

CASE STUDIES OF CONSUMERS' CO-OPERATIVES

By H. Haines Turner

Columbia University Press, \$2.50

Of all the phases of production, that of retail distribution is (according to Dr. Turner) one of the most inefficient. It is here that the small, independent entrepreneur may still find a sort of opportunity.

Until recently, even this field seemed on its way to being closed—by the chain stores. But the small merchant is not going to give up without a struggle, and has been demanding (and obtaining) legislation which will hamper the chain store and give him an advantage. Examples of such legislation are special chain store taxes and price-fixing laws—the so-called “fair trade acts.”

As usual, the wishes of the consumer have little weight in influencing the lawmaker. If the legislature “gangs up” on Mrs. Housewife by jumping on Piggly Wiggly and A. & P., she must do the best for herself that she can. Consumer cooperatives are supposed to offer a possible way out.

Dr. Turner's book is based upon actual field analysis of cooperatives run by Finnish-Americans in Massachusetts, Michigan, Wisconsin, and Minnesota. Sections are devoted to the economic accomplishments of cooperatives, the advantages of cooperatives over private business, the benefits of cooperative enterprise, the reason for the successful development of cooperatives, and reasons for the absence of cooperatives in some communities, the effects of present social trends upon cooperatives, and the economic future of cooperatives.

It is highly improbable, however, that the organization of consumer cooperatives will solve any economic problems. At best, a cooperative can accomplish for its members what a labor union does—it can secure for them advantages in which non-members do not share. When and if any consumer cooperative attains a stature comparable with (say) A. & P. today, it will have used against it the same weapons now used against the chain stores. Even granting that cooperatives can confer benefits, there is no evidence to show that these benefits can ever become general.

Moreover, turning to cooperatives for protection against cheating merchants on the one hand and double-crossing legislatures on the other appears to be unnecessarily circuitous. Cooperation can do nothing that cannot be done better by competition. Of course, it is idle to speak of competition when one competitor has a blackjack and the other only a toothpick. Americans might well concern themselves with abolishing special privileges which make competition one-sided, instead of attempting the impossible task of granting new privileges which shall just counterbalance the old ones.

ALAN FREEMARTIN