

LIVING CO-OP HISTORY

a view of Kansas people & politics

BY CHUCK MAGERL

"There are attributes to the co-operative form of business organization other than those purely economic or those upon which a dollar and cents value may be placed. One can scarcely help being struck by the social aspects of this movement which for many people has become a sort of religious outlet for humanitarian feelings. In a sense the co-operative tends to be a way of life, more than simply a means of reducing costs or maximizing returns."

This apparently contemporary analysis of the cooperative movement was actually published 30 years ago following a study of the history of cooperatives in Kansas. In a series of tables and graphs, Lloyd Wilson charted the position of coops in the Kansas economy and the historic struggle of coop development. By examining early coops in Kansas, we can learn about the pitfalls of coop organization, the threats to radical coops, and how some coops became virtually indistinguishable from the big businesses they vowed to humble.

Accounts of cooperatives in Kansas begin with farm groups, since Kansas is a rural state. The earliest Kansas coops were organized by the Grange, a post Civil War populist group. The Grange united farmers against the railroads and grain dealers who squeezed great profits from farm products.

Early attempts to fight this manipulation included reducing living costs for grange members by ordering large shipments of staples such as twine, seeds, flour, and farm implements. These shipments were divided and sold at cost. Through group purchases and a strong vocal resistance to profiteering by rich industrialists, the grange attracted large numbers of dissatisfied farmers.



Mary Elizabeth Lease, a populist lecturer, rode rural circuits in Kansas urging farmers to "raise less corn and more hell." Populist governments were chosen by voters in the 1890's.

Unfortunately, the grange members spirit and fight couldn't match the clout of the industrial barons. The members had little awareness of the workings of an economic system which stole the earnings of farming by market manipulations and contrived shortages. Lacking power and information, the grange crusade began to waver, and by the

1890's no longer threatened wealthy capitalists. A few reminders of the glory days of the Grange remain in Kansas, including a co-op store in Cadmus, the oldest co-op store in the country.

The Grange lost many frustrated members to the young Kansas Farmers' Alliance and Industrial Union, its motto: "In things essential, unity; in all things, charity." The Farmers' Alliance organized co-ops more vigorously than the Grange, establishing scores of co-ops, some providing farmers with staple items, and some effectively marketing the farmers' produce. But in the fervor of the social and political struggle of the co-ops, standard business guides were often ignored or misunderstood. By the time experience had taught a few business lessons, many co-ops had folded, leaving disillusioned members.

A grain company elevator along the railroad in Tribune, Kansas during the 1920's. The sign on the elevator reads, "Fishman Land Company, Largest Land Developers In America." The conspiracy among railroads, land brokers, and grain dealers formed a monopoly of the wealthy; working farmers to frustration.

The disheartening failures of Grange and Farmers' Alliance Co-ops were exaggerated in their members' minds by the intensity of the initial idealism. And, farmers weren't the easiest group to organize. In assessing coop fail-

dustry, or Knights of Labor. When the parent organization would slip as they sometimes did, the co-operatives would fall.

In fact, the farmers' co-ops that survive are not essentially group concerns, seeking to establish a new way, but rather a means to boost the individual farmers interested in themselves as entrepreneur. In this situation, the co-op member's allegiance is to a cheap buyer's price on staple items and a high seller's price on farm products, rather than a restructuring of a system that keeps people always on the ropes, due to market instability.

An early example from Kansas history shows the dangers of eager attempts at temporary profits. Co-op grain elevators were established in communities throughout

To continue the fight, co-ops began to centralize authority and decision-making. Local co-ops were delivered to regional control groups and a managerial class developed to tighten co-op operation. The move to centralization mushroomed to the point where eventually co-op members were only invited to express their involvement at annual meetings, and the co-ops lost their identity as cooperatives.

While concentrating on the business efficiency of the co-ops, the vital process of education and communication was virtually ignored. By the 1940's, most co-ops weren't concerned with member education and the hierarchical division within the co-ops solidified. Without an ongoing dialogue on the value and direction of co-operatives, the companies tended towards standard



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Kansas to aid farmers in the storage and sale of their crops. As these groups began to threaten the established grain brokers, the brokers retaliated by various means. Since the brokers controlled a string of elevators throughout the state, they could afford to sustain temporary losses at one elevator. So, they would offer farmers a slightly higher price for their crops than their co-op.

Lacking its members' business, the co-ops would be forced into bankruptcy, leaving the grain brokers as the sole market for the farmers goods. The grain dealers would then drop the price they paid farmers, knowing the farmers had nowhere to turn. This technique destroyed a number of farmers' co-ops.

There was further discrimination against farmers' co-ops at the large terminal grain markets in Chicago, Omaha, and Kansas City. The grain brokers absolutely refused to deal with any co-operative companies. In addition, railroads would refuse to sell access space to the rail lines, or provide co-op elevators with freight cars to transport the crops. The discrimination was so blatant that the secretary of the Kansas (Grain Dealers') Association was eventually fined and sentenced to jail.

business practices, the attitude they originally fled.

The Mercantile is a part of this cooperative history of Kansas and we should recognize the struggle we are involved in. We inherit a tradition of serving someone else's profits. The 1000 members of our coop are participants in a food system designed to shatter that tradition and we share the same intention as the handful of families that established the early Coop in Cadmus, Kansas over 100 years ago.

**We hope to explore the features of early Lawrence cooperatives during the coming months, a history of many that few of us know.

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