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COOPERATION BRINGS PROSPERITY

XXVIII—COOPERATION SUCCEEDS IN DENMARK

Success in cooperative farm enterprise is a fact beyond doubt or debate in Denmark for a half century or more. At least none of the cooperative enterprises are in question except the newest enterprise, namely the Central Cooperative Landmans bank. That bank is just ten years old and it was formed to extend credit not to individual farmers but to farm cooperative groups in financing their various enterprises of manufacture, sales, imports and the like. I found it in hard lines in 1923 due to the immense business expansion of the prosperous war and after-war periods. The largest and oldest corporation bank in Copenhagen failed, but the cooperative landmans bank was still operating upon a basis of assured success although the dividends had dwindled to little or nothing. The slump in Denmark as in most other countries of the world came in 1922 and all the Danish banks have been in more or less trouble the last three years, but the big bank of the cooperative groups is probably in less danger than any corporation bank.

The Reasons Why

A careful analysis forced upon me the conclusion that farm cooperations succeed in Denmark because of the following facts: (1) poverty and comradeship in poverty at the start, (2) the universal diffusion of intelligence and the sponging out of illiteracy, (3) density of population and country community life, (4) a geographical location offering 150 million consumers within a twenty-four-hour run by rail and boat, (5) well-nigh universal farm ownership, (6) organization from the bottom up, (7) small beginnings in small groups with small capital, (8) the fundamental principle of self-help. Which is to say, the farmers ask absolutely nothing of the state that they can do by themselves and for themselves in cooperative effort. Which is further to say that state-aid of any sort is in the form of opportunities and services and least of all in money out of the state treasury. And (9) state-aid in transportation and terminal facilities.

A Long, Hard Pull

Success in cooperation was not achieved at a single bound in Denmark. The Danes have been succeeding and failing, and trying over again and failing again and again, but nevertheless gripping their lips firmly and setting themselves to bear as many failures as were necessary to develop the cooperative virtues and to teach them the conditions of success. The Dane is not a brilliant chap but he has rare common sense as a racial characteristic. Furthermore he has unbeatable bull-dog courage. The Danes won their fight in a good deal less than a half century. They were willing to pay the price of success no matter what the cost because the end in view was worth the struggle. They had sagacity enough to see that the mere producer of raw wealth in any land or country is inevitably the man who gets the smallest part of the wealth he produces. They did not need to be told that the ignorant pearl diver wears little more than a breach-clout, that the gold miner turns up with his pick ornaments the lords and ladies of the round world, that whatever wealth an ignorant farmer produces is consumed at the banquet tables of intelligence, that all the world is organized against the solitary farmer, and that the farmer standing alone is the easy prey of organized big-business.

Every item in the foregoing list of causes is worth examination. In course of which, the obstacles to successful farm cooperation in the South will emerge. They are obstacles that must be conquered one by one if success is ever to be won.

Driven by Poverty

1. The Danes have an idea that their impulse to cooperate originated in dire poverty and distress. No farm population in America at any time has ever experienced the poverty that the Danish endured with no chance to cure during 600 long years of serfdom. And when the vote of citizenship was given

to them mid-way the nineteenth century, living in the farm regions was reduced to its very lowest terms. They had little or no land, no money with which to buy farms, and still less cash with which to operate them. They were keen enough to see that their first need was investment capital and operating cash. And they were as prompt to organize cooperative credit unions as the German farmers. But the German farmers stopped with credit unions while the Danes moved on into cooperative manufacture, marketing, and buying. All of which were the inventions of pinching necessity. They very well illustrate Andy Johnson's famous saying, that Success nearly always begins in poverty and lack.

Exactly as partridges huddle together in a snow storm so the Danish peasant farmers huddled together to work out their common problems, and out of the comradeship of poverty grew the cooperating spirit and the cooperative virtues—tireless industry and pinching self-denial, sagacity or keen prudential foresight, faith in one's fellow man, willing subordination to self-chosen authority, unimpeachable integrity, and unbreakable courage. A Dane disloyal to his cooperatives is almost unknown, or so I was repeatedly told in Denmark. He swears to his own hurt and changes not, he puts his hands to the plow and looks not back. Loyalty is a Biblical virtue. Indeed all the cooperative virtues can be definitely phrased in terms of The Book. Short of the cooperating spirit and the cooperative virtues there is no chance to succeed in farm cooperative enterprises.

Led by Intelligence

2. Moreover the Danes long ago realized the necessity for sponging out illiteracy and ignorance. More than a hundred years ago they passed under a compulsory education law. It is a law that enforces itself. Truancy officers are unknown in Denmark, except in the larger cities. The law has always been self-enforcing in country communities. The Danish family that willfully neglects the schooling of the children is haled into court by the community itself. Moreover the eagerness of the Danes for learning and their firm belief that knowledge is power soon put Denmark in the lead in Europe in local school enterprise. The University of Copenhagen has 6,900 students and a working income nearly twice that of the University of North Carolina. The scholarship students are a large section of the student body. They come up from every section of Denmark, some 800 in number. They win their scholarships in the schools below, in state-wide competition, they are lodged free in Copenhagen in dormitories of their own, and better lodged than the richest student at our own University. The same eagerness for education and liberal culture supports book stores, libraries, and art shops in larger numbers than I found anywhere else in Europe outside of Paris.

Sparsity of Population

3. In the third place, density of population and life in community groups must be taken into account. Farmers dwelling in solitary farmsteads a few to the square mile are almost unknown in this as in most other countries of Europe. This condition is common in North Carolina but it is rare in Europe outside of Norway, Sweden, and Finland. The Danish farmers live in communities, not quite as compact as in Middle and South Germany, but they live together, play together, and work together. The consequence is that their look on life is social and cooperative instead of individual and competitive, as in the sparsely settled regions of America. Mere density of population is a great factor in successful cooperation. And so is compact country community life. Cooperating farmers must know one another well enough to know who among them have the cooperative virtues—not one of them but all of them, for nothing less than all of them avails in cooperative business.

COOPERATION

Cooperation on a self-help basis succeeds in Denmark and the principle passed entirely beyond debate a quarter-century ago in this little country.

And it must be made to succeed or allowed to succeed in America. We need the cooperative virtues in every phase of our national life. Civilization cannot forever exist as a tooth-and-claw, beak-and-talon contest for survival and supremacy among men and nations. Europe is today an arresting illustration of this fundamental fact. Collusion is better than collision, cooperation is better than competition, and the sooner the human race learns this fundamental lesson the better. Somehow or other the world must find a place for the Sermon on the Mount and the Golden Rule in business, in social fellowships, and in civic institutions. The race has tried the Rule of Gold long enough to have learned that it is not a final way of life.—E. C. Branson, Strassburg, Sept. 18, 1923.

A Favorable Situation

4. And then Denmark enjoys a unique geographical position. One hundred and fifty million consumers of food and feed stuffs surround it. And these consumers can be reached in twenty-four hours in every direction by rail and boat services. Moreover Copenhagen the capital is a city with close to a million inhabitants. It is a great local market near at hand for the producers of food supplies. Many farm groups in Denmark depend upon purchasers in Copenhagen alone. We often speak of producing cotton and tobacco in North Carolina on a bread-and-meat basis. A fundamental obstacle lies in the fact that our cities are too few and too small to make food crops and animal products a money-yielding business for the farmers. Our attention is easily centered on the main money-yielding crops. That is to say, on cotton and tobacco. And the farmers like the rest of us are not easily capable of what President Wilson called split-attention. They are not often able to give their attention to two different types of farming at one and the same time. In Denmark the farmers are devoted to food production alone and the main problem is to put it on a profit producing basis. Furthermore the food consumers in Denmark outnumber the food producers two to one. In North Carolina it is exactly the other way around. We have too many producers and too few local consumers of food products that our farmers might easily offer to the home markets. And our farmers are not yet ready to organize to reach the larger distant markets—not even our truck growers. Our fruit growers are only just beginning to organize in the Sand Hill country. Our apple growers in the northwest counties have hardly even considered a marketing organization as an indispensable means of getting money out of apple-growing in the finest apple-producing region in the United States. Our potato and peanut growers in the Albemarle country will organize and fail many times before they succeed, just as a child falls down many times before it learns to walk. So it was in Denmark and so it is likely to be in North Carolina.

Tenancy A Monster Obstacle

5. Just as there is no illiteracy or none to speak of in Denmark so there are no landless farmers or barely more than 10,000 all told against 110,000 in North Carolina. Farm tenants in North Carolina are more than forty-five in the hundred farmers, against ten in the hundred in Denmark, and almost half of these are life or long-term leaseholders. The rise of landless peasants into landownership is the story of one hundred and thirty-five years. It cannot be given here in a brief statement of the causes of successful farm cooperation. The point is that the cooperating farmers of Denmark are land owners almost without exception. A fundamental obstacle to cooperation in

this and other Southern states is excessive farm tenancy. In the South at large a little more than one-half of our farmers are tenants, the overwhelming majority of them being croppers or share-tenants of one type or another. The estimate is that they produce more than one-half of all the cotton and nearly two-thirds of all the tobacco. The cotton and tobacco growers' associations have already learned that it is not easy to control the crops grown by their tenants. And no way has yet been found to conquer this fundamental difficulty. Here is one of the perils of cooperative enterprise in the cash-crop regions of the South. It defeats orderly marketing.

6. A principle of cooperative enterprise in Denmark worth close attention and serious consideration is the principle of organization from the bottom up. Which means active local groups, nearly 10,000 all told, busy with the small-scale problems of cooperative production, manufacture, and sale of farm products, by farmers that know one another intimately. Every farmer has a property interest in his products. He never surrenders this property interest at any stage of the game from first to last. Such a thing does not seem to be necessary in Denmark for the reason that they know one another and trust one another in ways that are almost beyond belief. At the top are the centrals, one central for each of the commodities produced or farm purposes to be accomplished. A cooperative central is in instant communication with its cooperating farm groups, directing the sales in home or foreign markets so as to produce the largest possible profit; or acting as a wholesale purchaser of whatever its group of cooperatives needs; or instructing its groups in arranging for operative farm credit; and in general looking after the wholesale concerns and necessities of its own particular group. As a rule the central executives are farmers or farmers' sons who have been bred from the ground up in the business details of agriculture. The central borrows no money, it is not a proprietor, it has no credit collateral to offer. It instructs, advises, and guides, it is a clearing house, an intelligence center—this and nothing more.

Nobody knows better than the Danish farmers the difference between a cooperation and a corporation. And a corporation could not be ambushed under the title of a cooperation. Here is a distinction with a real difference, and the Danes cannot be fooled about it. I have many a time analyzed farm cooperations in America only to discover at last that really they are corporations. Or frequently so. Now a corporation is not essentially bad or wrong. The point is that farmers ought not to get into a corporation when they think they are getting into a cooperation. It is a chance that they do not have in Denmark. But it is a chance that they risk everyday in America.

In quite recent years, we are experimenting with a new form of farm organization in the United States. It is not a cooperation, it is a corporation. And furthermore it is a corporation with a super-corporation right—the right of self-contained ownership. The farmer who joins it contributes his cash-crops to the business and in so doing surrenders his property rights in these cash-crops. Not so when he contributes capital to a bank or a mill or any other corporation of the prevailing type. He still owns what he contributes to such corporations and his right of ownership is represented by shares of stock. The new form of corporation in which the farmers are participating in large numbers in every state of the Union must needs run the gauntlet of the courts as the old type of corporation has itself been doing for some 200 years and is still doing at every sitting of the legislatures and the courts. It may be an effective form of business organization for the farmers, but it will be under fire for many years to come. The farmers must be prepared for this fact, remembering the while that what matters most is not the form or name of a thing but the substance of it. Nevertheless no form of farm business can hope to succeed without the cooperative virtues of active local groups.

Small Beginnings

7. Like the Toad Lane weavers in Rochdale who began with 21 shillings

put into a cooperative store, so the Danes began their various cooperative manufacturing, marketing, buying, and credit businesses. And just as the cooperative stores of England are now the biggest single business in the British Isles so the farm cooperatives of Denmark are conducting the biggest single business in Denmark. The way they began reminds me of the advice I used to get every Friday afternoon when I stood up to speak my little piece in school: "Begin low and go slow, rise higher and take fire." It is a fine art and the real orator is not slow to learn it. But it is also a fine art in the business of farm cooperation. The Danes began exactly that way. They began in little groups with combined capital in small amounts, with risks reduced to a minimum. They put their eggs in a little basket. It was all they had and they watched their basket with exceeding care. Personal attention and eternal vigilance was the price they paid for success, but meantime they were learning little by little the infinite business details of reaching final consumers with farm products put into fit form for final consumption. They were small-scale businesses finally combined into businesses large enough to guarantee profits to practically every farmer in Denmark. I very much doubt whether the Danes could have been induced to organize a mammoth business at the start and to risk every dime of their cash income in any new and untried form of business organization. Organization from the top down is not the way of the Danes.

Self-Help Cooperation

8. Cooperation in Denmark is essentially self-help cooperation. The cooperative farmers want as little help and as little interference as possible by state authorities. For instance, the Danes ask no funds from the state for their credit unions or their big cooperative bank, and they will not have state officials managing or dispensing credit to the farmers. They form their own organizations, elect their own officers, and audit their own accounts. But among the Mediterranean peoples the cooperatives are financed by large grants from the state, and the credit organizations are largely managed by state officials. The same thing is largely true of producing, buying, and selling cooperatives. The result is what might easily have been foreseen at the start. The cooperators are a large voting bloc, and they make increasing demands on the state treasuries year by year—a voting bloc so large in Italy that they threatened bankruptcy to the state until Mussolini called a halt. France at this very minute is facing the same serious problem. Soft-soaping the farmers is the prime business of a Minister of Agriculture in one of the countries I visited last year. I discovered in my interview with him that everything done in his department was done with the purpose of controlling the farm vote in the approaching elections. As it happened, it was only the reduced purchasing value of the peasants' money that turned the farmer vote against him, and that finally turned him out of the ministry as a casualty of war.

The fundamental thing in Danish cooperation and in Danish social life as well is private initiative, personal and associational self-help, local community pride and cooperative enterprise with a minimum of state help and state interference.—E. C. Branson, Copenhagen.

ABOLISHED IN GUILFORD

The county board of education has signed the death warrant of one-teacher schools in Guilford county.

The board has officially adopted the policy of not conducting any more one-teacher schools in Guilford and has gone a step further and announced its intention not to conduct any two-teacher schools if arrangements can be made to get along without them.

There were during the year just closed 34 one-teacher schools in Guilford of which 20 were white and 14 were negro. The policy of the board means that not any of these schools will be in operation when the school sessions start next fall. Pupils at all these schools will be cared for in larger schools, with consequently better facilities and teachers.

Coincident with the decision to end one-teacher schools, the board has adopted a further plan in its platform of not having any teachers in the county who do not have state certificates. The policy is expected to raise materially the average of instruction throughout Guilford.

Of the two-teacher schools 44 were in operation this past year. The board would like to start off next fall without a single one of these in operation, but it is finding it impossible to make the whole step at one stride.

In the case of both the one-teacher and the two-teacher schools the new buildings in many parts of the county and the plans of consolidation are handling the situation. The county for the past two years has been witnessing the greatest school building era it has ever known.—Greensboro News.