
Co-oP
CENTENNIAL
1844-1944
CO-OP
RADIO
APPLIANCES
PAINT
HARDWARE
FARMER'S
CO-OP OIL CO.
OFFICE

Co-oP Centennial Review

By ALICIA VAUGHAN

In observance of the Cooperative
Movement's First Hundred Years,
this brief review of Cooperative
Activities in Lincoln County
is presented by the

Farmers' Cooperative Oil Company

of

MERRILL TOMAHAWK GLEASON

ERICH LENZ, *General Manager*

Dedication...

To the Rochdale pioneers of 1844, whose dream of a better life was the seed of a movement which has flourished for a hundred years; and to the workers of 1944, who must labor with ever greater vigilance and diligence to cherish and stimulate the movement until it may, ere the next hundred years have passed, bring that dream within the grasp of all.



PRESENT BOARD OF DIRECTORS OF THE FARMERS' COOPERATIVE OIL COMPANY

Front row: Clarence Peterson, President; Wm. Rosche, vice president; Wm. Natzke, secretary; Harry Baumann, treasurer.
Back row: Axel Swanson, Fred Pike, Jess Behling, Henry Meier, Emil Rusch.

Foreword

One hundred years ago, twenty-eight weavers in Rochdale, England, got together and started a Co-operative store, a store founded on the principles which have spread around the world and helped establish thousands of cooperative stores and businesses of all sorts.

These twenty-eight weavers were poor; they were of various religious and political faiths; about all they had in common was 28 pounds in capital, painfully accumulated at the rate of two pence a week each, and a dream. Their dream was founded on the belief that, by working together for their mutual benefit, they could lower the cost of living for each and provide opportunities for greater advancement, better education, and raise the standard of living to provide a finer, more satisfactory life for all.

From this dream and from their

efforts to realize it have come the eight principles of consumer cooperation, known as the Rochdale Principles.

These principles are:

I Open membership. No one is barred from membership on account of race, religion, or politics.

II Democratic — one member, one vote. Each member has but one vote, regardless of how many shares of stock he holds; thus individuals with more money to invest are prevented from getting control of the organization to further their own interests. "People vote, not money."

III Pay limited interest on capital. Interest is limited, (in this state to not more than 8%) so that those with more capital stock may not receive an undue share of the profits of the organization.

IV Pay patronage dividends on purchases. Patronage dividends are figured on the profits of the business and are paid in proportion to each member's purchases; each profits in direct ratio to the amount of trade he does with his cooperative business.

V Sell for cash at market prices. Cooperatives are "non-profit" organizations, but because of the impossibility of estimating all expenses in advance and the inadvisability of operating on an extremely small margin, prices are held at market level and the savings are returned to the consumer in the form of dividends.

Cooperatives strive to do business on a cash basis because of the greater fairness and efficiency of this method. The company needs its operating capital in order to meet its payroll, maintain its inventory, take advantage of discounts, etc. Goods sold on credit represent so much money that is tied up and of no use to the company until it is paid back. In the meantime, the consumer who pays cash is furnishing the capital to carry on the company's business.

Cooperative credit unions are organized for the purpose of lending, or "renting out" their capital at a moderate rate of interest, and member-patrons of other cooperatives are urged to use the facilities of their credit unions for saving and borrowing money. In this way, the capital of the credit union is put to work as it was meant to be, and the capital of the cooperative stores and other businesses is not tied up, but kept working for the benefit of the business.

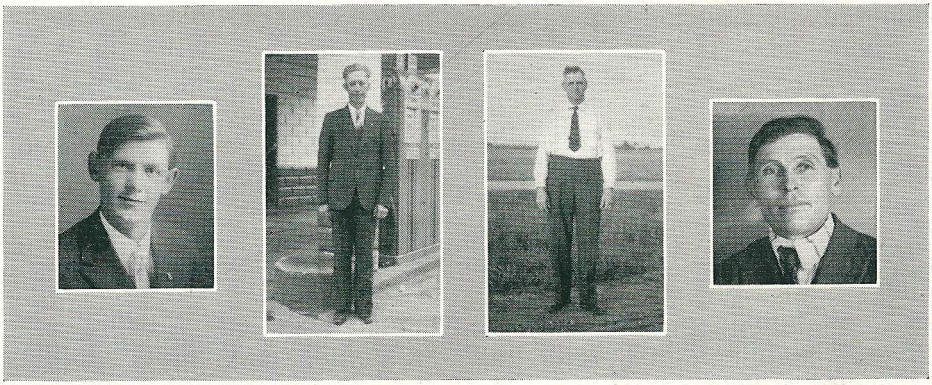
VI Neutral in race, religion, politics. Cooperation is not a religion or a political creed; it is a way of living, fair and democratic, and the organization takes no part in racial or religious squabbles, nor in politics.

VII Educate constantly. Only well-informed people can be free and independent; therefore the cooperatives try to spread understanding of the principles and working of political and economic democracy.

VIII Expand continuously. Small groups with limited capital cannot purchase commodities in sufficient quantity to effect great savings; through expanding and uniting with other groups and forming co-op wholesales, local cooperatives acquire sufficient purchasing power to establish their own system of distribution of commodities, from source to consumer.

The purpose of this booklet is to relate how, here in Lincoln County, a similar small group of people who had the same dream worked together and built a business that today has a capitalization of $100,000*; owns a railroad siding, bulk plant, four filling stations, nine trucks, two grocery stores, a garage, coal yard, machinery business, and hardware store, has* 2200 *members and employs more than forty people.*

Few of this original group had ever heard of cooperative businesses, but they had already learned the advantages of working together and they were confident that if enough of them could pull together they could still further improve their living conditions and gain new advantages.



Four of the First Board of Directors of the Farmers' Cooperative Oil Company. Left to right: Hugo Semrau, Elmer Natzke, Ernest Jahns, Gust Klingfuss. Directors not pictured were Henry Hass, Ed. Voight, C. J. Travis.

History of the Farmers' Co-oP Oil Company

About fourteen years ago there was a cow-testing association with eighteen or twenty members in the region known as Pine River. This association had been going successfully for several years, and the members were in the habit of having monthly social meetings at the members' homes or at the American State Bank, where they would visit, discuss their mutual problems, and occasionally have a speaker come in to address them.

At one of these meetings, held in the winter of 1930-31, the members got to talking about their organization and they asked themselves what good they got out of it. They concluded that they had derived much real benefit and satisfaction out of their working together.

Hugo Semrau said, "I wonder, now that so many of us have tractors and cars, couldn't we organize a little oil company to handle our own gas and oil and such supplies?"

C. J. Travis answered, "You've got an idea there. They've got such things in different places. For instance, there's one at Chetek and another at Spencer, over in Marathon county."

The idea caught on; the members sat up and took an interest in the discussion, and it was decided to call a meeting and to advertise it, to see how many people would come and what the results might be.

The meeting was held at the Social and Sick Benefit Society hall on the west side of Merrill, with about a hundred intersted people present. Travis explained the purpose of the meeting and told of the little concern at Chetek, in Barron county, and how well they were doing. At the end of the discussion a vote was taken to see how many would be in favor of such a plan, and the majority were anxious to go ahead.

It was agreed to capitalize for $10,000. The law required that a minimum of 25% of the capital stock be paid in at the time of incorporation, so the members had to get together $2,500 in $10 shares.

A committee was appointed to solicit capital and to investigate other cooperatives. The members of this committee were Henry Hass, Hubert Schmidt, C. J. Travis, Elmer Natzke, Hugo Semrau and Wilbur Warren. Each member was assigned a district in which he was to explain the idea and try to get members. Ernest Jahns, Harry Bau-

mann, and many of the other first members helped with this work.

The committee went to Spencer, Chetek and to Aniwa, in Shawano county, to see how other similar associations were operating, and in April of 1931 they had organization papers drawn up according to the laws of the state. At the time they started in business they had only about $2,180 in the treasury.

The first directors were Henry Hass, president, C. J. Travis, secretary, Hugo Semrau, Ed Voight, Elmer Natzke, Gust Klingfuss and Ernest Jahns. The directors began to look for a location and for storage equipment. They found that Leo Roets, who had just built a small service station and installed bulk tanks at Pine River, was willing to sell all his equipment. Mr. Roets had planned to serve the farm trade, and he concluded that he couldn't compete with a cooperative organization. This station and equipment was bought at a cost of $2,500.

The board hired W. F. Kuene of Gleason as manager, Erich Lenz as bookkeeper and station attendant, and Walter Geiss and Adolph Hinz, Jr., as truck drivers. These drivers owned their own trucks and worked on a commission. The station was opened for business on July 20, 1931.

There had been considerable debate concerning the purchase of the first stock of gasoline, motor oils and other supplies. Some private companies pressed their bid for this business, but the directors voted to purchase their stock from the Midland Cooperative Wholesale. Representatives from Midland had attended meetings of the company and had assisted with its organization. Purchase of supplies through this cooperative wholesale has resulted in substantial benefits to the local cooperative.

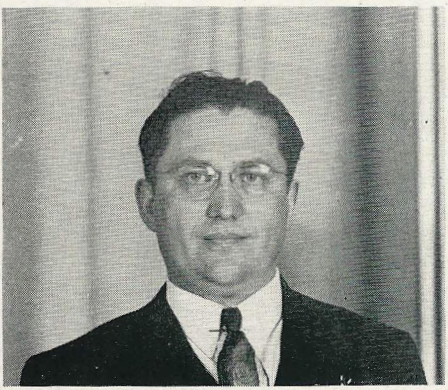
In the fall of 1931 the board voted to construct a railway siding and a site was purchased in the Sixth ward, where the siding was built. After some discussion, it was decided to construct a filling station on highway 64, in the Sixth ward. The bulk plant was moved to this new location, next to the siding, and the station was opened November 8, 1931.

It is to be expected that there will be many differences of opinion among the members of any group of individuals. The new oil company did not escape these difficulties, but the differences were threshed out and settled as fairly as possible.

Some changes in the organization were made at the end of the first six months. Ernest Jahns was elected president of the board of directors and served in that capacity for seven years. He was a board member until February, 1941.

In January, 1932, the bookkeeper was sent to Minneapolis with the books, which were audited by the Northern States Cooperative League auditors.

On January 4, 1932, the board voted to make Erich Lenz manager. Mr.



Erich Lenz, General Manager.

Lenz has served the company in this capacity ever since, through his ability and foresight contributing materially to the development of the company.

The business grew rapidly. In the spring of 1932 the Maahs sub-station south of Merrill on 51 was started. This station, now operated by Wilbur Goetsch and known as the Red Granite station, handled 21,025 gallons of Co-oP gasoline in 1943.

To serve the townspeople and the



FILLING STATION ATTENDANTS AND TRUCK DRIVERS

Front row: E. Neubauer, E. Anderson, N. Heller, D. Heschke. Back row: G. Schroeder, W. Stein, F. Richey, W. Kanitz, L. Schmidt, R. Schulz (not in picture)

farmers coming from the east of Merrill, a service station was built on East First street, next to the courthouse, and in the fall of 1932 a small station was built at Gleason.

Money became pretty tight during these years. $1800 of the company's money was in a bank which closed in 1933, leaving the company with two cars of gasoline on the tracks to be paid for and a $1000 note due. Everybody, employees and board members alike, pitched in and collected $1200 on old accounts in three days, and with the income from regular sales all the obligations were met.

The board had always watched the accounts receivable closely, as they tied up capital needed by the growing business. In an effort to keep the accounts receivable under control, the board voted to withhold 10% of all commissions and salaries of all employees as security for bad bills and old accounts.

The board also moved to have the books audited by the Northern States Cooperative League, and the books have been audited annually ever since. This service is now performed by the Co-op Auditing Service.

At the annual meeting on February 6, 1933, it was moved that all directors serve a term of three years.

The demand for service in the northern part of the county was met by hiring another truck driven by Charles Call to make deliveries in that area, and by installing a pump on a commission basis at Peter Riebel's store in Tomahawk.

The expansion of the business made it necessary to provide some help for the manager, who up to now had kept the books, and in November of 1933 the

board voted to hire a bookkeeper. Mrs. Lenz ably filled this position for four years. Mrs. Lenz has always been active in the educational program, a leader in the Youth Group Movement and in the Co-oP Discussion Club, of which she is the present secretary.

In 1934 a steel warehouse, 20 by 30 feet, was built at the East Station to house supplies.

In this year, also, Peter Riebel built a larger station to handle Co-oP products. Materials for this station were furnished by the company. The growing volume of business done in the Tomahawk area made the board feel that this district should have a representative on the board, and on November 6, 1934, Wm. Rosche was appointed for this duty and was granted regular director's fees. Mr. Rosche was elected a director at the next annual meeting and is still a board member.

Some improvements were made at the West Station at this time. The station was extended 20 by 24 feet for an office, and in the spring of 1936 an all-metal pump house was built at the bulk plant.

Sale of shares and accumulated dividends had built up the capital of the company to the point where it was necessary to increase the authorized capitalization of the company from $10,000 to $20,000. This was done at the annual meeting in February of 1937.

Early in the same year it was decided to add electrical appliances to the line of goods sold by the company.

By 1938 the volume of the business had so increased that another bulk tank was installed at the bulk plant. At about this same time, it was decided to enter the farm machinery business. Machinery sales and servicing made heavy demands on the various employees' cars, so in January of 1940 it was voted to buy a pick-up truck to handle this work. In May of the same year it was moved to buy 100 feet of land west of the West Station from Jake Ament, for a machinery warehouse and display lot.

In January of 1941 another half-ton pick-up truck was purchased for the busy sales department. Another increase in the authorized capitalization was voted at the annual meeting in February, 1941, raising the capital stock limit from $20,000 to $50,000.

In April, 1941, the board voted to buy five lots on the main street in Tomahawk to build a super-service station. This station was built in the same year and was opened for business in November, 1941, with Norman Heller as attendant.

The Gleason station by this time had become far too small for the volume of business it was called upon to handle, and in 1941 it was enlarged and a grease room was installed, with all modern equipment for complete service. The station now handles hardware and paint in addition to automobile needs. Wm. Stein, Jr., has been manager of this station since June, 1936.

The need for a cooperative grocery store had long been felt and the advisability of starting one was often discussed at cooperative meetings.

In the winter of 1941-42, a joint meeting was held by the directors of all the cooperative associations in Lincoln county, which included the Farmers' Co-oP Oil Company, the Consumers' Co-op, the Cooperative Shipping Association and the Cooperative Burial Association.

The purpose of the meeting was to make plans for the establishment of a cooperative grocery store at Merrill. A campaign to raise capital was outlined, one of the most effective features of which was a contest among the board members and employees. Each board member was made responsible for the sale of at least $100 worth of stock, and each employee was responsible for at least $50 worth.. All of the contestants worked hard, and although a few fell short of their quota, most of them turned in far more.

The five who brought in the greatest amount of capital were Carl W. Karau, with eight or nine hundred dollars'



MERRILL GROCERY STORE EMPLOYEES

Front row: M. Turbin, F. Laabs, M. Kufahl, L. Waide, D. Duginski.
Back row: F. Hopkins, W. Mittlesteadt, G. Duley, E. Tholl, W. Sell, S. Renken (not in picture). Inset: Beatrice Vignali.



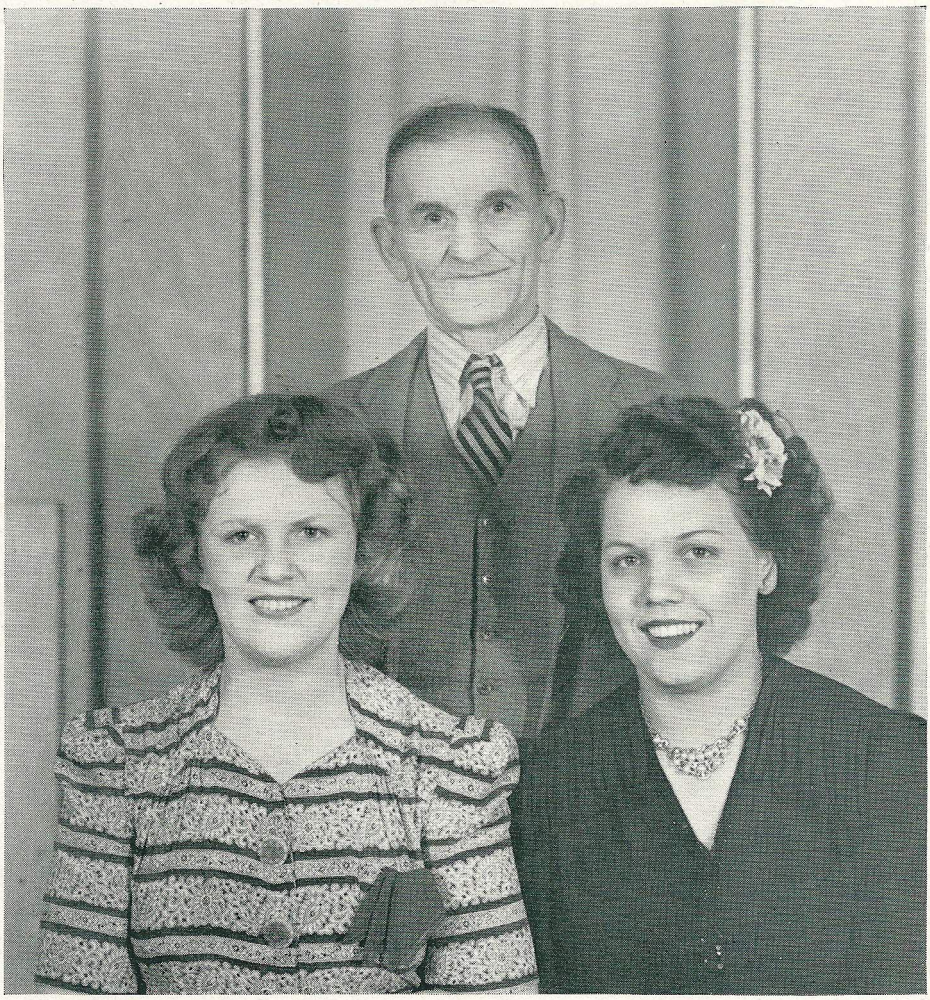
Carl W. Karau, always a diligent worker for cooperatives, carried off top honors in a campaign for the grocery store.

worth; Adolph Lenz, Henry Kriewald, Axel Swanson and Clarence Peterson.

So successful was this drive that, although there was only $4600 in capital when the store opened, in sixty days the amount had increased to $7300.

The store opened on July 20, 1942, with a full stock of meats, groceries and staples. The store is operated on a self-serve, cash-and-carry basis. Both Co-oP grade-labeled products and nationally advertised brands are stocked here, offering the consumer a wide choice and at the same time giving him a chance to compare Co-oP products with others, quality for quality and price for price. At the end of the first six months, the store grossed $51,777.54 and paid a 2% dividend.

Elmer Kassulke was the first manager of the Merrill grocery store. When he



TOMAHAWK GROCERY STORE EMPLOYEES
Front row: Marion Neumayer, Josephine Shores. Standing: Frank Warzinik.

was inducted into the army in August, 1943, Beatrice Vignali succeeded him as manager. Mrs. Vignali has been an active worker for cooperatives from the first, both as a member-patron and leader in educational activities and more recently as an employee. Before assuming her duties as manager, Mrs. Vignali took a course at the Cooperative Managers' Institute in Chicago.

Now in operation for nearly two years, the store grossed $185,000 for 1943.

A cooperative grocery store was started at Tomahawk in 1941 by a group of cooperative-minded people of that community. On April 10, 1943, this store was merged with the Farmers' Co-oP Oil Company and has been operated by this company since that date. Theodore Kall was the first manager of the Tomahawk grocery store; when Mr. Kall



HARDWARE, SALES AND SERVICE

Front row: Hugo Kania, Mae Woellner, Frank Bork, Ferd. Krause.
Back row: Oscar Weaver, Harold Lindquist, Geo. Russell, Ed. Geiss, A. W. Rusch.

went into business for himself, in the summer of 1943, Marion Neumayer became manager. At the end of its first year, the Tomahawk grocery store sales amounted to $46,921.93 gross volume.

It seems peculiarly appropriate that the managers of both these stores should be women. Although both Marion and Beatrice won their places solely on the basis of their ability, with no favors asked because of their sex, yet their training, experience and natural inclination especially fit them to be good judges of the value of food-stuffs. Inasmuch as women are the chief purchasers of food-stuffs, it is obvious that these Co-oP groceries are operated with the consumers' viewpoint well in mind.

In 1941 a machinery and hardware sales room was rented on Court street, opposite the courthouse. Here all sorts of hardware, building needs, paint, parts and machinery were sold. Henry Kriewald was manager of this department. The business quickly outgrew the space available at this location, and in December of 1942 the Alft store was rented. Here, light hardware, Co-oP paints of all sorts, and electrical supplies are sold on the main floor, with heavy hardware and parts for all sorts of machinery in the basement. A few items of clothing, such as gloves and overalls, were sold in the hardware store beginning about in 1942. Different items have been added from time to time, so that at present the store carries a wide selection of work and dress clothes for men, play clothes for children and sweaters, stockings and anklets for ladies. In the spring of 1943



OFFICE FORCE

Front: Carol Witte, Vera Fishbeck, Loraine Fredrich, Alicia Vaughan.
Standing: Erich Lenz, Lawrence Van Haren.

Heinie turned to farming and Frank Bork took over the management of the hardware department.

A balcony was installed at the rear of the main-floor sales room and the office was moved from the West Station to this more convenient location. Loraine Fredrich, who has been bookkeeper for the company since March of 1937, is bookkeeper and office manager.

At the annual meeting in February, 1942, the members voted to have all dividends paid in stock instead of part stock and part cash, as had been the custom. This was done in order that the company's working capital might be large enough to allow a substantial increase in inventories, particularly in commodities where shortages were expected.

It was also decided to purchase the oil delivery trucks, which heretofore had been hired on commission.

In the fall of 1943 a coal business was started. Bins were purchased and a side-track leased near the freight depot, and two trucks were kept busy all winter delivering coal. Stoker, stove, and medium and large sizes in various grades of coal were handled. The coal yard



DEPARTMENT MANAGERS

Front row: Loraine Fredrich, office; Frank Bork, hardware; Marion Neumayer, Tomahawk grocery store.

Back row: Erich Lenz, general manager; Lawrence Van Haren, asistant general manager. Beatrice Vignali, Merrill grocery.

showed a profit at the end of its first season, and through this new line of merchandise many new patrons were introduced to the cooperative business.

Late the same year an agency for Studebaker cars and trucks was obtained and the Allen and Zander garage was rented. Full equipment for maintenance and repairs has been installed and a mechanic hired to repair and service patrons' cars, trucks and tractors. The garage is already doing a brisk repair business.

In 1943 the capitalization was again raised, this time to $100,000.

In April, 1944, the long-felt need for an assistant to the manager was filled when Lawrence Van Haren was hired. Mr. Van Haren has long been active in cooperative affairs and was formerly a director.



EMPLOYEES OF THE FARMERS' Co-oP OIL COMPANY

EMPLOYEES OF THE FARMERS' COOPERATIVE OIL COMPANY

Front row: Florence Laabs, Loraine Fredrich, Vera Fishbeck, Dorothy Duginski, Alicia Vaughan, Marjorie Turbin.

Second row: Martin Schmidt, Carol Witte, Mae Woellner, Erich Lenz, Millie Kufahl, Josephine Shores, Marion Neumayer, Lola Waide.

Third row: Frank Warzinik, Don Heschke, Elmer Neubauer, Frank Bork, Fred Hopkins, Edward Tholl, Oscar Weaver, Norman Heller, Walt Sell.

Fourth row: A. W. Rusch, Geo. Duley, Ewald Kleinschmidt, Hugo Kania, Wm. Mittlesteadt, Ferd. Krause, Lawrence Schmidt, Walt Kanitz, Harold Lindquist.

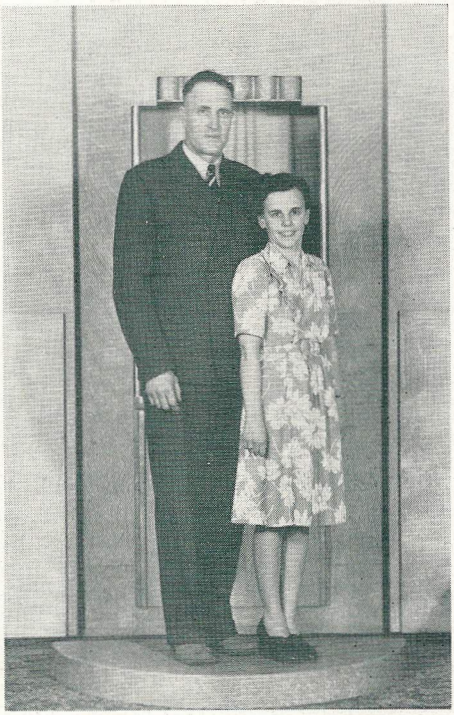
Last row: Lawrence Van Haren, Geo. Schroeder, Wm. Stein, Geo. Russell, Ed. Geiss, Frank Richey, Ed. Anderson. Inset: Beatrice Vignali.

Employees not in picture: Roy Schulz, Stanley Renken.

It would truly seem that the company believes in putting cooperative principles into practice. Here in one group of some forty employees are represented twelve nationalities, to-wit: German, Hollander, Norwegian, English, French, Italian, Polish, Lettish, Scotch, Irish, Indian and Swedish. If the Consumers' Cooperative is the League of Nations, surely the Farmers' Co-oP is the melting pot.

Some of these employees have been with the company for a long time. Walter Kanitz, warehouseman and checker at the west side station, started to work for the Co-oP in February, 1932. Oscar Weaver, machinery sales and service department, started in January, 1934, and Loraine Fredrich, office manager, began work in March, 1937.

The Long and SHORT of it.



Not only does the company employ all kinds, but also all sizes. Here are two extremes: George Russell, 6 feet 3 inches, and Loraine Fredrich, 5 feet.

Close cooperation is practiced among the entire group of employees. The managers meet every month to discuss their problems before they are taken up with the board of directors. The grocery store employees meet every other month, and a meeting of the entire group is held about three times a year. General problems are then discussed, employees are posted on late developments and plans for the immediate future. Last year the employees enjoyed a picnic which was so successful that they plan to make it an annual feature.

The Co-oP Continues To Grow

Two new cooperative services will be added this summer: a general store at Gleason and a slaughterhouse in the town of Scott.

The demand for a grocery store at Gleason has been increasing steadily since the establishment of the Merrill grocery store. Discussion of this question has been frequent, and on May 24 of this year a meeting was held at the Harbor Lights theater to see whether there would be enough local support to justify starting a store. A large majority of the 80 people present voted to start the store, and expressed the desire that the store carry hardware and clothing in addition to the proposed grocery department. A committee of 15 was appointed to solicit money and arrangements are being made to purchase a site. It is expected that the store will be running before the end of the summer, and if the present enthusiasm of the Gleason people is any indication, it should be a highly successful venture.

The question of a slaughterhouse in this county is an old and much-debated one. Plans have been completed for a building for some time, and a site opposite the County Home was selected. Application was made late in 1943 to purchase this site from the county. The committee approved the application, but it was voted down by the county board. When it became known that the Co-oP was planning a slaughterhouse, the city council passed an ordinance prohibiting the erection or operation of such an establishment within the city limits. This is hardly in line with the previous policy of the city, which has gone to considerable pains to attract new businesses.

The ordinance is comprehensively worded, even to the inclusion of a clause exempting the butchering of chickens and rabbits.

In the meantime, there will be a Co-oP slaughterhouse. A site has been purchased in the town of Scott and construction will begin soon. The establishment should be finished this summer, and when it is in operation consumers will be furnished with meat which has been processed in a sanitary way and subjected to government inspection, all without the needless added cost incurred by shipping locally raised animals to a distant point for processing.

A recent step which should be advantageous to both the organization and the investor is the decision to issue Certificates of Indebtedness. These certificates are offered to investors who wish guaranteed interest plus accessibility. A minimum of $100.00 was set and interest is guarateed at 4%. The certificates may be cashed in at 90 days' notice and will bear interest up to date of being cashed. These are not shares; they carry no membership privileges, nor must the purchaser be a member in order to buy them. They offer a safe investment at good interest for surplus funds, with the principal available at any time the investor wants to withdraw it.

Affiliations

The primary aim of consumer cooperatives is to supply the consumer with the commodities he needs at the lowest cost possible. In order to do this, it is necessary to buy close to the source and in large quantities. The local cooperatives pool their buying-power through affiliation into cooperative wholesales, such as Midland Cooperative Wholesale at Minneapolis and Central Cooperative Wholesale at Superior. The Farmers' Cooperative Oil Company is a member

of each of these wholesales. Midland paid $273,353 in patronage refunds to its member cooperatives for 1943. The Farmers' Cooperative Oil company received dividends of $4431, bringing its share-investment in Midland up to $13,-569.19.

This company's investment in Central Cooperative Wholesale of Superior now amounts of $659.19. Other cooperatives in which shares are held are: Co-op Insurance Service, $500; Consumers' Agency, an insurance group, $24; Co-op Auditing Service, $1; and Consumers' Co-op Oil Association, $5.

These district cooperative wholesales in turn have formed regional and national wholesales; through these larger groups they have begun to realize one of the ultimate aims of consumer cooperation, that is, getting into production of consumer needs.

Consumer-production means consumer-controlled quality with maximum economy. Also, it is a means of protecting small cooperatives from being squeezed out of business by trade agreements among larger private companies.

Some significant steps toward consumer-production have been made in the last year. One is the purchase of a refinery at Cushing, Oklahoma, on June 1, 1943. As early as 1937 the Farmers' Co-op Oil Company had started setting money aside to purchase stock in this refinery; in fact, this was the first oil cooperative in the state to start working toward the purchase of the refinery. In the last year National Cooperatives, Incorporated, bought a shingle mill in British Columbia and a milking machine factory at Waukesha.

Insurance

Insurance service to its member-patrons was established early in the company's activity. Cooperative insurance was carried on the company's property from the first, and in May of 1936 the board voted to buy a $100 share in the Cooperative Automobile Insurance Mutual. Thus this company, together with 25 other local cooperatives, pioneered in establishing a casualty company for the purpose of rendering cooperative automobile insurance service to Co-op members and patrons. Today there are 125 cooperatives participating in this program. In 1941 these cooperatives organized Cooperators Life Mutual, a legal reserve life insurance company, and expanded the cooperative insurance program to include a complete life insurance service.

These insurance companies are owned and controlled by the policy-holders. A substantial part of the assets of these companies are invested in sound mortgage loans to local cooperatives. Thus Co-op members are insuring in a company that they own and control, and their insurance dollars are helping finance and further the Cooperative Movement.

In 1943 an insurance agent was employed to handle the increasing demand. A. W. Rusch is in charge of this service. Mr. Rusch has long been active in Cooperative insurance. For ten years he was secretary and treasurer of the Berlin Town Insurance Company, a mutual insurance company founded 69 years ago, in 1875, by some 20 farmers in the town of Berlin. Mr. Rusch is agent for this company, thus rounding out the coverage offered to Co-op patrons. They can get fire and wind coverage on their property, all types of car insurance including liability, and all types of life insurance including endowment and annuity policies. In 1940 the company invested $400.00 in the Cooperative Insurance Management Association.

Educational Program



Three of the directors of the Co-oP Discussion Club. Left to right, Paul Duginski, President; Mrs. Erich Lenz, Secretary; Frank Berghammer. (Not in picture), Axel Swanson and Beatrice Vignali.

The proponents of the Co-operative way of life believe that an informed man is a free man, and that a free way of life will not descend to a people, but that they must raise themselves to a better way of living. Freedom of cooperation must be won anew by each generation through constant study and united effort toward the practical democratic advantages of cooperative living.

The backbone of cooperative education is the discussion group, a small group of neighbors who meet regularly and talk over thoroughly the different aspects of cooperation. One such group, a local of the Cooperative League of America, has been active in the town of Merrill for many years. Although its membership is very small, this little group has instigated some important co-op projects.

In the fall of 1937 a larger group, the Co-oP Discussion Club, was organized under the sponsorship of the Farmers' Cooperative Oil Company. This club meets once a month at the Merrill town hall to hear informal talks on various phases of cooperation, enjoy educational movies, and discuss current problems. They also enjoy singing, games and other forms of group recreation. Lunch and other incidental expenses are paid by the educational fund set up by the company.

In 1939 another discussion club was organized in Tomahawk. So many young people came to these meetings that it was decided to set up a program designed especially for the youngsters. The program was sponsored by seven cooperatives at Merrill, Wausau, Edgar, Greenwood, Spencer and Thorpe. Don L. Beran, former supervising teacher of Marathon county, was hired as director and under his leadership some 21 youth



Co-oP workers enjoy folk-dancing during a recreation period at the first Co-oP Youth Camp at Heafford Junction. Facing Camera, Mrs. Lenz, Erich Lenz. Right, Elda Schroeder.

clubs have been founded in this district. Locally there are five Youth Centers, with meeting places at Gleason, Tomahawk, Elm City, Pine River, and the Merrill town hall. These youth groups are under the supervision of the County Educational Committee, whose members are Ted Schleif, Grant Goehe, Mrs. Erich Lenz, Mrs. Herman Lamer, and Frank Berghammer. This committee is in charge of all educational work in the county, including both youth groups and adult Discussion Clubs. Two of the committee members, Ted Schleif and Grant Goehe, are youth group members.

The program is meant to develop civic interest and qualities of leadership among the young people, and to provide opportunities for self-expression, training in group activity and experience in democratic living.

The local Youth Centers join in district meetings, send delegates to the district council, send members to camp and put on radio programs and plays and other entertainments in their own communities.

Another phase of the educational program began in 1939. In October, which is National Co-op Month, mass meetings were held in different parts of the county. Movies were shown, alternating with brief talks by the managers and directors of the various local cooperatives, and doughnuts and coffee were served at the close of the meetings. These "Doughnut Jamborees", as the Co-oP employees came to call them, were well attended and very successful. They have been repeated each year since, ten or twelve such meetings being held each fall.

Much of the success of any enterprise depends upon the quality of its employees; this is particularly true with cooperatives, for their employees must be able to explain the philosophy and working of their organization as well as sell their goods or services. The Farmers' Cooperative Oil Company tries to keep its employees alert and well-informed. From time to time various employees of the company have been sent to service schools, to take factory training, and to the mid-winter conference of cooperative employees in February of each year. The company subscribes to the Midland Cooperator for all its employees and stockholders; the employees also receive the Midland Bulletin, and this year the company began putting out a small monthly bulletin, "Co-oP Fun and Facts", for its own employees.

In 1943 the local cooperatives began to use the radio as a means of reaching a wider audience with their message. Several cooperative organizations in this area sponsor a Cooperative radio program daily from 12:30 to 1:00 p. m. over WIGM at Medford. The program consists of music, news and market reports. For the first three months of 1944, in observation of the Centennial year, a short talk was given once a week on this program by various cooperative workers. During Wisconsin State Co-op Week, at the end of March, short talks were given daily from both WIGM and WSAU.

Cooperative Funeral Services

The idea of establishing a cooperative burial society in Lincoln county was first discussed at a meeting of the town of Merrill Cooperative League local. This small group of farmers decided to make this their project for the year, and to this end they introduced the subject at a meeting of the Co-oP Discussion club at the Merrill town hall. A committee of five was appointed to investigate other co-op burial societies and to work out plans for organization. This committee consisted of Mrs. Ernest Jahns, Mrs. Al. Witte, Gordon Gospill, Erich Lenz and Tony Vignali. The committee held its first meeting on April 1, 1940. At this time they drew up articles of incorporation, appointed officers pro tem., and laid plans for a membership drive with meetings to be held at several points in the county.

On June 18, 1940, a meeting of the members was held at the court house in Merrill. The articles of incorporation and by-laws were read and approved. Directors were elected by districts, as follows:

Maine, northern Marathon County, Ernest Jahns, president.

City of Merrill, Oscar Weaver, Vice President.

Merrill, Rock Falls, Birch; Tony Vignali, secretary-treasurer.

Hamburg, Berlin, Stettin, Rib Falls, Marathon City, Harry Baumann.

Scott, Corning and Harding, Fred Langhoff.

Pine River, Schley, Russell, Nelus Schneider.

Tomahawk territory, Arthur Crass.

In July, 1940, the Sullivan home on Park Street was purchased to be used as a funeral home.

Suit was brought to restrain the association from using this building as a funeral home, on the grounds that such an establishment would constitute a public nuisance. The association attempted to have the suit settled by arbitration, but the prosecution would not agree and the trial was held in October. The prosecution obtained an injuction restraining the association from establishing their funeral home at that location.

Some of the members felt that this decision was not altogether equitable, but there was nothing to do but accept the set-back and look around for a new location.

In August, 1941, the Cotter home on Third Street, about four blocks from the Sullivan home, was purchased and extensive remodeling operations were started. A hearse and other equipment were purchased at this time, and in October a funeral director, Martin Reincke, was hired. Until the new funeral home could be prepared for use, the facilities of the Marshfield Cooperative funeral home were used. Eight or ten funerals were handled in this way.

The new funeral home was opened on March 22, 1942. The home is equipped with all facilities for handling any type of funeral, and is one of the most modern establishments in this community.

In February, 1942, Mr. Reincke was inducted into the army. J. A. Krusche was hired to take his place. Mr. Krusche went to Black River Falls in August, 1943, and B. J. Hoppenyan, formerly funeral director at Marshfield, accepted the position.

During the early part of 1943 meetings were held at Wausau to consider the establishment of a funeral home in that city. Many people were interested, and in September, 1943, a home at 524 Jackson street was purchased. After being remodeled and brought completely up-to-date, this home was opened on December 12, 1943. On May 1, 1944, Joseph Will from Reedsville became funeral director in charge of the Wausau funeral home.

So grows a cooperative; from a handful of people with an idea to an organization with 700 members and assets amounting to $27,537; eight funerals the first year, thirty-three the second, thirty-six the next year. In spite of strong opposition, both active and passive, the idea has "caught on" and the organization is well established.

The set-backs have been not entirely financial reverses; the organization suffered a heavy loss in May of 1942, when Tony Vignali passed away. Tony had been the spark plug of the movement, working tirelessly for the benefit of the association. Another of the directors, Nelus Schneider, died in March, 1943.

Some recent changes have been made in the set-up of the association.

At the annual meeting, held on the evening of June 20, the members voted to change the name to Cooperative Funeral Services. The change was made because the establishment of the Wausau home and the growing membership in that territory had made the old name unsuitable.

The territory covered by the association's membership was re-districted into seven districts for the election of directors, providing for four directors from Lincoln county and three from Marathon county.

It was further decided that the terms of the directors would be three years, instead of one, and that these terms would be so arranged that only two or three new directors would be elected in any one year.

The present board of directors are: Ernest Jahns, president; Fred Langhoff, vice president; Mrs. George Vaughan, secretary-treasurer; Virgil Schneider, Mrs. M. Berger, Robert Pagel and Paul Genrich.

This is a membership organization, memberships costing $5.00. No other shares are sold. It should be made clear, however, that lack of membership does not bar anyone from using the services of the funeral home. These services are for anyone who requires them, regardless of membership.



The present board of directors, taken with the flour room as a background. Standing on the ground, left to right: Elmer Natzke, Rasmus Sorenson, secretary, Frank Berghammer, president. In the doorway: Oscar Schultz and Hugh Rankin, vice president.

Consumers' Cooperative Exchange

In writing the story of the Consumers' Co-op Exchange, the events and movements which led up to the actual organization of the company are interesting and worthy of mention.

Like most feed stores and farmers' cooperatives, the seeds from which it grew were planted years ago by the members of our old Societies of Equity.

It had always been the policy of the old Equity to encourage and promote the formation of purchasing cooperatives as well as producers' cooperatives for farmers. This policy had resulted in the organization of many feed stores throughout the state. Most of these have passed out of the picture, but here and there we find Co-op feed stores still doing business which were originally locals of the Society of Equity.

Here at Merrill such a store was opened for business in 1917, but after about three years of more or less unsatisfactory operation it finally went bankrupt with a total loss to the shareholders. This was quite a setback to the movement for a long time. However, a small group within the local union never gave up the idea of a Co-op feed store. These locals still belonged to the state society and held regular meetings until a merger was effected between the Farmers' Union and the American Society of Equity.



Four members of the original five-man board of directors. They are, from left to right: Claude Vignali, the first secretary; Oscar Schultz, Frank Berghammer, who is now serving his seventh year as president, and Paul Duginski. Arthur Crass, the fifth member, was not available at the time this picture was taken.

At that time most of the members dropped out of the organization, but joined the local chapter of the Co-op League of America. There were two branches of the Co-op League, one in the town of Merrill and one in the town of Corning. Regular meetings were held in the town halls of each town. While the Co-op League program was mainly educational, the idea of co-operatively buying farm feeds and supplies persisted and the two branches would pool orders and try to get car-lot prices from the local dealers. While this did at times result in some small saving, it was not practical and was getting the members nowhere.

The members kept agitating for a Co-op feed store and finally got the Shipping Association board to agree to sponsor the organization of such a co-operative. The Pure Milk Products Cooperative and the Farmers' Cooperative Oil Company were asked to support the idea and a six-man committee was formed to visit existing cooperatives within the surrounding territory and report back as to the feasibility of such a project. After several trips about the state to visit existing successful co-op feed stores, the committee reported back that there was every reason to believe that a feed store would succeed if proper support were given by the local farmers. In the fall of 1937 a mass meeting was held and an organizing committee was appointed and ordered to proceed with the organization.



The Main Street store, operated as a branch of the main elevator for the convenience of the people in making small purchases, eliminating a lot of congestion at the main plant. The picture shows Arthur Boettcher, manager of the store, his assistant, Doris Hill, and two employees from the main elevator who have just unloaded a load of feed. All feeds, flour, etc., must be hauled to this store from the warehouses located near the railway on Logan Avenue.



The new place of business, the former Merrill Elevator purchased by the Consumers' Co-oP in 1940. *This picture shows the main elevator and a part of the storage warehouse. Two additional buildings besides the Main Street store were included in the purchase. Storage room is provided in all buildings for approximately one thousand tons or twenty-five carloads of feeds, fertilizer and flour.*



Close-up view of the loading platform where approximately $40,000 *worth of feed is loaded on farm trucks and other conveyances each month. About half a million dollars' worth of feed, flour and seed passes over this loading platform in one year.*

Articles of incorporation and by-laws were drawn up for presentation to the membership. As a curiosity, it may be mentioned that these papers were signed by five men, each of a different nationality. These men were: Rasmus Sorenson, Danish; Axel Swanson, Swedish; Pete Govig, Norwegian; Claude Vignali, Italian, and Hugh Rankin, Scotch. They were assisted in drawing up the papers by Gus Sell, who is of German descent. The signers promptly nicknamed it "The League of Nations".

An organization meeting was called and held in Merrill on November 2, 1937. At this meeting the articles of incorporation were read and adopted. Also, a set of by-laws were proposed and adopted.

The business was incorporated to sell and buy anything the farmers might need or want to sell, the main item to be grain and feed. The amount of capital stock was to be $7500, to be sold in 750 shares of stock at $10 each. A board of five directors was elected. The following were the first directors: Frank Berghammer, Claude Vignali, Paul Duginski, Art Crass, Oscar Schultz.

This was in a period when money was very scarce among the farmers, who were just starting to recover from a number of dry years. Milk prices were the lowest this county had ever seen, and it proved a hard job to collect even $1,000. The record shows that after operating one year, 139 shares had been sold for $1390. However, when the business was first opened less than $1,000 had been collected.



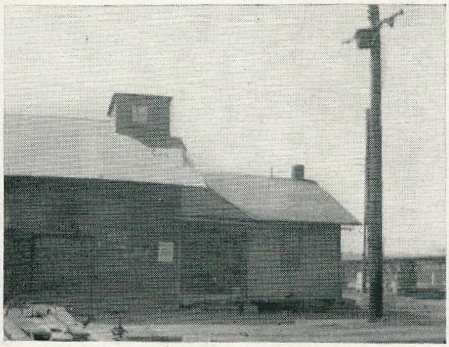
A part of the employees at the main elevator. Top row: Herb Wengeler, foreman; Albert Degner, Wm. Engel, Earl Engel. On truck top: Frank Berghammer, Frank Waldrich; Arvin Dengel on hood. Standing on ground, Paul Duginski, manager. On fender, Beverly Frederick, bookkeeper. Some of the employees were out with the trucks delivering feed at the time this picture was taken. Consumers' employs fourteen people during the winter months. Several of the employees were not available for pictures at this time.

Credit should be given to the Co-op Livestock Shipping Association for the help they gave in getting the feed store started out. It was this co-op which furnished the money to buy an old warehouse belonging to Livingston's. The price was $425. It had not been used for some time, and it was in bad need of repairs. A new office building was added during the first year. The Ship-

ping Association also helped finance the first few carloads of feed that were brought in.

The end of the first year showed total sales of $40,000. However, it must be remembered that feed prices were about half of what they are today. The business showed a profit of about $900 for the first year. The sales went up to $50,000 in 1939, with a net profit of $1350. For 1940 the sales went to $78,000, with a profit of $4,060.

However, this place of business was getting too small, and it became necessary to look around for a bigger place. The Merrill Elevator Company plant



This is the original building purchased from Livingston's. Here is where the Consumers' Co-oP first began their business of selling feed. The addition to the right is the office building and flour room which was added the first year the Consumer's began to operate. The cupola on top of the warehouse is not a watch tower; it was necessary to build this part of the structure to accommodate the elevator needed to operate the feed grinder.

was offered for $22,000, and at a special meeting on July 22, 1940, it was decided to buy it. It became necessary for the members to sign up for $5,000 worth of stock for a down payment on the property. This was done, and the deal closed.

Most of the members realized that they were doing a risky thing, not only in adding a $22,000 debt on to what they already had, but in buying out another business they could figure on getting some more customers, making it necessary to carry more stock on hand. Probably the fact that most of the members knew the man who sold out to the association, Herman Stuemke, personally, and knew him to be absolutely honest, was what made them take the risk. This faith has been well justified. Mr. Stuemke has always given the association a square deal, and not once, but several times, has helped it out when the bank refused to take the risk.

September 1, 1940, the company moved into the new place of business, and now business really picked up; but to the five board members this year will always stand as a nightmare. The association was always short of capital, refused by the banks. What saved the business was a few farmers willing to risk their own money. The names of those farmers are known to only a few, but they are the kind of men who make good cooperatives possible.

At the annual meeting on October 7, 1940, the capital stock was increased to $25,000. Sales rose to $163,946.90 for 1941. That was the first year in the new place of business, with a net gain of $4,682.23. The interest was eating up the profit.

The next year, 1942, sales jumped to $279,828.29 and net gains to $14,914.28. On October 5, 1942, the capital stock was increased to $50,000.

The sales for 1943 were $397,301.51, or just ten times as much as the first year, 1938, with a gain of $19,708.71. In six years this co-op has returned $37,784.27 to its customers as patronage dividends, besides paying six per cent on its capital stock.

The slogan of the Consumers' Exchange is: "Your good will and patronage is our greatest asset", and this has proved true. Only a small part of the capital has been paid in cash. The business has paid for itself. Does it pay to cooperate? Well, what do you think?

What Future For Co-oPs?

They say that the first hundred years are the hardest. We hope that will be the case, but present indications point to some sharp struggles in the near future. When cooperatives were small, isolated organizations, opposition to them usually took the form of ridicule. They weren't important enough for anyone to get excited about them. Sometimes a few playful squeezes from their established competitors were sufficient to finish the organization—for a time, at least.

However, the persistence with which these organizations have held on through good times and bad, the rapid spread of the idea from one community to another, and finally the banding together of local cooperatives into larger and still larger groups with proportionately greater influence, has brought about a change in this attitude.

The opposition is thoroughly aroused and definitely alarmed; they are now preparing to fight in grim earnest until the issue is settled. The recent activity of the National Tax Equality Association is one case in point. This attack on cooperatives has been well publicized in the Midland Cooperator and other cooperative publications, so there is little need for details here.

We would like to emphasize the fact that in 1943 the Farmers' Co-oP Oil Company paid taxes in the amount of 3,050.60, of which $714.85 was *income tax* and $561.84 was personal and real estate tax in the city of Tomahawk alone. The only tax not paid is the net profit tax, as the net profits belong to, and are returned to, the patrons. Any other company is free to do the same.

Should this attack fail, other attempts will be made; and should it succeed, it will not stop there. The success or failure of the entire Cooperative Movement may well depend on the events of the next few years, and one of the deciding factors will be the loyalty and watchfulness of the member-patrons.

They must be familiar with the facts in order to combat misconceptions and falsehoods; they must support their organization in word and deed; they must be ever watchful lest their democratic rights be infringed upon, and they must be diligent in the performance of their democratic duties, both as citizens and as members of their organization.

If the members of the cooperatives are alert, informed and active, the Cooperative Movement cannot fail. There is much to be done. There are many projects to carry out. Some of them have already been talked about, some are still just ideas waiting for the proper moment to be expressed. The question is not "Can we do it?" but "Which shall we do first?" We are embarked upon a course which will eventually complete the cycle from consumer to producer. Nothing but our own apathy and complacency can defeat us now.



Acknowledgment

I wish to acknowledge my indebtedness to Mr. Hugo Semrau, Mrs. Herman Lamer, Erich Lenz, Claude Vignali, Don Beran, Rasmus Sorenson, Ernest Jahns and all the others who so patiently answered questions and contributed material.

Alicia Vaughan

Total Sales for 13 Years

1931	(July 20-Dec. 31)	$ 12,285.60
1932		65,844.81
1933		69,844.81
1934		99,272.64
1935		100,888.15
1936		112,335.98
1937		118,742.37
1938		152,767,23
1939		169,380.76
1940		194,370.24
1941		283,337.37
1942		346,523.81
1943		505,245.03
1944	OUR AIM	550,000.00