in the cities in recent years, the great majority of cooperative organizations are to be found in farm areas. Most farm cooperatives concentrate on the purchase of such things as feed, fertilizer, seed, gasolene, and oil. The Farm Credit Administration estimates that 2,600 farmers' purchasing cooperatives, with 900,000 members, purchased $350,000,000 worth of supplies in the 1937-1938 seasons. (1)

Despite evidence of steady growth of the Cooperative Movement in The United States, even the staunchest supporters of cooperatives must admit that the Movement is not generally popular here. The outlook for the future development of the movement does seem favorable. Florence Parker makes the

(1) Stewart, M., Cooperatives in The United States -- A Balance Sheet, p. 12
following observation:

"As a long time observer of the Cooperative Movement, I feel safe to say that never has the public interest in consumers' cooperation been more widespread or emanated from more varied sources than at present. Farmers and farm organizations, industrial workers, labor unions, ministers and church groups, women's clubs and other organizations, teachers, professional people in all lines of work, and social and economic groups and organizations all manifest a lively interest. . . . Greater proportion of organizations to-day are being formed on sound principles and as a result of study than has been the case previously. . . . It is unfortunate that large numbers of societies in The United States still are slow to see the advantage to be gained through federation." (1)

However, this optimistic attitude was not wholly shared by the members of the President's Inquiry in Cooperative Enterprise in Europe. Two members of the commission were skeptical as to the possibilities of the consumers' movement in The United States although they found values in other forms of cooperation. Three members believed that the movement was likely to grow, though not at the expense of private enterprise. One member alone was fully convinced that consumers' cooperation was of basic importance to The United States. (2)

**Reasons for Slow Growth of Cooperatives in The United States**

Logically the question arises as to why the cooperatives have not secured the following here that they have in Europe.

(1) Parker, F., Consumers' Cooperation in The United States Annals, Vol. 191, p. 102, May, 1937
(2) Inquiry on Cooperative Enterprise in Europe, 1937
Dr. Willard L. Thorpe, Director of Economic Research of Dun and Bradstreet, Inc., has presented the following answer:

1. "The American purchaser is not a very careful buyer. The relatively low wages of Europe have made pennies important. In this country, the leadership which would presumably come from skilled workers is not so concerned with small savings.

2. The consumer rather likes our present stores. They are attractive, and he enjoys the variety of goods which they offer. He does not resent advertising because he feels that it pays for his radio entertainment, his newspaper, and his Saturday Evening Post. He does not feel that the storekeeper is making a large profit. The chain looks after that, so that the margin for patronage dividends would be small.

3. Even if the incentive were present, we are not a sufficiently stable people. Not only are communities made up of most unlike citizens difficult to weld together into a single organization, but we move about so much ... as to disturb any attempt to establish a permanent and responsible organization in terms of groups.

4. Most people are still entirely ignorant of the nature of the cooperative movement.

5. Public policy and tradition are established in terms of a system of competitive and private enterprise ... Group activity in The United States has always made much less progress than in Europe, especially when it comes into conflict with that body of ideas which is covered by the broad term 'individualism.'

These arguments can be questioned. The charge that the American is not a careful buyer may not be as true to-day as formerly because of the pressure of low wages and unem-

ployment. With rising prices, it is possible that the average consumer will find it necessary to concern himself with opportunities to economize. The second charge that the consumer is fairly well satisfied with present retail conditions is proved upon investigation to be untrue. There has been a rapid development of consumer consciousness as indicated by subscriptions to special consumer services, the extraordinary sale of books discussing the character of commodities and marketing methods, and the placing of these problems on women's club programs. All these are indications of the abandoning of a passive role of the consumer.

There is some evidence to support Dr. Thorpe's belief that the fourth charge of Dr. Thorpe can be substantiated as suggested by the following:

"In The United States, there has not been adequate recognition of the necessity for fundamental educational work. This situation is changing for the better. A 'college' for workers in the cooperative movement has opened in Kansas City. The older and more successful cooperatives are devoting a share of their profits to education and promotion. Moreover, in one state, Wisconsin, by legislative fiat, consumers' cooperation must now be taught in all the public schools from elementary grades to the state university . . . . Indeed, within another few years, this field is likely to become one of the major concerns of the growing adult education movement in The United States." (1)

The strongest reason for the slow progress of the develop-

(1) Bradshaw, E., Shike, C., Topping, F., Kagawa in Lincoln's Land, p. 90
ment of cooperatives is inherent in our economic system. Ours is a new country, and its development was characterized by limitless opportunities that breed the spirit of individualism. Profit-making business and the quest for wealth dominated the public mind. Each individual hoped to win and to go ahead of his neighbor in the competitive struggle. In no country has the urge of individual profit-making become so strong and the opportunity so great as in The United States. Such a state of mind prevented cooperation from thriving here. The idea that any man can grow rich by his own individual actions has deterred people from uniting in a project based upon mutual effort and giving such meagre rewards in the beginning.

Then, too, this is a land which has been dominated by Big Business. The influential elements in most communities are the business men. Their organizations dominate the schools, the press, and public thought as well as the industries. They are organized and operate for the purpose of making profits from the unorganized consumers. They are naturally opposed to the Cooperative Movement. That business men realize the potential importance of the Movement is shown in the following quotation from a statement by Roger Babson:

"Potentially it has enough votes, enough money, and economic soundness to split things
wide open. As the leaders of such crusades well know, if consumers ever get organized and go into real action, our present retailing, wholesaling and producing systems might be blown to bits . . . " (1)

From the same source we find the statement made that "Tide, an advertising trade journal, already views the cooperatives with alarm. So does Printers Ink and The Nation's Business." (2)

The growth of cooperatives has been hindered by the spurious "cooperative" societies. Among the most conspicuous examples have been the "National Co-operative Association" and the "Co-operative Society of America." Over $15,000,000 has been lost in three years by deluded people who thought they were promoting cooperatives. (3) Such failures are a serious blow to the future development of the movement.

As to whether these obstacles will be overcome, only time will tell. Florence Parker, whose opinion was cited on a previous page, believes that the outlook is favorable. James Warbasse, who has served as President of the Cooperative League of The United States since its establishment, does not seem over-optimistic.

"In no country will cooperation have a more difficult path. Profit-making business is in absolute and dominant control. But the fundamental economic changes must come -- are coming. The salvation of the people must be by one of

(1) Ibid, p. 91
(2) Ibid, p. 91
(3) Gide, C., Consumers' Co-operative Societies, p. 6
two methods. They must either learn their lesson by suffering, perhaps, by bloody revolution, with all of the reaction, delays, and distress which these have in store; or they must learn their lesson by education -- a slower, surer, evolutionary way. Which of these the people of this country will employ in their way to emancipation remains to be seen. It is by the path of education and evolution that the Cooperative Movement would lead."

The writer is of the opinion that the development of cooperatives will continue to be slow but that through adult education gradually the development will become more extensive in The United States, especially in rural areas. It is realized that the growth of the cooperatives may in our own country be delayed if the present international situation involves us.

(1) Ibid, p. 16
CHAPTER III
ATTITUDE OF THE CATHOLIC CHURCH TOWARD THE COOPERATIVE MOVEMENT

Papal Approval of The Cooperative Movement

In its origin the Cooperative Movement is not Catholic or even a part of the program of any religious group. As it is not a Catholic-inspired Movement, it is well to consider the attitude of the Church toward economic cooperation.

In no papal encyclical has direct reference been made to the Cooperative Movement as a means of rebuilding a new and Christian social order. This is not surprising as the papal program suggested by Pope Pius XI in Quadragesimo Anno furnishes only the guiding principles and not minute directions for detailed application. This is the usual policy followed by Church leaders. The Church does not prescribe any particular form of technical economic organization of society just as she does not prescribe any particular political organization of the state. Pope Pius XI makes this clear in his encyclical letter, Quadragesimo Anno, when he states: "It is hardly necessary to note that what Leo XIII taught concerning the form of political government can, in due measure, be applied also to vocational groups. Here, too, men may choose whatever form they please, providing that both justice and the common good be taken into account." (1)

(1) Quadragesimo Anno, p. 25
The times of Leo XIII foreshadowed no possibilities of the reconstruction of society, and hence in Rerum Novarum, issued in 1891, he merely offered suggestions to abolish abuses and to achieve a measure of social justice feasible under the circumstances.

Pope Pius XI could take a step forward, and in Quadragesimo Anno he presented a pattern for a new social order. The papal plan is built upon the vocational reorganization of society. In each industry the occupational group would include all interested parties -- labor as well as capital. Labor and other groups would keep their right of separate assembly and vote within the occupational groups. The occupational groups would seek to limit competition by maintaining standards of fairness with regard to wages, hours, prices, and business practices. The ultimate objective would be to avoid private industrial dictatorship by enabling labor to share in all industrial policies and decisions. Pope Pius XI made no direct reference to consumers' problems. This is not an oversight for his repeated insistence upon the common good and the just price takes into account the interest of the consumer. The Pope failed to recommend the Cooperative Movement to consumers, but he did not condemn it. By implication it can be logically assumed that he approved since he said that the occupational groups had the right "to adopt such
rules and regulations as may best conduce to the attainment of their respective objects." (1) He did not state any particular internal form that the occupational group should take. He left that wide open. He did take note of occupational groups that we made up of delegates from the unions of workers and employers, but he did not state that they were the only authentic occupational groups. To have done so would exclude the farmers, one of the most important occupational groups. Farm marketing cooperatives, consumers' cooperatives, credit unions, and other cooperative enterprises can fit into the pattern of the vocational organization. To argue otherwise is to fail to understand the broad meaning of the corporate organization of society presented in *Quadragesimo Anno*.

Although the public pronouncements of Pope Pius XI fail to give evidence of his approval of the Cooperative Movement, his private writings indicate that he favored and hoped for the success of economic cooperation. To prove this, we cite the following extracts from a letter sent by Cardinal Pacelli, the Papal Secretary of State, to Bishop Morrison of Antigonish:

"The world of to-day, which is hostile beyond measure to right living, brings many causes of grief to The Holy Father. Of late, however, something that is taking place in your country has come to his knowledge which has brought him great joy and which is an earnest hope of better things for the times to come.

(1) Ibid, p. 25
I speak of your effort in the social sphere which, far and wide, is known by common designation as the Antigonish Movement. And since this redounds to the great glory of yourself and the teachers of St. Francis Xavier University, The Holy Father gladly adds, to the general expression of admiration and congratulation, his own tribute of praise.

"... The Holy Father ... earnestly begs God to prosper your undertaking always ..." (1)

As yet, the present Pope, Pius XII, has made no public statement concerning the Cooperative Movement. However, it does not seem illogical to assume that he, like his predecessor, Pius XI, approves of the movement with which he must have become familiar as Cardinal Secretary of State.

American Bishops' Expression of Approval

Public approval of the Cooperative Movement has been given by the Bishops of The United States in The Bishops' Program of Social Reconstruction published in 1919. We refer to the following:

"More important and more effective than any government regulation of prices would be the establishment of co-operative stores... The astonishing difference between the price received by the producer and that paid by the consumer has become a scandal of our industrial system. The obvious and direct means of reducing this discrepancy and abolishing unnecessary middlemen is the operation of retail and wholesale

(1) Letter of Cardinal Pacelli to The Bishop of Antigonish, March 18, 1938 (Mimeographed Copy)
mercantile concerns under the ownership and management of the consumers. This is no Utopian scheme. It has been successfully carried out in England and Scotland through the Rochdale system. Very few efforts of this kind have been made in this country because our people have not felt the need of these co-operative enterprises as keenly as the European working classes, and because we have been too impatient and too individualistic to make the necessary sacrifices and to be content with moderate benefits and gradual progress. Nevertheless, our superior energy, initiative and commercial capacity will enable us, once we set about the task earnestly, even to surpass what has been done in England and Scotland." (1)

However, the most recent pronouncement of the Archbishops and Bishops of the Church in the United States found in The Church and The Social Order makes no reference to the cooperatives. This is surprising as The Bishops' Program of 1919 showed that those Church leaders had great hopes of what cooperatives would accomplish.

"In addition to reducing the cost of living, the co-operative stores would train our working people and consumers generally in habits of saving, in careful expenditure, in business methods, and in the capacity for co-operation. When the working classes have learned to make the sacrifices and to exercise the patience required by the ownership and operation of co-operative stores, they will be equipped to undertake a great variety of tasks and projects which benefit the community immediately, and all its constituent members ultimately." (2)

(1) Bishops' Program of Social Reconstruction, pp. 20-21
(2) Ibid, p. 21
Favorable Attitude of Catholic Thinkers Toward Cooperatives

Many Catholic leaders find in the cooperative idea the weapon to use in the battle against Communism. Keenly aware of the evils of capitalism, these leaders seek a middle way to combat the pernicious doctrines of the Marxists. Father John La Farge, S.J., points this out in the following words:

"This type of institution which most readily and directly exemplifies the social virtues of Christianity is that of a cooperative nature. Cooperation is an entirely Christian idea . . . .

Cooperation in the realm of material needs is also a Christian and Social concept. In our own times, we need only see the blessing that the Church gives in every country where it is set on foot to the plans for cooperative credit, such as the credit union or cassa rurale, that was promoted in his earlier days by Pope Pius X himself . . . ." (1)

"In order that the true beauty and spiritual power of the Catholic cooperative idea shall appear, it would seem that it must find its natural setting of all Catholic religio-social activity, the parish . . . . While the cooperative idea deals directly with such purely economic matters as consumers' prices, joint purchasing, and credit, it is nevertheless the application of the Christ-life to these mundane matters . . . Socialism and Communism grew up among the working classes of Northern Europe because the application of the Christ-life to the material needs of the poor had departed from traditional Christian ideals, and the apostasy of the working classes was the result." (2)

(1) La Farge, J., S.J., Communism and the Catholic Answer, pp. 23-24
(2) Ibid, p. 26
Outstanding Catholic thinkers in their writings sponsor the Cooperative Movement. Among the first Catholic churchmen to promote the cooperatives was William Emmanuel von Ketteler, Bishop of Mainz, Germany. Pope Leo XIII said of him, "He was my great precursor in the labor cause." In his opposition to the "false Communism" of Marx, Bishop Ketteler proposed the "true Communism" or the Christian Democracy of the Church. He championed a Christian system of cooperative production.

'It is superfluous to insist on the importance of Productive Associations of Workmen. We cannot foresee whether it will ever be possible to make the whole labor world, or even the bulk of it, share in the benefits they offer. . . . So far as it is realizable, it holds out the most palpable solution of the problem under discussion, assuring as it does to the workman, over and above his daily wages, which competition has practically reduced to a minimum, a new source of revenue.' (1)

His schemes of cooperative production did not materialize in his own days, those turbulent times from the 1840's through the 1870's. He was far in advance of his own times.

A Catholic churchman of our own day who favors cooperatives is Monsignor John A. Ryan, Professor of Moral Theology and Industrial Ethics at The Catholic University of America. In his book, A Better Economic Order, he says the following:

"Probably the most effective means of improving the economic and social conditions of the farmer lies in his own hands. It is the cooperative enterprise and the Cooperative

(1) Ryan, J. A., A Better Economic Order, p. 157
Movement. While the Movement has made great and gratifying progress among American farmers in the last few years, it has achieved only a fraction of its potentialities." (1) . . . .

Dr. Ryan in his work, Distributive Justice, gives much praise to the producers' cooperatives.

"By putting productive property into the hands of those who now possess little or nothing, co-operation promotes social stability and social progress. . . . A steadily growing number of keen-sighted social students are coming to realise that an industrial system which permits a comparatively small section of society to own the means of production and the instrumentalities of distribution, leaving to the great majority of workers nothing but their labor power, is fundamentally unstable and contains within itself the germs of inevitable dissolution." (2)

Another leading Catholic writer on socio-economic subjects, Father Joseph Husslein, S.J., favors the development of cooperatives. Proof of this rests upon the following quotation from his work, The Christian Social Manifesto:

"Obviously the most perfect expression of the ideal of distributive ownership would be found in the ultimate development of those cooperative societies of producers suggested by the American bishops and so greatly promoted, within certain limits, in Ireland and elsewhere. They are most feasible upon the land . . . .

The difficulties in the way of industrial cooperative production owned and managed by the workers alone are at the present time many and serious . . . .

Cooperative consumers' societies have, on

(1) Ryan, J. A., A Better Economic Order, p. 157
(2) Ryan, J. A., Distributive Justice, pp. 229-230
the other hand, obtained a wonderful degree of success . . . . All this entire development is based completely on private share ownership by the consumers, and its ultimate ideal is to change, by entirely legitimate means -- through superior efficiency the present system of profits into a system of service. The Church gladly blesses all such efforts." (1)

An active promoter of the Cooperative Movement is The Reverend Edgar Schmiedeler, O.S.B., Director of the Rural Life Bureau of the National Catholic Welfare Conference. In the following words he enthusiastically defends the cooperatives:

"It is but to state a truism to say that the Catholic Church favors the cooperative idea. Her remarkable guilds of the Middle Ages were essentially cooperative organizations seeking to apply in a practical way in everyday life the injunction of The Savior: 'Bear ye one another's burdens, and so ye shall fulfill the law of Christ.'

The student of history knows what became of the guilds. He knows, too, that no adequate substitute was ever put in their place. But the Church, in spite of the destruction of her work, has not abandoned the cooperative idea . . . . Her leaders urge its acceptance in the fields of production and consumption, and in the fields of finance and marketing. Catholic higher schools teach cooperation in their economic courses. . . . Catholic priests have helped in their immediate vicinities to foster cooperative activities. This, it should be observed, is far more the case in Europe than in this country." (2)

From the foregoing evidence we find that the Catholic

(2) Schmiedeler, E., O.S.B., Consumers' Cooperatives, p. 29
Church does approve of the Cooperative Movement and encourages its growth. It is to be noted, however, that though approval is given, it is recognized that cooperation is only one remedy of our economic ills and that the growth of the movement will be slow. Father Husslein, S.J., states that in these words:

"The difficulties in the way of industrial cooperative production owned and managed by the workers alone, are at the present time many and serious. In the first place, there is question of the vast sums required for the erection and operation of the big modern-day manufacturing plants. In the second place, the worker is naturally fearful to assume the required responsibility and run the necessary risk." (1)

Father Schmiedeler warns against depending upon the development of cooperatives alone as the key to the solution of our economic problems. He says, "Finally, the mistake must not be made of looking upon consumers' cooperatives as the one cure-all of our economic ills. To work for the extension of a cooperative society, for instance, but at the same time to neglect the development of strong labor organizations, would be no less foolhardy." (2)

These Catholic thinkers, whose approval of the Cooperative Movement has been cited, look upon it as a key but not the only key to eliminate the evils of our economic system.

(1) Husslein, J., S.J., The Christian Social Manifesto, p. 194
(2) Schmiedeler, E., O.S.B., Consumers' Cooperatives, p. 24
Catholic Organizations Promoting Cooperatives

Among the Catholic organizations which are actively promoting cooperatives is the National Catholic Rural Life Conference. At its seventeenth annual meeting, held at Spokane, Washington, October 15-17, 1939, the following resolution was adopted:

"Whereas, cooperatives patterned on sound Rochdale principles (consumer, marketing, and producer) are an application of Christian principles of social justice and social charity to the economic order; and

Whereas, cooperatives operated according to these principles are so completely in harmony with Catholic dogma and Catholic philosophy of life; and

Whereas, the cooperative system is democratic, American and economically sound and practical, and a middle way between the extreme of individualism and communism; and

Whereas, as a method to correct the evils of exploitation, greed, ruthless competition and a false economy of scarcity, it is an application of the economic remedies found in the Encyclicals of The Holy Father; and

Whereas, this system is not only endorsed by the American hierarchy but vigorously urged in the Bishops' Program of Reconstruction; and

Whereas, this system has been used so effectively, and particularly in rural areas, that it may be said to be indispensable to an integrated program of social reconstruction; now therefore,

Be it resolved: that the members of the
National Catholic Rural Life Conference continue the promotion and extension of cooperatives, such as credit unions, consumers' cooperatives, marketing and producers' cooperatives, as well as any other cooperative associations whether to provide commodities as the above mentioned types or to provide services such as medical care." (1)

The quarterly bulletin of the Conference, which is called Landward, uses its pages to promote the cooperative idea.

In The Manifesto on Rural Life, a recent publication of the Conference, we find this wholehearted approval of cooperatives:

"Farm cooperatives are necessary. Were it not for the cooperative enterprise, the family-type farmer would be at the mercy of the economically powerful in society." (2)

Catholic laymen who are the victims of the evils of our economic system and who have seen the success of cooperatives in alleviating these evils are enthusiastic in their support. A. S. MacIntyre who has become a worker in the Extension Department of St. Francis Xavier University speaks for this group.

"When you go to the mining districts (Nova Scotia) you will see co-operative stores and credit unions in operation. You will see many people going into their own credit union offices on Saturday afternoon. One of the co-operatives is doing a business of $160,000. We organized fifty

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(2) Manifesto on Rural Life, p. 56
study clubs in that town before we organized the credit union and the store, and we will never go under because the people understand the job they are doing." (1)

Failure of Catholic Writers to Spread Propaganda About Cooperatives

It must be admitted that very few Catholic laymen have contributed to the literature of the Cooperative Movement. It would seem logical to assume that this is due to their ignorance of the existence of the Movement. The writer has found that by and large very few people are informed of the existence of, the meaning of, and the success of cooperatives. Among Catholics it might be expected that enlightenment would come from Catholic literature as Catholic periodicals. Few Catholic periodicals use their pages to promote cooperatives. The Commonweal, edited by a Catholic layman, Michael Williams, does favor them and frequently has articles that encourage their growth. Infrequently in America, edited by the Jesuits, is found an article which is favorable toward cooperatives. The Catholic Central Verein of America, a union of societies of Catholic men and women, through its publication, Central Blatt and Social Justice, campaigns for the extension of cooperatives. Another Catholic publication, The Queen's Work, gives enthusiastic support to the Cooperative Movement.

(1) MacIntyre, A.S., From Communism to Christianity Through Economic Co-operation, p. 4
The paucity of literature on the subject is a sad evidence of the lack of Catholic lay interest in the Movement. Whatever encouragement has been given to the development of cooperatives in The United States and in Canada has been provided by the priests.

Criticism of The Cooperative Movement By Catholics

Although the Catholic hierarchy has given its approval to the Cooperative Movement, we do find Catholic writers who are critical of the idea. Father Edward Dineen, S.J., warns Catholics against placing their hopes in it.

"That the Cooperative Movement should become . . . . all-embracing is a desideratum to which all the advocates of the movement do not give their assent. Catholic advocates consider the cooperative movement a good means to help set straight . . . . the jumbled jig-saw puzzle which is our present social and economic set-up. Few if any Catholics would I think, desire the movement to be anything more than a palliative. . . .

The ultimate end is essentially the same throughout the world; our Holy Father called it the corporate idea of society." (1)

This criticism by Father Dineen is ably refuted in The Maritime Co-operator in an editorial in which the author points out that the corporate idea of economic organization is very broad and that Pope Pius XI himself said that these vocational organizations could "adopt any such rules and

(1) Dineen, E.H., Beyond the Cooperatives, Columbia, Vol. XIX, No. 4, p. 6, November, 1939
regulations as may best conduce to the attainment of their respective objects." He affirmed the right for associations to cut across occupational lines. An example of this would be the consumer cooperative. (1)

An appraisal of and qualified approval of the movement is given by Father John F. Cronin, S.S., in a recent issue of The Sign:

"There is, then, a field for Catholic support of the co-operative movement. If we can repeat the experiment of Nova Scotia and bring new hope to some blighted, despairing region of fishermen, farmers, or coal miners, we shall be doing well indeed...

There are blighted farm and mining regions in The United States which seem to present an inviting parallel with Nova Scotia. Here is a direct challenge to our resourcefulness...

Cooperative idealism, then needs a leavening of realism. It must develop in accord with the actual problems and the concrete situations in The United States. Blind fidelity to methods and objectives which were worked out to meet quite different circumstances will reduce the Movement to impotence and futility." (2)

Catholic Colleges Foster The Cooperative Movement

Any doubt as to whether the Catholic Church approves of cooperatives can be dispelled by citing the fact that in Catholic colleges and universities courses in cooperatives are given. Saint Francis Xavier at Antigonish, Nova Scotia,

(1) Maritime Co-operator, Vol. VI, No. 21, p. 4, November 22, 1939
(2) Cronin, J.F., S.S., Cooperatives, Utopia or Delusion, The Sign, Vol. 19, No. 6, p. 340, January, 1940
is the outstanding example of a Catholic center of learning which teaches the principles of economic cooperation, and through its Extension Department disseminates information about cooperatives. The men of this University have guided the people of the Maritimes in rebuilding a new economic order. This University has become the center of the Cooperative Movement in North America.

In The United States among the educational institutions that have courses in cooperatives are Catholic University in Washington, D. C., and Georgetown University. Father John Kelley has directed the Co-operative Institute of D'Youville College, Buffalo, New York.

From the foregoing evidence we are justified in believing that the Church does approve of economic cooperation and that while some Catholic thinkers are critical of the Movement, many of the outstanding thinkers and writers of the Church hope for its extensive development in The United States.
CHAPTER IV
THE ANTIGONISH MOVEMENT

A peaceful revolution is going forward in the Maritime Provinces of Canada. The success of this revolution is due to the leadership of that group called the "Men of Antigonish." They are the Catholic clergymen and laymen who through the Extension Department of Saint Francis Xavier University of Antigonish have developed a program of adult education and have shown the people how to become "masters of their own destiny" through economic cooperation. Antigonish is the center of Catholic interest in cooperatives in America. The educational leaders of Saint Francis Xavier University have gone to the impoverished fishermen, poverty-stricken miners, hard-pressed farmers and presented a practical plan of action.

A Description of the Maritime Provinces

The world events of the past fifty years have so magnified and developed the economic and social injustices of many countries that they were portrayed glaringly before the masses of the people. The Maritime Provinces of eastern Canada had a goodly portion of these difficulties and problems. Discontent and dissatisfaction were increasing. The leaders of the Diocese of Antigonish had to face these problems and find a solution.
This Diocese consists of the Island of Cape Breton and the three counties of the mainland of the Province of Nova Scotia, a peninsula with a rugged and extensive coast line. The other two provinces, New Brunswick and Prince Edward Island, are quite similar in all economic, social and religious conditions. These three provinces are known as the Maritime Provinces.

The population of these three provinces is a little over a million people. Over half a million are in Nova Scotia and about ninety thousand are in Prince Edward Island. Forty thousand fishermen are scattered in little villages along eight thousand miles of coast line; fifteen thousand coal miners and four to five thousand steel workers live there. (1) Much farming of a varied nature is carried on in this region.

Geographically the Maritime provinces suffer great disadvantages in that they are distant from central Canada where is located the financial power and individual wealth. However, these provinces have some advantages. There are located the nearest American seaports to Europe. The waters abound with a variety of fish; coal is abundant; the climate, which is humid and temperate, is free from the extremes of drought and frost.

To these provinces came in the early nineteenth century

(1) Coady, M. M., The Adult Education Program of St. Francis Xavier University, p. 1
many Scotch who took up tracts of land, not always wisely selected and established homes in this new Scotland which they called Nova Scotia. A number of Irish settled in the Margaree Valley in Cape Breton. One of their descendants is The Reverend Michael Moses Coady, Dean of the Extension Department of Saint Francis Xavier University, who has come to be regarded as the "Moses" or leader who has rescued from economic slavery and led to economic security the exploited fishermen and farmers as well as miners and laborers. Many French settled in the provinces, also.

**Economic Condition of The Maritime Provinces**

In past decades the maritimes were prosperous. The land was rich and fertile. Small industries developed as lumbering and shipbuilding; various handicrafts flourished. Gradually, the influences of the Industrial Revolution reached the Maritimes. The prices of farm crops, fish, and lumber were at the mercy of a highly competitive group of merchants whose aim was not to insure the producer a fair return for his labor or the consumer a reasonable value for his dollar but to make profits. The farmers were raising bumper crops while their children went without the necessities of life. The city workers were paid wages that did not permit them to buy the farmers' crops. The fisherman was but a unit in a
system that was exploiting him.

"In Nova Scotia the men of Antigonish saw . . . . the system of dealer control that was throttling the Nova Scotian miner, fishermen, and farmer. The sharecropper of the sea, whose boats and gear were mortgaged to the local merchant, had reached the bog he was in partly because of the low prices he received and the high ones he paid." (1) . . . The fishermen of Whitehead who got seven cents a pound for their live lobsters paid seventy cents a pound for their twine they used in making their lobster traps . . . . Rope cost them twenty-eight cents a pound and gasolene forty cents a gallon. Between such exorbitant prices and the starvation return on their catch they were squeezed into a common mold of poverty." (2)

Such conditions bred despair and a rebellious frame of mind. The national officers of the Communist party of the Dominion of Canada "regarded these people as the soldiers of the revolutionary army in the front line trenches for the overthrow of capitalism in Canada. They were considered the spearhead of the Communist party in Canada." (3) May day was the biggest holiday in Cape Breton. As many as seven thousand miners and steel workers would turn out with flags bearing the hammer and sickle. The people were accused of being destructive, but only the Communists offered a solution of their economic difficulties.

The Basis of The Antigonish Program

Aware of this serious condition, certain priests in

(1) Fowler, B., The Lord Helps Those . . . , p. 74
(2) Ibid, p. 114
(3) MacIntyre, A.S., From Communism to Christianity Through Education, p. 1
the Diocese of Antigonish consulted with the Bishop and members of the staff of Saint Francis Xavier University. Together they made a study of the causes of the deplorable conditions and sought appropriate remedies. The remedies, based upon a program of adult education, constitute the core of the Antigonish Movement. It is the belief of the leaders of the Extension Department of Saint Francis Xavier University that people must be mobilized to study their own problems. Those who studied the situation believed that it was not contributing much to the progress of humanity or, for that matter, to the progress of the Catholic Church, to have education become the monopoly of a select few. It was thought until recently that if each generation could be well immersed into the thought stream of the past by some mysterious process the knowledge so acquired would transfer effectively to adult life and enable them to perform the duties of citizenship. To-day we recognize that education is co-terminous with life. Through adult education the people learn that they can and must help themselves to enjoy economic security. The Antigonish program was planned to mobilize the attitudes of the people and help them to build better and greater democratic institutions.
Saint Francis Xavier University

The University in which this program was formulated is small. Saint Francis Xavier University has a student body of three hundred and sixty-five. It has always had a practical outlook and interest in the people of the Maritimes. Much credit for the success of the Movement must go to a small group. Among this group are:

1. Dr. Alexander Thompson, President from 1896-1906, who liberalized discipline and treated the students as men rather than as children.

2. Dr. H. P. MacPherson who was elected President in 1906 and who helped the clergy and the laity to make a better university.

3. Dr. J. J. Tompkins, former Vice President of the University and pioneer in adult education. He toured the world for ideas, inspired all, and as parish priest at Canso showed how adult education leading to economic cooperation could make for a better community.


5. Dr. T. O. R. Boyle who with Archbishop MacDonald carried on study clubs in various parts of the Maritimes.

6. Reverend Michael Gillis, a parish priest, whose persistence and originality made possible the establishment of the Extension Department of the University.

7. The Most Reverend James Morrison, Bishop of Antigonish and Chancellor of the University, who has served as Chairman of
the Rural and Industrial Conference and encouraged work between the people and the University.

8. Reverend J. D. Nelson MacDonald, United Church pastor at Baddeck Falls and a member of the Extension staff.

9. Dr. Hugh MacPherson.

10. Reverend Miles Tompkins. Dr. MacPherson and Father Tompkins were pioneer extension workers at the University.

11. Reverend M. M. Coady who is Dean of the Extension Department of Saint Francis Xavier University.

**Beginning of The Adult Education Program**

Concrete action in adult education was taken in the People's School, held on the campus of the University for six weeks in the winter of 1921. Only fifty-one attended. In 1922 the School was discontinued. The University had to be taken to the people.

In 1924 the first Rural Conference was held at Antigonish. Agricultural problems only were discussed. When the industrial workers began to take part, the name was changed to the Rural and Industrial Conference. Out of these conferences came the key principles of the Antigonish Movement. The success of the promotion of adult education up to 1928 was small but encouraging. No practical program had evolved.

The fundamental ideas of the Antigonish Program came from experiments carried out with a small group of farmers
in a rural section of Cape Breton. The possibilities of the community were studied. The people were encouraged to think out what they should study and what they should do. Serious discussions were started, and the group decided to go into certain kinds of production on their farms and to sell to the industrial markets. The experiment started in July. Action was taken in the following spring, and in the summer of 1928 these farmers sold their produce and did a business of $5,300. (1)

From this experiment emerged the distinguishing characteristics of the Saint Francis Xavier Movement. They are:

1. The small study club
2. Discussion leading to economic group action
3. Willingness of the more intelligent members of the group to place their abilities at the disposal of the slower members.

The Antigonish Movement was founded on the idea that if work done by this little group could be universalized, great good would result. Since then members of the Extension Department have gone over the land, mobilizing the people, and getting them to ask themselves the double question: "What shall we study? What can we do?"

The Work of Father Tompkins

Foremost among the successful exponents of the adult

(1) Coady, M. M., Masters of Their Own Destiny, p. 10
education program is Father Tompkins who on January 1, 1923, became pastor of the "Star of the Sea" Parish in Canso, Nova Scotia. The parish had eighteen hundred members; Little Dover, a mission, had four hundred people. These people, uneducated though intelligent, had hardly enough to keep body and soul together. Their homes were poor and rough. Some had part-time work in fish plants; others did fishing on their own. They lived on as little as two or three hundred dollars a year. (1) To Father Tompkins these people turned. The priest's belief was that the people could help themselves. Plank one in his program was and is: Faith in the people; faith that they can learn and will develop their own leaders. Plank two is his belief that the people can direct their own activities. His philosophy is based upon the advice that Sir Horace Plunkett gave to the Irish farmers, "What the people can do for themselves is more important than what the government can do for them." The Canso priest told his parishioners, "You can pull yourselves out."

Plank three of his program is, "Ideas have hands and feet." He exposed the people to ideas; had them read books, listen to lectures. Presidents of universities, priests, and business men came to Canso to talk to these people.

Plank four is to organize group discussions. There was

(1) Landis, B., Father Tompkins of Nova Scotia, p. 4
no formal organization of these discussion groups. One met for a time on a pier. The priest sat with the men and talked things over with them. They discussed the Industrial Revolution and its effects upon their community. The priest read aloud to them. He once asked a New York friend what he and his parishioners should read. When told to turn to Sir Arthur Salter's latest book, his answer was that they had already read it. We can appreciate this reply and Father Tompkins' success when we realize that he actually had to teach many of his parishioners to read and write.

Before long the ideas were moving. In 1927 when the Canso parishioners complained that they had no reason to celebrate the sixtieth anniversary of Canadian Confederation, the priest told them to stop and think. "Perhaps your troubles are your own fault," was his reply. "Stop growling about confederation and practice self-help." (1)

On the national holiday, a great meeting of Canso fishermen was held; they drew up a petition which was forwarded to their federal representative in Ottawa. They raised the question, "What are you going to do about the poverty among the fishermen"? As a result, a Royal Commission made a report and advised the organization of adult education and cooperatives among the fishermen. The government engaged

(1) Ibid, p. 5
Father M. M. Coady, a friend of Father Tompkins, to go out among the fishermen and organize them. Fishermen's Federation Number 1 was formed at Canso. Other fishermen's organizations were established. These producers' associations engage in a variety of activities. About forty-five have started cooperative factories to pack their fish; others market their catch cooperatively. Little Dover started the first cooperative lobster factory.

The Work of The Extension Department of St. Francis Xavier University

Certain leading Catholics had been urging Saint Francis Xavier University to establish an extension department and to improve its adult education services among fishermen, farmers, and miners. In 1929 in answer to their request, the Extension Department of the University was started with Father Coady as the Director.

Every little extension study group (There is a maximum of ten in a group.) is asked to consider various projects and choose some line of action. Credit unions have been found to be practical, and over a hundred of these small cooperative banks have been formed. The cooperative ventures have not been carried on under the auspices of the Church or University. They serve merely as the breeding ground of ideas. They are in and of the community. When the little groups have organized their lobster factories, cooperative stores, and credit unions, they do not disband. Under their educational and
religious leaders, their studies continue. A man may manage a lobster factory by day and at night he may be found in a little study group studying the consumers' movement, taxation, and utilities.

Success At Little Dover

The trail blazing in the Cooperative Movement was done in Little Dover under the direction of Father Tompkins. In the winter of 1929 the men of his parish went into the woods, cut their own lumber and with it built their lobster factory. The equipment for the canning was paid for through a loan. They organized the business on a cooperative basis. At the end of the season, they were able to repay their loan and returned an extra ten cents a pound to the individual fishermen.

This victory spurred them on to new efforts. Out of their study clubs came a plan to bring in a milk supply for their children. Their land was too poor to support cattle, but with the aid of the government a flock of goats was sent to Little Dover.

Another cooperative victory was realized in their marketing of lobsters. Again through the study clubs they investigated the details of packing and shipping live lobsters. Having learned their end of the business, they found a Boston agent to sell their fish. In 1937 for the lobsters that used to bring them six to seven cents, they got twenty cents a
pound. (1)

Next, the parishioners organized a buying club and pooled their orders, reducing the prices of necessities. They cut the price of twine, rope, and gear used in their work. They reduced prices of food and clothes.

Cooperatively they built new fishing boats. They began to improve their flocks of sheep. Moreover, they began to use the wool at home instead of selling it at starvation prices to the same kind of dealers who had robbed them of their lobsters and fish. Home industries began to make their appearance. The women were weaving the wool into rugs and other articles.

It must not be thought that Father Tompkins' program is purely economic. He realizes the importance of the development of the cultural aspect of life. Through the cooperative effort of the parishioners the tumble-down Little Dover schoolhouse has been replaced by a new two-department school. There are more children in school. These children now have sufficient clothing, a better balanced diet, and a happier future.

In all, what has been accomplished in Little Dover?

"These poor fishermen, with nothing to work with but their own hands and their awakening minds, brought about this change while the

(1) Fowler, C., The Lord Helps Those . . ., p. 45
rest of the continent was sinking deeper and deeper into a depression that has rocked our economic system to its foundation. They changed their world while all over the continent other people, with better equipment and vastly greater resources, succumbed to poverty and relief. They have marched steadily out from the shadows of charity and dependence while more fortunate men and women, without their rule of action, have slipped as steadily backward into hopelessness and despair." (1)

"The people are still poor. But it is not the grinding, hopeless poverty of a few years ago. They are making their improvements slowly, carefully, and soundly. Each move is planned and thought out in the study clubs of the adult education movement that has rejuvenated the community . . . They now recognize the world as their own. If wrongs exist, then they must act to change them. The old murmur of resentment has given place to an open and forceful declaration of inherent rights and abilities." (2)

Little Dover has served as a laboratory in which this program of self-help to economic security has been carried out. All throughout the provinces there are similar stories of success, even greater success. Communities with better natural advantages have enjoyed greater success in their cooperative enterprises.

**A Complete Program of Social Change**

That the program evolved in Little Dover includes vast plans for social changes is shown by the following diagram:

(1) Ibid, P. 47
(2) Ibid, pp. 46-47
**THE ANTIGONISH PROGRAM FOR A NEW SOCIO-ECONOMIC ORDER**

The People

Adult Education

Meetings  Study Clubs  Rallies  Conferences  Courses  Literature

To Think  To Do  To Learn

<table>
<thead>
<tr>
<th>Finance</th>
<th>Consumption</th>
<th>Marketing</th>
<th>Services</th>
<th>Labor Unions</th>
<th>Cultural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit unions</td>
<td>Coop stores</td>
<td>Local societies</td>
<td>Coop medicine</td>
<td>National Unions</td>
<td>Libraries</td>
</tr>
<tr>
<td>Central credit Unions</td>
<td>Coop whole-</td>
<td>Regional federations</td>
<td>Coop insurance</td>
<td>International Unions</td>
<td>Handicrafts</td>
</tr>
<tr>
<td>Cooperative Banks</td>
<td>National</td>
<td>National Boards</td>
<td>Coop housing</td>
<td>Coop Press</td>
<td></td>
</tr>
</tbody>
</table>

Ownership

Voice in National Affairs

Leading to

Reforms in Money and Credit -- Controlled Business

Economic and Political Democracy (1)

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Such is the chart of the social program planned by the "Men of Antigonish." It is based upon the belief that the social scene of the western world will change. The change will come in one of two ways: either through the commanding will and mind of dictatorship, which is abhorrent to all Christian people; or through the sound collective thinking of the masses, which is democracy.

A program for social change must start with the people. The general level of thinking of the masses must be raised through a program of adult education. In this program must be included public meetings to stir up the thinking of the people. These are to be followed with study clubs, leaders' conferences, and preparation of literature of the type that will inform and inspire. Such a program persistently followed will and has produced the desired results: to get the people to think the things they should think, to learn the things they should learn, and to do those things which will bring about an economic democracy.

The fields of action which will through cooperative societies furnish goods and services are as indicated in the chart:

1. Finance
2. Consumption
3. Production
4. Marketing
5. Services: Insurance, Burial Association, and the like
6. Cultural
Finance capitalism controlling these fields resulted in the concentration of wealth in the hands of a few and produced the social order denounced in the Encyclical of Pope Pius XI, *Quadragesimo Anno*. "This accumulation of power, the characteristic note of the modern economic order, is a natural result of limitless free competition, which permits the survival of those only who are the strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience." (1) In another part of the same Encyclical we read: "Let nobody persuade himself that the peace and tranquillity of human society can be effectively defended against the forces of revolution unless the propertyless be placed in such circumstances that by skill and thrift he can acquire a certain moderate ownership." (2)

Quietly the common people in the Maritimes, through their credit unions, their stores, their marketing societies and the other forms of cooperative endeavor are acquiring by thrift and skill ownership of the wealth-producing organizations of their communities. This is the foundation of democracy. Freedom without economic security is an empty shell. The majority of the people must own their homes and most of their business. Without ownership no man can be a free and intelligent voter. To him the franchise is a meaningless formality. He cannot be blamed for bartering his vote for a job.

(1) *Quadragesimo Anno*, p. 29
(2) Ibid, p. 19
Economic security through ownership will serve as a foundation of a better democracy. The people will have a more effective voice in national affairs. They will call for the control of money and credit, and demand a scientific farm program. Their light and power costs, telegraph and telephone services must be secured at a reasonable cost.

Such is the program by which the people of the Maritimes have moved into the business field and are slowly gaining that economic independence which is a bulwark against Fascism and Communism and a foundation for political democracy which can only exist when buttressed by economic democracy -- the wide distribution of economic power.

The practicality of the program appears in that it can be applied to treat each individual economic evil of the community. The educational leaders of Antigonish approach a particular problem, show the people the basic evil, and prescribe the remedy.

In the Nova Scotian towns, as in most places in America, the "Men of Antigonish" found the main problem to be one of credit. Either credit did not exist or it was extended at exhorbitant rates. The seriousness of this solution is portrayed in the following sentences:

"The farmer in Antigonish County who needed to lay in supplies for his spring planting had to pay an interest charge of 30 per cent. The fishermen on the coast, who bought new gear on credit in order to go to the fishing grounds, paid 50 per cent interest. The workers in the
industrial sections were paying rates that ran from 50 per cent to 100 per cent for emergency loans." (1)

As a result, the first study clubs organized by the Extension Department studied money and credit. In many "kitchen schools" and tiny halls men and women studied finance. At the same time they studied their own condition and resources. To make their study clubs practical beginnings of later action, the members brought in their weekly collections. These men, like the Rochdale Pioneers, were only able to contribute pennies, nickels, and dimes.

Although the beginnings were small, to-day these Nova Scotian fishing villages have strong credit unions. In Johnstown at the time of the launching of the adult education program, it would have been impossible to raise sixty dollars in cash. In 1935 their credit union had $4,000 on deposit and had made loans totalling $18,000 in a period of eighteen months. (2) In Louisdale in 1935 when the study clubs were set up, seventy-five per cent of the population of five hundred was on direct relief. In 1936 their credit union of thirty-five members had a capital of forty dollars. In 1938 that tiny village had a credit union with a capital of $1,800. (3) To-day the credit union movement is woven into the pattern of community regeneration in the Maritimes.

"... For the Nova Scotian people's

(1) Fowler, B., The Lord Helps Those ..., p. 74
(2) Ibid, p. 77
(3) Ibid, p. 77
bank to-day stands solidly behind co-operative consumer marketing, and producer action, housing, resettlement, and regeneration. It has become the active tool of the people rather than a medium that does little more than mitigate a few of the chronic and oppressive ills that beset the wage earner."

The development of consumers' cooperatives in the Maritimes has enjoyed great success. First the "Men of Antigonish" have shown the people that it was through their own fault that the people's economic destiny slipped from them. This is referred to as the "great default of the people." Had they been wide-awake and conscious of their power and rights as consumers, they would not be to-day the victims of exhorbitant prices.

Under the direction of the Antigonish leaders the first cooperative store was established at Canso in 1934. By 1937 the annual turnover of all cooperative consumer societies in Nova Scotia was $2,099,357. The membership was 6,929. (2)

The Canadian Livestock Cooperative at Moncton, New Brunswick, has become the wholesale agency for most of these stores. As the wholesale business grows, there will come a demand for manufacturing. Then there will be a production for known demand which will eliminate to a great extent the expensive machinery of salesmanship and advertising and will give the people their goods at what it costs to produce them. Their business can neither be bought or bankrupted by financial interests.

(1) Ibid, p. 88
(2) Cosady, M.M., Masters of Their Own Destiny, p. 74
The consumer cooperative movement in Nova Scotia has been extended to include medical service. The people of Saint Andrews have entered into a contract with Saint Martha's Hospital at Antigonish to pay twelve dollars a year for each member. This entitles him and any member of his family to one month's free ward treatment in the hospital.

Perhaps the most interesting type of cooperative enterprise yet undertaken by the people of Nova Scotia is the housing project that has been completed at Tompkinsville, Reserve Mines. This work has been carried out under the direction of Miss Mary Ellicott Arnold, a director of the Cooperative League of The United States. The men of Reserve Mines spent the fall and winter of 1937 studying housing. They had a site of twenty-two acres of ground on which to build. To each builder was given an acre. Provisions were made for the establishment of a community center, playgrounds for children, and gardens. About half of each lot was left free for land cultivation. Seventy-five per cent of the cost of the venture was secured on loan from the Government Housing Commission. The ownership of the homes is vested in a housing association. The owners have twenty-one years to pay for these houses, the cost of which is calculated to be $1,650. The success of this group has encouraged two other groups to undertake a housing program.

The benefits of such an undertaking are many. Father Coady
writes, "Probably the most significant thing about this venture is not that the miners are going to have suitable homes ... but the effect this has had on the outlook of the people themselves. We all realize the influence of the environment in which people live. Good, artistic homes are a minimum essential for the Canadian people ... The beauty of the country could be greatly enhanced by the erection of artistic homes. This would bring something into the lives of the people that has been seriously lacking in the past." (1)

The consumer cooperative movement has been extended to include a cooperative press. The Maritime Co-operator has taken the place of The Extension Bulletin which was issued for five years by the Extension Department. Thus through the press the knowledge of the movement will spread to every part of the country.

Cooperative marketing has enjoyed success similar to that of consumers' cooperatives. One of the basic needs of the small Maritime producer was to form federations to market their output. Little business must become a part of big business. The success of cooperative marketing is shown by describing the Antigonish Turkey Pool. Study material on feeding, breeding, and raising of turkeys was sent to a group of farmers, and a complete cooperative marketing organization was established. In the first year the production was only

(1) Ibid, p. 79
eighteen hundred pounds; the next year it was nine tons, and in the fourth year twenty-eight tons. (1) The packing houses sent bidders, and the whole output was sold to the highest bidder. "For the first time in the history of this country, the little farmer has . . . bridged the chasm between himself and his own domestic market and, what is still better, he has finally devised a mechanism by which he can reach the far-away markets." (2)

This is only one example of the success of cooperative marketing. Other products that have been marketed successfully in a cooperative way are: pulpwood, milk, fish and lobsters.

In villages like Judique not only was there unemployment but also extreme poverty caused by the low price of fish and lobsters. Out of the study clubs came the determination to solve that problem. Out of their program came the store, two lobster factories, the credit union, and a cooperative system of marketing lumber, farm products, and fish.

The fishermen of Grand Etang after a program of study embarked upon cooperative action. The lobstermen built their canning factory. Then the cod and salmon fishermen joined them to enlarge their producer cooperative to include a fish processing plant. In the years since they have functioned, they have kept in the community $20,000 that otherwise would

(1) Ibid, p. 96
(2) Ibid, p. 96
have gone abroad in the shape of profits. (1) To be sure, this figure is not spectacular but add to that the savings made in cooperative purchasing. Add to that the improved stock and farm produce that the farmers are marketing through their cooperative. Add all these things together, and the sum is the difference between poverty and a growing prosperity. The total results of a cooperative program are seen thus by Bertram Fowler:

"The real figures cannot be counted in dollars and cents. They can be computed in figures only if the accountant is one who can evaluate new minds and spirits and hearts ... They can be put down on paper thus if one can follow them through the details of their daily lives and sum up this new spirit of hope and faith and brotherhood in terms of hard cash." (2)

Through the cooperatives, ownership is returning to the people. No longer are these Nova Scotians just cogs in a giant economic machine that regards them as servants. To-day in Nova Scotia a new economic structure has been built. The people are saving themselves from unemployment and poverty. They own their own lobster factories, fish processing plants, and banks. They envisage ownership of their own flour mills, fertilizer plants, small factories, and community industries.

Not only have the men been promoting cooperatives, but the women, too, have done their share. Through the Saint Francis Xavier program the women have been mobilized in guilds and handicraft organizations. Sister Marie Michael is director

(1) Fowler, B., The Lord Helps Those . . ., p. 132
(2) Ibid, pp. 132-133
of this work. The women saw wool from their sheep bundled into bags and sold to the local dealer for a few cents a pound. He sold it to another dealer, who sent it to Montreal where it was sold to manufacturers. Eventually the wool came back to the villages at a price which made it difficult and even impossible for the people to pay. Through their study clubs, the women saw that the only real addition to the wool was the actual work of turning it from raw material into clothes.

While this work was done on wool by underpaid factory workers in distant cities, the women of Little Dover were walking miles to neighboring villages to scrub floors and do the heavier tasks of housework for pitifully small wages. To-day the looms have been set up in villages. Teachers have shown the women how to spin and weave and fashion fabrics into clothing and rugs. At the same time these women are making available to the community a higher quality of honest goods at a lower price than the profit-making merchant offers.

Achievements of Antigonish Program

It is felt by the "Men of Antigonish" that the cooperative activities of to-day represent only a small part of their possibilities. The lives of the people have not been changed greatly, but they have been shown that they are capable of carrying on their own economic enterprises. The adult education program is based upon the idea that man must have security. The economic approach then must be first. However, the object
of the Antigonish Movement is not only to give economic security but also to enrich the lives of these people by the growth of culture so that man can realize all his possibilities. The ordinary man is capable of digging into the cultural fields to a greater extent than we have realized. From the people raised to new levels of economic security will come poets, artists, and musicians.

These achievements can be claimed by the directors of the Cooperative Movement in the Maritime Provinces:

1. Cooperatives have created purchasing power.

2. Through cooperation the people have to a certain extent regained ownership.

3. Cooperatives have given men new hope and faith in themselves.

4. The Cooperative Movement has presented a challenge and proved that economic and social questions do not have to be settled by revolution but through orderly, scientific thinking, and action of the masses.

5. Real economic democracy has been established in the Maritimes. Without this, political democracy may not survive.
CHAPTER V

COOPERATIVE COMMUNITY ENTERPRISES SPONSORED BY CATHOLIC LEADERS

The Granger Homestead Settlement

The Granger Homestead Settlement in Granger, Iowa, is an outstanding example of the socio-economic reconstruction of a whole community. The economic transformation of this community is due to the leadership of Monsignor Luigi Ligutti and his able assistant, Father John Gorman. Part-time farming and the development of cooperatives have been responsible for bringing some measure of prosperity to this community which was heretofore devoid of the necessities to satisfy elementary personal and social needs.

Granger, in Dallas County, Iowa's coal mining district, about eighteen miles from Des Moines, is a village with a population of about three hundred. Though this territory includes some of Iowa's richest farm lands, the majority of Father Ligutti's parishioners, most of them Italian or Croatian, were formerly coal miners.

As in the case in many other coal-mining districts of The United States, employment in the Granger Mines is seasonal and part time. A Granger miner averaged one hundred and ninety-eight working days a year, and in 1935 the average annual income per miner was $890.35. (1) Father Ligutti describes

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(1) Ligutti, L. and Raive, J., S.J., Rural Roads to Security, p. 172
their living conditions thus: "Ill-kept houses and yards, dilapidated sheds, dirt and grime, and impassable streets abound; where the camps, consisting of filthy pool rooms, and overcrowded four-room shacks, almost inevitably result in immorality, truancy, and delinquency."

Father Ligutti, who is President of the National Catholic Rural Life Conference, successfully tackled the problem of building a new community. With the aid of a federal loan of $175,000 from the Division of Subsistence Homesteads, which was established in accordance with Section 208 of the National Industrial Recovery Act, two hundred and twenty-three acres of good Iowa land were purchased in the suburbs of Granger. Four-, five-, and six-room modern houses, each one furnished with basement, electricity, modern plumbing, and furnace, were built at an average cost of $1,500 each.

During their three years of existence the Granger homesteads have been an interesting laboratory of sociology and economics. Their problem was worked out by establishing families in new homes with some land on which to produce their own food. The small acreage is only intended to furnish an additional means of employment of leisure days. The Agricultural College at Ames, Iowa, took a great interest in rehabilitating these families. Speakers from the Extension Department gave lectures on such topics as: cooperatives, scientific agriculture, and bee culture.
That the homesteaders learned to increase the productivity of their acreage is shown by the figures for 1937. The first year was difficult as there was a drought. Nevertheless, a considerable amount of food was produced. In 1937 the housewives were able to store away more than 15,000 quarts of canned vegetables and fruits, and 330 glasses of jelly. More than 500 bushels of potatoes, 975 bushels of cabbage, squash, and other vegetables were stored away for the winter months. (1) The land is producing the essential needs for the families of the Granger Homesteads. The $7,000 crop which the homesteaders raised was nearly enough to make a year's payment on their homes.

We must remember that the people in Granger are only part-time farmers. They are first of all coal miners. In Iowa in 1938 the wages of coal miners fell to a new low of $49,311. (2) This ordinarily would mean a drop in purchasing power. However, in the case of the Granger part-time farmers, purchasing power was sustained. The income from the land in 1938 made up for the loss in industrial wages, a loss of $5,243 and gave the fifty families in the Granger Homesteads an increase of purchasing power of $7,757. As a result of this encouragement "men once disheartened and crushed" have taken a new lease of life. They are experiencing the thrill of happiness that comes from the security of an existence.

(1) Ibid, p. 176
(2) Ibid, p. 177
rooted in the soil. They are leading better lives, fuller lives. . . ."(1)

The Homesteaders have organized their cooperative study clubs. They have organized and manage a credit union, a cooperative buying club, a cooperative canning project, a cooperative way-side stand. They market cooperatively their surplus products. Their tractor is cooperatively owned; they cooperate in transportation to mines; they gravel the roads cooperatively. The success of these cooperatives is shown by the fact that in 1939 one Granger cooperative declared a sixty-seven per cent dividend on every dollar of purchase. (2)

The economic success is only one part of the transformation of Granger. With economic betterment has come higher standards of living that have brought opportunities for religious, educational, and cultural pursuits. Children who formerly could not attend high school now enjoy the benefits of an education which Father Ligutti hopes will prepare them for a future on the land, and give them skill in work, thereby discouraging migration to cities where the unskilled worker suffers bitterly from poor living and working conditions.

The success of the Granger Homestead Project is an example of what enlightened leadership of pastors can accomplish. Monsignor Ligutti and his assistant, Father Gorman, are pioneer

(1) Ibid, pp. 180-181
(2) Ibid, p. 182
leaders among Catholic clergy in showing the way to rebuilding communities on principles characterized by sound economic and Christian thinking.

**St. Teresa's Village -- A Cooperative Farm Community**

In a far different setting and yet confronted with similar problems, Father Arthur Terminiello has set to work to establish a new social and economic order in his parish of poverty-stricken "sharecroppers" in central Alabama. With some help these people could be self-supporting. They were destitute; many were without homes and actually starving. Many had been on government resettlement projects and because they had been allowed to go into debt, were dropped from these projects. A cooperative farm seemed to be the only solution.

A tract of land of one hundred and sixty acres was purchased. On the land were a number of shacks, a few cows, pigs and four mules. With these St. Teresa's Village was founded. By Christmas, 1937, seven families were living in the "Village." Father Terminiello directs the enterprise. The families will earn their share in the cooperative by their own labor, since none have capital to invest. When this share is earned, the "Village" will be run on strict cooperative principles both as regards production and consumption and according to the Rochdale system.

A beginning has been made in many phases of cooperative living. The "Village" has a commissary where the "Villagers"
purchase the necessities of life from their budget allowance, a clinic to furnish medicine and emergency treatment, a dairy and farm. Each family owns its own chickens and a one-acre subsistence farm. Everything else -- the clinic, commissary, livestock and commercial farm -- is owned in common. On the subsistence farm, each family is expected to raise fresh vegetable for the home and can for the winter. A cash crop will be realized by planting the hundred and sixty acres with pecans and cotton.

What has been accomplished during the short existence of this venture? That the first year proved the possibility of bringing security, happiness, health, and hope to these down-trodden is proved by the following observations:

"For the first time in their lives, our children attended school for a full year. Pellagra, hookworm and malaria with which all were infected, have been wiped out, so that all are in a healthy condition and able to work. For the first time, women have not had to work in the fields and have been able to devote their time to making happy homes. And for the first time, they have had the opportunity to be close to God by attendance at Mass and other devotions . . . Additional security has been added by securing life and hospital insurance for each family." (1)

Under the direction of Father Terminiello these former "sharecroppers" are living as decent human beings and not as slaves. Their cooperative village is young, but its initial

success bodes well for its extensive development and greater prosperity.

Cooperatives Bring Relief to Farmers and Fishermen on The Chesapeake

St Mary's County on the Chesapeake has never been very poor, but it has always been closer to poverty than riches. It has been said that "it is the county for which God has done so much and man so little." The people are direct descendants of the original Englishmen who came with Lord Baltimore's group in 1634. They are proud, quiet, and unambitious. Their income is gained from farming and fishing. The principal crops are tobacco and corn. Among the yields from the sea are herring, shad, crabs, and oysters.

In the fall of 1937 Father Edward Kerr, S.J., a newly ordained priest, was sent to St. Michael's Church at Ridge, a small town in the southern part of the county. He had followed the Cooperative Movement in Antigonish and hoped to start something like it in St. Mary's. He and his co-worker at Ridge, Father Horace McKenna, discussed cooperatives with Father Charles O'Neill who is teaching a course in cooperatives at Georgetown. Father Kerr realized the necessity for study clubs but conditions were such when he arrived at Ridge that he set about to start actual work before an educational program was developed.
One of the problems which he faced was to combat the informal but effective buyer organization provided by "buy-boats" coming from Virginia to purchase fish for dealers. Apparently there was an open market in the mouth of St. Jerome's Creek off Ridge. Actually, prior to the morning's bidding, the men on the "buy-boats" made an agreement among themselves not to bid above a certain price, and one of their members would be permitted to buy the day's catch. The next day it would be the turn of another to buy at a pre-determined price.

The fishermen were helpless to combat the buyers. Father Kerr with the fishermen organized St. Mary's Sea Food Incorporated and made an agreement with one buyer. In return for selling this buyer their entire catch each day, he was to pay them fifty cents per thousand herring above the market price for the day. Several hundred dollars' profit was realized, and this went into a surplus fund out of which an oyster shucking house was bought.

Another problem facing the fishermen at Ridge is that of rapid transportation, the cost of which reduces the profits. Frequent errors were made in invoices. Five hundred and ten pounds of fish might be shipped, but only four hundred and fifty would be paid for. No check on the mistake could be made, as the fishermen had no representative in the city. A cooperative marketing agreement was made with a single commission house in Baltimore to buy the catch and pay for
the cost of transportation in return for getting all the fish caught by the group. At the end of the first spring fishing season in 1938, there was a surplus of five hundred dollars. (1)

Father McKenna, S.J., who is a veteran worker among the negroes, has three negro groups in his parish studying credit problems and credit unions. Together they are trying to combat the loss of farms suffered by the negro as a result of paying grocery bills. Membership in Saint Mary's Sea Food Cooperative has been extended to the negro crabbers and oystermen. Thus, those of the white and negro race are mutually assisting one another in the struggle to make a decent living. This development of better interracial relations is indeed a triumph for the Cooperative Movement.

It is the hope of the Ridge priests and Father O'Neil that since Georgetown is a short distance away, it could fulfill the same functions for the "Counties" that St. Francis Xavier University does for Antigonish. They enlisted the aid of Father Wilfred Parsons who arranged for a new course in cooperatives to be taught by Father O'Neil.

The first meeting to sell the idea of cooperatives to the people of the county was in October, 1938, when at a quarterly meeting of the county Holy Name Society Dr. Edward Doehler of Loyola College of Baltimore talked about the Antigonish Movement and the Rochdale weavers' success. The men of the

county are slow to change, but they did ask questions and sought knowledge about farm credit unions. A beginning has been made.

It is the hope of these energetic priests of the county that St. Mary's may become the "Antigonish of America." The future of the movement depends upon:

1. An experienced manager

2. Need to synchronize the fall and spring fishing seasons with winter oysterning so as to have year-round employment."(1)

That some measure of success has resulted from the experiment is shown by the following:

"Under the tireless guidance of their present Pastor, Father Horace McKenna, S.J., the people of the parish have been united into a well-knit community. In that community there is life and purpose and ordered motion. The heart of this life is the parish church. It is the central force from which all activity begins and to which all activity returns. . . . The economic needs of the people are being helped by The (Cardinal Gibbon's) Institute with its up-to-the-minute extension courses for adults. . . . The result is a community that tends toward the ideal of Christian life such as was realized in the early days of the Church." (2)

A Maine Farmers' Cooperative Enterprise

Inspired by the success of the leaders of the Antigonish Movement, Father Wilfred Soucy, Parish Priest of Sinclair and Guerette, is determined to have his parishioners enjoy a decent standard of living. "Help people's bodies, put them in the

(1) Ibid, p. 172
(2) Yanitelli, V., S.J., Life in the Heart of Maryland, Jesuit Missions, pp. 62-63, March, 1940
way of earning a decent living, get them off relief, bolster their self-respect and you'll have little trouble in saving their souls," (1) declares Father Soucy. His parish in upper St. Johns Valley in Maine is composed of people of French descent. The original pioneers who settled there in 1785 were sons and daughters of the Acadians of Nova Scotia who were driven from their homes in the days of Evangeline. They made their way to St. Johns Valley and later were joined by other French settlers from Quebec. The mingling of the two strains, Acadian and Canadian, has produced a typical people, resourceful, sturdy, and home-loving, who still retain the language, religion, and customs of their ancestors.

The St. John Valley is on the edge of Aroostook's great potato empire, and like all other single-crop areas, it was hard hit by depression. In some towns half the farmers lost ownership of their farms and half the people must begin anew to acquire title to homes in which they live. The need for a stable source of income to supplement the income from the potato crop is imperative. Lumbering, which provided the cash income for most families, is on the decline; the seasons are too short for growing many crops successfully. A disadvantage that the Valley suffers is that it is far from the markets.

Upon the request of a group of leading farmers, the Bishop

(1) Coggswell, J. F., Father Wilfred Soucy, Boston Post, July 2, 1939
appointed Father Soucy as their agricultural chaplain, educator, and advisor. Father Soucy welcomed the appointment for he believed that there was an opportunity to help his people to enjoy economic independence through the organization of cooperatives. Meetings were held at which the purposes of cooperatives were fully explained. Interest was developed, and by May 18, 1938, a creamery was incorporated. A manager with necessary technical knowledge of dairying was needed. To meet this need the Maine Agricultural Extension Service appointed Hubert Tracy, an assistant county agent in Aroostook County. Under his guidance the necessary equipment estimated to cost $14,000 was purchased for $3,000. Some two hundred farmers are members of the cooperative creamery. Each member takes a share of stock in the creamery for every cow from which he supplies the milk. He may pay cash or a certain percentage of his milk check as he prefers. The creamery began making butter May 13, 1939. By October 21, 1939, the cooperative creamery was making one thousand pounds of butter per week and was furnishing an outlet for cream from five hundred cows. (1)

Father Soucy has plans to broaden the sheep industry in Aroostook and for raising angora rabbits. He is advocating diversified farming as he feels that the worst thing that happened to Aroostook was when farmers received ten dollars a barrel for potatoes. He says, "A one-man farmer will put in

(1) Father Wilfred Soucy, Bangor Daily News, Bangor, Maine, October 21, 1939
20 acres of potatoes. If potatoes sell for $2.00 a barrel -- and how many times in the last ten years have they hit that price? -- he'll make a little money. If they sell for 75¢ a barrel, he'll be $1,000 in the hole.

Little farmers like our people in the northern section of the county can't afford to gamble like that. But for many years false prophets have told them that mixed farming can't pay here. That we're too far away from markets. Markets! Why, here's a million-dollar market right at our door. And, what's more, we're going to capture it." (1)

Here Father Soucy is referring to the fact that Aroostook County imports butter, eggs, cheese, pork, bacon, and vegetables to the total value of about a million dollars a year. These farm products on which are paid high freight rates from long distances are imported into a county that is agricultural. Farmer after farmer is buying his eggs, milk, vegetables, butter, and meat instead of raising them. The reason? Potatoes! To-day, Father Soucy is advising the farmers to plant only a few acres of potatoes and to plant other crops. He advises them to have cows. These they may acquire by borrowing from the Farm Security Administration.

Father Soucy is working on a plan for winter earnings for those men who do not farm and for those who can be spared from farming during the slack seasons. In the winter of 1938-1939

(1) Coggswell, J., Father Wilfred Soucy, Boston Post, July 2, 1939
twenty men from his parish went into the woods to cut poles for a contractor. They labored hard for three months, and after the cost of their board was deducted from their earnings, they came out with an average of four dollars and a half apiece. They had worked for five cents a day and their board! (1) The contractor got $21,000. Now, under Father Soucy's direction the men are going after those contracts themselves and earning a living wage.

For the women Father Soucy has also planned. They make beautiful knitted articles for which they are paid deplorably low prices. For a baby's outfit retailing in New York for from $5.25-$8.50, these women have received 25 cents. (2) Through Father Soucy's initiative these women are selling their handiwork at a fair price.

Directed by Father Soucy, five credit unions have been established in Aroostook; they have had an intake of $1,800 in four months and have loaned $2,000 in the same period. (3) No account of the work of Father Soucy would be complete without stressing the fact that all this success has been realized as a result of the educational work which he has sponsored. Like the "Men of Antigonish" Father Soucy considers adult education "the soul of cooperation." "Education is the cement

(1) Ibid
(2) Ibid
(3) Father Wilfred Soucy, Bangor Daily News, Bangor, Maine, October 21, 1939
or mortar needed to solidly bind together these principles which have been compared to building stones in a so-called temple of cooperation."(1)

Another part of Father Soucy's program for which he must be praised is that it includes people of other faiths than Catholic. The Scandinavian farmers in New Sweden and in Stockholm have joined these cooperatives. Racial and religious differences are ignored, and just as in St. Mary's County on The Chesapeake better interracial relations are being developed.

Father Soucy has only made a beginning; his cooperative enterprise is young, but it is evident from its initial success that the future holds many opportunities for promoting the prosperity of these formerly poor farmers in northern Maine.

Father William Dunn Builds A Cooperative Community In Connecticut

In Ashford, Connecticut, Father William Dunn has followed the pattern set forth by the "Men of Antigonish." Due to his efforts this poor parish is to-day a thriving community. Father Dunn had spent his boyhood in a New England village and was happy to have as his first parish an agrarian community. However, the community was much different from his boyhood home. The people, mostly Irish, Slovene, and Hungarian,

(1) Coggswell, J., Father Wilfred Soucy, Boston Post, July 2, 1939
had no faith. He was the first Catholic pastor. These
dairymen, working acres depleted by Yankees of earlier days,
were robbed of their produce by large milk dealers' syndicates
and cheated at the general store by the one merchant in town
from whom they bought all their provisions. The children of
the community were taken from school to work on the farms.

Father Dunn made his own farm self-sufficient. He
developed a small herd of cattle, raised a flock of chickens,
and kept a garden. He supported himself and helped needy
families. He used the farm as a proving ground for improved
farm practices which he taught his neighbors. He became the
veterinarian, soil analyst, teacher, and lawyer of his parish.

To combat the milk syndicate, he organized the first
cooperative, The Ashford Milk Shed, and secured a fair price
for the three thousand quarts of milk a day which are sent to
Hartford. When the owner of the general store refused to
reduce unreasonable prices, the Ashford Cooperative Store was
incorporated with Father Dunn as President. This change has
lowered the cost of living in the community. At the end of
five years the community has freed itself from the tyranny of
the milk syndicate, routed the proprietor of the general store,
and organized community activities. Study clubs have been
organized. Father Dunn is coach of the village baseball team
and founded and conducts the Ashford Band. Of him one parish-
ioner, a Polish woman, has said, "Our Father Dunn, he is grand."
For us he is our priest, our teacher, and doctor. He help us to make better our farms, to build a beautiful church, and he learn our children like we never had a chance to know." (1)

Although the cooperative community enterprises directed by energetic and keen thinking Catholic leaders are few in number, the results accruing from them are many. May it not be that these few Catholic priests are pioneers in a movement which will spread to other parts of the country and rebuild the economic and social life of poverty-stricken people, Catholic and Protestant alike? That Catholic thinkers are aware of this is shown by the following words:

"One may well believe that the salvation of the rural parish, and for that matter the saving of democracy, lies in the cooperative movement. . . . If economic democracy can be attained, it will have to come from the farm. The solution of the agricultural problem is basic to the solution of the industrial problem." (2)

The question arises as to why there are so few cooperative communities directed by Catholic priests in The United States. This is a difficult question to answer, but after a study of the Cooperative Movement as promoted by Catholic leaders, the writer has come to these conclusions:

1. Pope Pius XI in his Encyclical, Quadragesimo Anno, set forth a plan which he advocated should be followed to rebuild the social order. He described a vocational organization of society. A description of this, the writer has given

in Chapter III. It would seem as if the Papal plan has overshadowed the Cooperative Movement. It is significant that the most recent pronouncement of the American Catholic hierarchy expressed in The Church and The Social Order makes no mention of cooperatives. It deals with the plan outlined by Pope Pius XI.

2. Many Catholic leaders may believe as Father Dineen who is quoted in Chapter III. It is his belief that the cooperatives do not belong in the vocational set-up planned by the late Pope. Although the writer believes that Father Dineen's idea is fallacious, it may be that many Catholics are of the same opinion as he.

3. There is not a great effort on the part of Catholic leaders to disseminate information about cooperatives. Some Catholic organizations are promoting the cooperative idea, but these organizations are few in number. It must be admitted in all fairness that the writer has found Catholics and Protestants alike ignorant of the Cooperative Movement.

4. Priests, like members of professional groups, lack time to study the economic problems of their parishioners. The duties involved in administering the parish are all-absorbing. This is true of teachers, doctors, and lawyers. Members of all three of these professions are aware of the socio-economic problems of their communities, but how few of them are leaders in a movement to eliminate these evils? Their daily work leaves them little time to become active members of organizations that aim to combat the evils of our economic system.

To offset the lack of information about cooperatives, more literature like the recent work of Father Coady, Masters of Their Own Destiny, is needed. Priests who are successful directors of cooperative community enterprises find little
time to write. If more publicity were given to the work of priests like Father Soucy, The Jesuits on The Chesapeake, Father Ligutti, and Father Dunn, there might be more interest in cooperatives among Catholics. Certainly the splendid success attained by these priests warrants more publicity than they have received.
A study of the promotion of the Cooperative Movement by Catholic leaders reveals that the credit unions have won more support than any other single aspect of that Movement. The credit union has been used by the men of St. Francis Xavier University to solve the credit problems of the Nova Scotians. It is serving as a foundation upon which their cooperative enterprises are frequently built. Whenever other cooperatives are promoted by Catholic leaders, usually the credit union is organized first.

Meaning of The Credit Union

The credit union applies the cooperative principle to the problem of short-term credits. It is a miniature cooperative bank organized among a specified group of people. It is organized as a corporation under a specific state statute. The credit union accepts the savings of its members in agreed weekly, semi-monthly, or monthly installments. It loans the funds accumulated to members of the group forming the credit union. Interest is charged on these loans at a rate that is fixed by the board of directors elected by and from the membership of the credit union. The rate must be within the limit fixed by the law of the state. The money earned by the credit union is distributed to the members of the credit union.
in the form of dividends on their shares.

**Services of the Credit Union To Its Members**

Credit unions are needed to aid hard-pressed small borrowers. The average prosperous citizen little realizes the burdens assumed by his less fortunate fellow-citizens who are forced to borrow money, and who are unable to borrow except at an interest rate of several hundred per cent. The Court of Appeals of Alabama in 1921 held that a loan was usurious where the plaintiff signed a note for five dollars stating on its face a rate of interest of 8% per annum, but in fact was required to pay $1.80 per month. In this case the borrower paid $21.60 a year on an original loan of $5.00, or interest at the rate of 432 per cent! (1) It is reported that thousands of such loans are made in Alabama at rates of 300 per cent or higher.

The testimony of Roy Bergengren, active promoter of credit unions, is evidence of the seriousness of the debt situation of the American public. Using the 1931 figures, he states that the cost of installment credit to American families was approximately $400,000,000. (2) These are extremely conservative approximations. They indicate a potential business of $4,000,000,000 now costing American families over

(1) O'Hara, F., Money At Two Hundred Percent, Commonweal, Vol. XI, No. 17, p. 469, February 26, 1930
(2) Bergengren, R., Cuna Emerges, p. 200
$900,000,000 of carrying charges. If this business were financed by credit unions, it would save American families approximately over $500,000,000 per annum. (1)

If a group needs to save money, and if they have need of credit and no normal credit resources, they have a real need for a credit union. They are especially needed by agricultural groups and by those in the low income brackets.

A primary job of the credit union is to combat usury by creating normal credit facilities for the average worker in industry and for the small farmers who have hitherto in time of credit necessity been obliged to have recourse to the usurer. Credit unions when organized extensively will put back into the hands of millions of workers their hard-earned money now lost by usury. Thus, new buying power will be created. Instead of the exhorbitant rate of the "loan sharks," the borrower is charged by the credit unions a usual rate of 12 per cent. (2) This low rate is possible because the credit union business is conducted at a low cost. They pay little or no rent and few or no salaries. Their borrowing members are already known to the officials, and expensive investigations of character are not needed.

Credit unions make constructive loans. They make possible payment of taxes, medical bills, and other emergency bills.

(1) Ibid, p. 200
(2) O'Hara, F., Credit Unions, p. 7
That such loans are necessary is shown by the fact that between 85 and 93% of our population are without bank credit. They are paying interest on loans at the rate of 42% and upwards. (1)

Short History of the Credit Union

The modern credit union emerged from the thinking of Herman Schulze-Delitzsch and Frederick Raiffeisen. The economic conditions that gave rise to the credit union were similar to those which motivated the Rochdale weavers to develop their consumers' cooperative. It was a time of famine and Faiffeisen, Mayor of Flammersfeld, Germany, sought by cooperation to relieve the distress of his fellow townspeople. His development of credit unions was carried on from 1848 to 1888, the time of his death. After 1888 the idea spread to other parts of the world. However, its proponents failed to see in it a tool to be used to rebuild a new economic order as the "Men of Antigonish" have.

The credit union was brought to America by Alphonse Desjardins, a journalist in Montreal, who as early as 1885 was aroused by usurious money lending in that city. After years of study in Europe, he organized the first credit union in Levis, Quebec, in 1900. "The first installment was a dime, and the total of the first collection amounted to only $26..."

(1) O'Shaugnessy, T.J., The Parish Credit Union, America, Vol. 44, p. 214
Twelve years later this first credit union had resources of $188,306 and had loaned approximately a million dollars." (1) By 1934 in Quebec there were one hundred and sixty-five credit unions, with 36,470 members and resources of $8,536,403. This development is almost exclusively within parishes and carried on in cooperation with parish priests.

Desjardins was responsible for the beginning of the credit union movement in The United States. In 1909 he cooperated in the organization of a credit union in St. Marie Parish in Manchester, New Hampshire. This was the first credit union in The United States. In 1908 Desjardins came to Boston and helped in the preparation of a bill which was passed in 1909. This law became the model for general state legislation concerning cooperative banking in The United States.

Much credit for the development of credit unions in this country must go to Edward A. Filene, Boston business man, whom Ray Bergengren describes as "a practical economist with an active and accurate vision." Filene brought Desjardins to The United States. It would be impossible in this study to survey all the work done by Filene in promoting the growth of credit unions. However, his work culminated in the establishment of The Credit Union National Association which emerged on March 1, 1935. Under the direction of this organization, credit unions have been organized throughout the nation.

(1) Bergengren, R., Cuna Emerges, pp. 14-15
So successful has been its work that Bergengren says, "It is now possible to say with accuracy that credit unions can be normally expanded during the next decade until every man and woman of the many millions in The United States who need credit union service will be included within the scope of some form of credit union organization." (1)

Credit Unions Sponsored by Catholic Leaders

As has been stated in a foregoing paragraph, the first credit union in America was started in a little Catholic parish in Manchester, New Hampshire. There was no rapid development of the credit union in parishes until after the close of the World War when Edward A. Filene privately and as a disinterested public service founded and financed the Credit Union National Extension Bureau with Ray A. Bergengren as its executive secretary.

During the past few years four Catholic organizations have been studying and encouraging the development of parish credit unions. Included are the following:

1. The Catholic Central Verein of America which has headquarters in St. Louis, Missouri. Through its publication, The Central Blatt, much information about credit unions is disseminated.


(1) Ibid, pp. 29-30
3. The Queen's Work. The directors of this organization publish literature on credit unions and organize discussion club projects for rural groups.

4. The Parish Credit Union National Committee. This was organized in 1929 to carry on an educational campaign to bring the credit union to the attention of parishes throughout the nation.

The Growth of Parish Credit Unions

The Catholic parish credit union movement has developed widely in The United States. It is significant that the largest credit union in The United States is a parish credit union, the credit union of the parish at Central Falls, Rhode Island. (1) Outstanding among successful parish credit unions in Massachusetts according to the 1935 report of the Bank Commissioner are: The St. Jean Baptiste Credit Union at Lynn with assets of $90,210; Notre Dame de Lourdes Credit Union at Lowell with assets of $172,155; St. Mary's Credit Union of Marlborough with assets of $147,743; Sacred Heart Credit Union of New Bedford with assets of $89,943; and Ste. Anne Credit Union of New Bedford with assets of $273,443. (2)

Typical Parish Credit Unions

A typical parish credit union is that of St. Andrew's Parish on the outskirts of St. Louis, Missouri. It was

(1) O'Hara, F., Money at Two Hundred Per Cent, Commonweal, Vol. XI, No. 17, p. 470, February 26, 1930
(2) Muench, A.J., Credit Unions in Parishes, P. 3
organized in August, 1927, and had an original membership of forty-seven. By August, 1929, there were two hundred and two members and deposits had increased to $10,851. The loans for 1929 were $8,448.

Another parish credit union is that of St. Cecelia’s Parish at Ames, Iowa. The pastor of this parish is Father J. M. Campbell, a signer of the National Constitution of the National Credit Union Organization. From 1928 to 1929 the membership increased from twenty-two members to forty-four. Deposits increased from $1,300 to $4,000. Of the credit union Father Campbell makes this report:

'Savings of our members averaged nearly $100 for the year (1928-1929). In many cases our members have never saved anything before. . . . But the full story of the material service that we have been able to render is not told in terms of loans and savings. The members here and there have been bettered by the influence of the credit union. The credit union is, however, more than an agency rendering material services. The credit union serves to bring the members of a group into a more neighborly spirit, and this can not but assist the Church and her spiritual mission. . . . I give the credit union my own heartiest approval and hope that it may find its way into every Catholic parish in this country.'

(1)

Father Campbell adds strong words of approval of the credit union in his work, The Parish Credit Unions.

"Too often the laity have the impression that the priest is more interested in the material needs of the Church than he is in the material needs of his people. This is not the fault of the priest, who, as a rule, has not the means to relieve distress. But, given a credit union, the

(1) O'Hara, F., Money at Two Hundred Per Cent, Commonweal, Vol. XI, No. 17, p. 470, February 26, 1930
priest is able to give expression to his people of the interest that he has in their temporal welfare." (1)
CHAPTER VII

NEAR-COOPERATIVES SPONSORED BY CATHOLIC LEADERS

In this chapter the writer groups together various cooperative enterprises that do not follow real cooperative principles but which do have some of the aspects of cooperation.

Maternity Guilds

During the past few years there has been a great growth of interest in organized promotion of activities in behalf of the Catholic family. Among the organizations that are promoting this work is the Catholic Conference on Family Life. For five years this national group has been working to advance the cause of the Catholic family. One of the more recent and at the same time more practical ways in which this interest has developed is in the organization of Maternity Guilds. These Maternity Guilds are formed by groups of individuals who provide a fund for the purpose of defraying the expenses incidental to childbirth on the part of any of its members.

It is no secret that many to-day are unable to procure competent care at this time or that they can do so only with great difficulty. The president of a physician's guild stated several years ago that the average cost of seventy percent of confinement cases in a large city exclusive of charity cases was two hundred dollars. (1) The poor are often

provided for in this regard; they are taken care of by charitable organizations. People of means can meet the expenses involved. There is, however, a large group between these two extremes, the great mass of people in moderate circumstances. For this class, the Maternity Guilds fill a real need.

By means of a fund obtained from Guild members, hospital care is provided for mothers who are members of a particular unit. The Guild working in conjunction with local Catholic physicians and hospitals secures this care for a reasonable sum, usually about fifty dollars. The Guild has family members. These include husbands and wives of the parish who may expect to benefit directly from membership in the Guild. Usually they pay fixed monthly or annual dues. Other contributors to the Guild fund are parishioners who, while they do not expect to derive any benefit from membership, nevertheless contribute.

In certain respects the Maternity Guild resembles the credit union. Both have funds built up by the group pooling its resources. Both serve to give financial aid to a class in need of it. However, the credit union loans are to meet any emergency. The Maternity Guild limits its benefits to finance childbirth cases.

Considering the serious depopulation threat in this nation, there is a need for these Guilds. They are wholly in harmony with ideas expressed by Pope Pius XI in his
Encyclical Letter On Christian Marriage. The Pope stated that "Provision must be made also, in the case of those who are not self-supporting, for joint aid by private or public guilds." (1)

The Guilds are a concrete answer to those who champion birth control, a movement to which the Church is vigorously opposed. The Church believes that problems arising because of the difficulty to finance families should be solved by improving the economic order and by giving financial aid to families. Pius XI expressed this attitude in these words:

"And so, in the first place, every effort must be made to bring about that which Our Predecessor Leo XIII of happy memory, has already insisted upon, namely, that in the State such economic and social methods should be adopted as will enable every head of a family to earn as much as according to his station in life, is necessary for himself, his wife, and for the rearing of his children." (2)

The first Guild to be organized in this country was that of St. Joseph's Parish, San Antonio, Texas. The second Guild is in St. Anthony's Parish, Milwaukee. In 1934 a third Guild was established in St. Francis de Sales Parish in St. Louis. In each of the following places a Guild has been established: Minneapolis, Minnesota; St. Cloud, Minnesota; Indianapolis, Indiana; Quincy, Illinois; Rochester, New York; Elmira, New York; New York City; Pittsburg, Pennsylvania; Baltimore.

(2) Ibid
Cooperative Activities Sponsored by The Queen's Work

Of an entirely different nature but of equal importance is the work being promoted by the Directors of The Queen's Work who are promoting the Cooperative Movement through their educational program among young Catholic women. In Catholic parishes and in Catholic schools Sodalities are formed, and in their study groups the Cooperative Movement is studied. We find in the Semester Outline Program the following statement which shows the great importance that the Directors place upon cooperatives:

"The Sodality in schools exists primarily to supplement . . . . the efforts of the Catholic schools to turn out deeply spiritual, highly intelligent . . . . . social-minded . . . . . American citizens. . . ."

The Semester Outline is the 'laboratory manual' which suggests spiritual and temporal projects . . . . coordinated with the very purpose of Catholic education.

. . . . A fundamental purpose of Catholic education is to train Catholic students for citizenship in our American democracy. Since the Sodality program wishes to help the schools train for citizenship, it offers the study of the Cooperative Movement as an experiment in economic democracy." (1)

These Sodality groups follow their studies by organizing cooperatives, usually cooperative buying clubs. The Report

(1) McDonald, G.A., S.J., Semester Outline Program, p. 1
on Catholic School Cooperatives made by the Sodality Advisory Board shows that the results are encouraging although they are of a small nature. The following is a testament to that fact:

"The Business Administration Majors, a club of commercial students, introduced cooperatives to Our Lady of The Lake College, San Antonio. From September until January the members of the club studied the Cooperative Movement. In January, they decided to put their study into practice. On February 6, a co-op drug store was opened for business. At the end of the first month of business they made a profit of a little over six dollars." (1)

Although the Directors of The Queen's Work have only made a beginning, it is to be noted that their approach is similar to that of the "Men of Antigonish." Study clubs are educating young Catholic women to realize the benefits of economic cooperation. It does not seem far-fetched to believe that this work will have concrete and greater results in the future years when these same young women are the adult members of their parishes. It would seem logical that what they are now doing in a small way may be followed by the organization of larger cooperative activities as credit unions, maternity guilds, and consumers' cooperatives.

The Work of Dorothy Day and The Catholic Worker

Outstanding among Catholic workers for social justice is Dorothy Day, a former Communist and now the Editor of The

(1) Report on Catholic School Cooperatives Made by Sodality Advisory Board of The Queen's Work, p. 4
Catholic Worker. Since her conversion to Catholicism, she has directed her energies to helping her unfortunate fellow men and women. Convinced that Catholic lay workers can aid the unemployed as the monks aided the poverty-stricken and leprous in their houses in the Middle Ages, Dorothy Day and her co-worker, Peter Maurin, have promoted the establishment of Houses of Hospitality throughout The United States. The writer does not believe that all these Houses could be described as cooperative enterprises; yet, a study of them does show that some have the characteristics of cooperatives. In Washington a group of unemployed veterans working with The Catholic Worker has opened a cooperative hostel. A number of men who have small pensions, not over fifteen dollars a month, have pooled their resources and have opened a house. Through their cooperative efforts the house will be maintained for the group and for other unfortunates. (1)

Since most of these Houses of Hospitality are maintained through charitable subscriptions donated to The Catholic Worker, they as a group can not be called cooperative ventures. However, they do serve as a center of spreading information about economic cooperation. As evidence of this we find in The Catholic Worker this report from St. Benedict's House in Minneapolis:

"Our Union of Unemployed and our Credit Union are going along fine... Study groups are held twice a week to discuss the principles of cooperatives, and the interest has been very encouraging. The Credit Union that they have formed has about fifty members in it with a share capital of about fifty dollars. They also have a buying club... After a period of further discussion and study we hope a self-help coop of some kind will develop." (1)

The value of the work accomplished by Dorothy Day and The Catholic Worker must not be underestimated. Through her efforts the people who need the cooperatives are learning about them, and it well may be that Catholic interest in consumers' cooperation will grow.

The Farming Communes

The Catholic Worker is establishing agricultural cooperatives which are known as communes. On April 15, 1936, the first farm was acquired. This is located in Easton, Pennsylvania. In some respects these communes resemble Father Terminiello's sharecroppers' cooperative, St. Teresa's Village. The group in the Easton commune give their labor as do the residents of St. Teresa's Village. At present both are financed by funds that are donations.

That the Easton commune has enjoyed some measure of success is shown by the fact that by the second summer an adjoining farm was rented. As yet the returns from this

enterprise are small but encouraging. In The Catholic Worker we find the following comment: "The spring of 1939 is here and new plans are being made and this year we are all sure we shall profit by the mistakes of the past. We had an average of fifteen on the farm during the winter of 1938-1939." (1)

In spite of the small results Dorothy Day and her co-workers have been encouraged to establish other communes. These include:

1. The Farm Commune at South Lyons, Michigan, called St. Benedict's Farm.

2. The Cleveland, Ohio, Commune known as Our Lady of The Wayside Farm.

3. The Commune at Upton, Massachusetts, called St. Benedict's Farm.

These farm cooperatives which are under the direction of The Catholic Worker are of too recent an origin to draw any conclusions about their value. However, credit must be given to Dorothy Day and her fellow workers for initiating a movement which may enjoy great success in the future. It is Dorothy Day's belief that it is the personal responsibility of the laity to direct Catholic Action and to bring about social justice.

"It (to relieve economic distress) is really the work of the lay apostolate. In this day of huge parishes, running into thousands of souls (sometimes even 10,000), it is

(1) The Catholic Worker, Vol. VI, No. 10, p. 8, May, 1939
hard to see how the priest can think of undertaking such a work.

We not only believe that this is the work of the lay apostolate, but we believe that all over the country the faithful should gird up their loins. . . until the social order has been reconstructed." (1)

SUMMARY

There is no doubt that need for improvements in our economic system exists. Poverty and unemployment are widespread here and abroad. In Europe these serious conditions have caused the rise of totalitarianism and the placing of the economic and political destiny of millions in the hands of a few dictators. In our own country we are witnessing the efforts of the government to combat the evils of an economic system that is out of order. The results are evidences of the fact that the government alone can not solve these economic problems. The people must do something for themselves.

From the days of the Rochdale Pioneers energetic groups have taken upon themselves the burden of relieving their economic ills. Their success proves that by developing the Cooperative Movement hard-pressed groups can enjoy economic security. Their consumers' cooperatives give them goods and services at reasonable rates; their marketing and producers' cooperatives give them a fair return for their work; through their credit unions loans are available at fair rates of interest. Where the Cooperative Movement has developed extensively, the people have become "masters of their own destiny." They are their own employers, storekeepers, bankers, and home builders.

The Rochdale Pioneers planned well. Their courageous
efforts to rescue themselves from poverty resulted in a move-
ment which has played an important part in the economic life
of the English people. Their little cooperative store which
opened its doors in 1844 served as the foundation of coopera-
tive societies which by 1938 were doing ten per cent of the
total retail trade of the British Isles. Although the Coopera-
tive Movement has developed extensively in England, it has
failed to enjoy the far-reaching success that it has attained
in the Scandinavian Nations and in the Maritime Provinces of
Canada. In England the cooperative societies have served as
a means of saving money for those who are poorly endowed with
worldly goods. The writer found no evidence that in England
the cooperative way has become a philosophy of life as it has
in Scandinavia and in the Maritimes.

It is to be noted that the Cooperative Movement has
enjoyed the greatest success in those nations which are small
and have a homogeneous population. Iceland, which is the
most completely cooperative country in the world, has a popu-
lation of only about one hundred and eighteen thousand people.
Finland, which ranks second in the growth of cooperatives,
has a population of only three million eight hundred thousand
people. This is approximately five hundred thousand fewer
people than our State of Massachusetts has.

The most ardent champion of the Cooperative Movement
would have to admit that the Movement has not enjoyed great
success in The United States. Its development has been slow since its origin in 1844. In the rural areas, especially in the West, consumer cooperative societies have attained some success. In this country there are relatively few producers' cooperatives. The failure of the Movement to have a widespread growth is due largely to the fact that this nation is large and has a heterogeneous population which is not stable. Moreover, as a nation we are individualistic. The spirit of "rugged individualism" is characteristic of our economic system. For the Cooperative Movement to attain any great degree of success in The United States, it would be necessary to educate the American people to the cooperative way of thinking and acting.

A study of the promotion of the Cooperative Movement by Catholic leaders, clerical and lay, shows that in America it has not enjoyed their support except in the Maritime Provinces of Canada. There the Extension Department of Saint Francis Xavier University has served as a center of adult education upon which foundation the whole Cooperative Movement has been built. From the University inspired leaders like Father Coady have gone forth and shown the people of the Maritimes that they can solve their economic problems by group action. The Movement is young but the results have been most encouraging. The cooperative way has become not only a way of thinking but
a philosophy of life. True economic cooperation means the end of selfishness and a recognition of the truism that the welfare of all depends upon the welfare of each one in the group.

In The United States very few clerical leaders are active in promoting cooperatives. The Bishops of The United States in their Program of Social Reconstruction issued in 1919 gave their approval of the Movement. In spite of this, few Catholic priests have encouraged the growth of cooperative societies. With the exception of credit unions, no other aspect of the Movement has won the support of the clergy. It is significant that in their most recent pronouncement, The Church and The Social Order, the Bishops of The United States make no mention of cooperatives. The writer believes that this is due to the fact that the papal plan set forth in the Papal Encyclical, Quadragesimo Anno, has overshadowed the Cooperative Movement. It is the opinion of the writer that this is regrettable. The success of the leaders of Saint Francis Xavier University of Antigonish warrants more interest in economic cooperation than the Church in America has shown. The writer does not believe that the Cooperative Movement is the answer to all of the economic problems of the nation, but consumers' cooperatives, credit unions, and maternity guilds are some aspects of the Movement which would benefit hard-pressed parishioners. The preceding statements are not written in a spirit of criticism but rather in a spirit of hope that in the future
American people, both Catholic and Protestant, may enjoy the same degree of economic security that the people of the Mari­times have found through the enlightened leadership of their pastors and lay leaders.

It would seem at the present writing that the hope of those who favor the growth of the Cooperative Movement lies in America. Already several of the nations in which the cooperatives have developed extensively have become victims of totalitarian nations. It is not to be expected that Germany and Russia with their government-regulated economic systems will be friendly to a movement which builds an economic democracy.
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