CHAPTER 9

WHY COOPERATIVES LAG IN AMERICA

Lack Of Cooperative Education. One of the greatest reasons why cooperatives are not as prominent in this country as they are in other countries is the lack of cooperative education available to the farmer. Even now, not many farmers are in a position to learn of the many advantages that cooperative marketing or buying has to offer. The farmer has been too much engrossed in the business of producing enough commodities to enable him to make both ends meet to attend cooperative meetings whereby he could acquaint himself with its many advantages. Despite the increasing amount of cooperative literature being circulated for their inspection, many farmers are too tired at night to do a great deal of reading about cooperatives or anything else, for that matter. What information the average farmer has picked up concerning cooperatives has been more or less piece-meal, rather than a systematic course of training.

Our Natural Resources. In countries where the cooperatives have made their best strides, natural resources have been at a low ebb. Denmark, for example, back in 1860, was anything but a country blessed with natural resources when cooperation was turned to as a last resort. Danish farmers simply HAD to join with one another in marketing their products, or perish. In this country, where new frontiers were constantly being opened up, farmers would often elect to invade new borders rather than wrestle with worn out soil. These new frontiers would also stimulate other lines of business, so we rolled merrily along, until we finally discovered that at last we had no more frontiers to conquer. Then, and not until then, did it dawn upon us that we had no more natural resources to realize. Now we must stand our ground, and endeavor to make more from the products raised from the soil than we previously had been able to do.

Rugged Individualism. The historic background of the American farmer has been that of rugged individualism. He pioneered, worked hard, and by so doing was able to wrest a living for his family from the products of the soil. He became intensely individualistic; that is, he did not have to depend very much upon his neighbors in most things pertaining to the conduct of his farming operations. His was a one-man or one-family business. If the American market was temporarily supplied with the products he had to sell, there was always
the foreign markets to take up the slack. But after the World War, the foreign markets commenced to fade, and as a result the domestic market was glutted. But the American farmer, who had been going along pretty well until this time, in single harness, wasn't prepared to join with other farmers in order to gain some of the marketing profits that he had customarily been giving to the middleman. He had nothing to point his thinking in this direction from past experiences. The idea of marketing collectively was entirely new to him; thus the American farmer continued to go it alone as he had been accustomed to doing.

Skepticism. Associated very closely with the policy of rugged individualism is another trait common to many American farmers—skepticism. The American farmer ordinarily does not have the social contacts that many city people enjoy. He may mingle with his fellow man only a few hours a week, while his city cousins, because of their confined quarters, associate with one another far more than it is possible for him to do. Again, most European farms are so small that it is much more possible for these people to mingle with one another than it is for the American farmer, who generally has at least 80 acres of land, and often hundreds of acres. This isolation is probably responsible for much of the suspicion that has been charged to the American farmer. He is often skeptical of any new or different way of doing things. He often believes that some new plan is just a scheme for somebody to make some easy money at his expense. This skepticism has been one important factor that has hindered progress in the formation of cooperatives as well as many other improvements that have been offered to him from time to time.

Impatience. Many farmers who have been urged to join cooperatives have been told by other farmers, or paid organizers of cooperatives, that once they join the cooperative in question, their troubles would be over forever. Of course, such promises were rash and hasty, and were made either by fellow cooperators who were over-enthusiastic or by organizers who were paid a commission on the number of new members signed by them. Obviously, when a farmer is promised this and that in order to get his name on the dotted line, and then finds that the cooperative doesn't accomplish all these things during the first year of its existence, he becomes impatient of results, commences to find fault, and his reaction towards the cooperative under such conditions is often justly critical.

Questionable Leadership. The great majority of cooperative leaders today are hard working, sincere, honest men, who spend much of their own time and money in furthering the ideals of cooperation.
Many of these men have made tremendous personal sacrifices in order to make others see the advantages associated with cooperative efforts. However, all great movements have their Judases; and the cooperative movement is no exception to this rule. Every once in a while, a local or state leader of cooperatives is found who is active because of some selfish reason, or who lacks leadership ability, despite unbounded enthusiasm. Such leaders are often the cause of failure of the cooperative to survive in these localities, because the farmers have no confidence in their leaders. When farmers are electing the officers of their organizations, they are not necessarily obliged to put the men in office who do the most talking, but instead, they should entrust only those who are good farmers themselves, who are honest, and are willing to devote extra time for the good of the organization. If farmers insist at the outset to forget personal feelings, and to elect capable men as directors, there would be little difficulty with false prophets in their various farm organizations.

Selfishness. Some farmers have failed to go along with their local cooperatives because of selfish reasons. Unless they could eke out a little more profit for themselves than the other fellow, they just wouldn't play ball. Family relationships or other business tie-ups in one way or another have all been responsible for some farmers staying out of cooperatives. Failure of cooperatives to function according to the selfish demands of some members or non-members have often caused some farmers to have nothing to do with the cooperative movement. A successful cooperative needs the unselfish support of its entire membership. When any of the members drop out because of selfish reasons, it hurts both the cooperative and such members as well.

Lack Of Publicity. Not enough favorable publicity has been accorded the cooperative movement in this country. Farm weeklies occasionally devote a little space to the movement, besides a number of bulletins sent out by agricultural colleges and the U. S. Department of Agriculture. However, not all such bulletins are entirely understandable to the average farmer. The daily press, the radio, and other forms of publicity agencies have been rather stingy with any kind of publicity dealing with the cooperative movement in general. The literature of the various farmer organizations, such as the Farmers Equity-Union, the Grange, the Farm Bureau, etc., contain by far the most helpful and practical reading information about cooperatives. Such literature is sent out constantly to the members of these organizations, but of course leaves non-members still too much in the dark about the real mission of cooperatives. Until
farmers of all classes have an opportunity to subscribe to a service that is informative in nature about what is actually happening in cooperative circles all over the country, as well as in foreign countries, only a fraction of our farmers will have the benefits of cooperative education.

**Poor Management.** Not all of the cooperatives that have been organized in this country are still in existence. Many of them have collapsed for one reason or another. One of the most common reasons for cooperative failures has been due to lack of efficient management either by the manager, the board of directors, or by both. Once a cooperative venture fails in a community, it is remembered far longer than when a dozen succeed. Farmers can always point their finger at such a failure and say "never again". This has been one reason why it is sometimes difficult to interest farmers in certain communities about joining other cooperatives. For this reason, every member of a cooperative organization should be concerned about the abilities of the membership of the board of directors and the manager. Upon their decisions rests the ultimate success or failure of the association.

**Lack Of Capital.** Some cooperatives are classed as non-stock, while others are called stock associations. The non-stock associations operate without much fixed capital, while the stock cooperatives must have buildings, machinery, as well as operating capital. When it is planned to organize a stock cooperative, money has to be raised. This is usually done by selling shares to all who want to join the association. Unless there is enough enthusiasm and money forthcoming from prospective members of such an association, the stock form of cooperative cannot operate. There have been many cooperative attempts at various times which failed to materialize chiefly because not enough capital was subscribed to give the organization a proper start. Often, during membership campaigns for organizing cooperatives, there has been plenty of enthusiasm, but farmers did not have the money to match their ardor. Thus, lack of capital constitutes one important reason why cooperatives have not been formed so freely as the need would often seem to warrant.

**Indifference.** Another common reason why cooperatives have lagged in America is because of the indifference on the part of a certain percentage of the producers of farm products. This may or may not be the sum total of a number of the foregoing reasons just cited. Some farmers, for one reason or another, do not seem to care whether their products, which they have worked so hard to produce, reach the market through capable or wasteful efforts. Marketing cooperatively doesn't mean a thing to them. Even some members of coopera-
tive associations are alarmingly indifferent as to what their organization is doing for them. They are patronizing it only because they have found that the cooperative pays off more than the other fellow does, but do not stop to consider what they might receive for their products if the cooperative wasn't on the job. Most alert, live-wire cooperative organizations try to explain the benefits of the association to their members by issuing bulletins frequently in an effort to arouse their appreciation of what the cooperative is doing for each one. Indifference is still a very live issue that all cooperatives have to contend with, and the organizations that recognize that this IS a problem will weather any economic storm that might arise much better than those associations which ignore it or deny its existence.

GUIDE QUESTIONS FOR CHAPTER 9

1. State two reasons why there is a lack of cooperative education in this country.
2. Why does a lack of natural resources usually encourage farmers to join cooperatives?
3. What effect has rugged individualism had upon the formation of cooperative marketing associations in this country?
4. Why has the American farmer been accused of skepticism?
5. State two reasons why farmers sometimes become impatient with cooperative results.
6. Should a farmer withdraw from a cooperative because of questionable leadership within the organization?
7. If a cooperative grants special favors to one member, what is the effect of such an act upon the other members of the association?
8. How can a farmer be supplied with reliable cooperative literature?
9. Explain how poor management of cooperatives often hinders the development of cooperatives in this country.
10. Explain how lack of sufficient capital has prevented normal progress of the cooperative movement.
11. What effect upon a cooperative has membership indifference?