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EDITORIAL COMMENT.

STATE ORGANIZER-LECTURER'S ADDRESS.

Since our last annual meeting we have chartered 244 new Local Unions. Since the beginning of the organization in this State we have issued charters to 2,346 Local Unions.

Seven County Unions have been organized this year. These are Brunswick, Chowan, Perquimans, Transylvania, Tyrrell, Edgecombe, and Mitchell.

County Unions have been established in all the counties of the State except Camden, Carteret, Currituck, Dare, Jackson, New Hanover, and Polk.

In all the counties of the State this year a little more than ten thousand new members have been added to the organization. This growth in membership is almost equal to that of 1911.

There is yet a great deal of unoccupied territory that can be organized. In answer to a recent communication which I sent out to local secretaries, I have on file the names of more than a hundred localities in which, it is thought, that Local Unions may be organized as soon as appointments can be arranged.

INDIVIDUALISM OF THE FARMER.

It has been no easy job to organize farmers. It will be a still greater task to keep them organized. The natural environment of farm life is the kind that produces individuality. It is not easy for a farmer to transact business with his neighbors. Independence in handling his affairs is a tradition that runs back through generations. He prefers to conduct his business man to man, as his ancestors have done, and nearly all co-operative efforts among farmers in the past have been born only of desperate necessity. The individuality of the farmer—the inclination that makes him persist in transacting his business independent of his fellow workers—renders him an easy subject for exploitation by commercial interests. It is not a difficult job for even a novice in "the tricks of the trade" to play the business game with him and win. Stubborn and uncompromising individuality has been the weak point in the make-up of the nature of farmers that has caused the rural districts to be ultimately reduced to a system of tenant slavery in most countries of the earth, and this has resulted, too, under many and various forms of government.

DESPERATE NECESSITY EXISTS NOW.

We are living now under the most extravagant system of distribution that the world has ever seen. When the multiplicity and duplication of distributing agencies cause the consumers to pay three times the original price received by producers, co-operative distribution becomes not only a desperate necessity, but a continuous economic

necessity that must engage the attention not only of the rural population, but consumers in towns and cities also. Co-operation isn't patented or copyrighted and it embodies economic principles that should be applied everywhere, and if consumers in cities will begin to establish co-operative distribution and eliminate the tremendous waste that comes through extravagant duplication of service (which we formerly proudly referred to as desirable "competition") they will find that co-operation is far more economical than competition especially the kind of competition which costs sixty cents out the consumer's dollar to maintain.

MUTUAL SELF-HELP.

Voluntary co-operation is the coming redemption. We must work out a feasible system of self-help, or our children will find the doors of opportunity closing, and their children will batter in vain at doors already shut. The best social life can be found only in communities of home owners. It can not be found in communities where the rental system, or the wage system of labor obtains. I become more firmly fixed in the conviction, as the years pass, that co-operation is the one solution of the problem facing us. To talk now of the dissolution of capitalistic combines is rank folly. You can about as easily break down the great business organization as you can turn back the torrent of Niagara with a pitch fork. In some way business will organize for the greatest efficiency—will produce at least possible cost, will ship at least cost, will market at least cost—and you can't stop the working of that economic law by asking the courts to make the trusts be good! It is the height of folly to talk about the return to that competition in industry that means economic waste, for while mergers and combines, otherwise known as trusts, are pernicious and socially oppressive, yet they have been evolved under stress of human necessity, and in some respects they are the most efficient means of producing and distributing commodities the world has ever known. However oppressive they may be, they can only be superseded by some form of organized industry equally as efficient, to say the least. The trouble with the trusts and corporations is not with their efficiency, but with the spirit of autocracy which dominates them in the interest of the few and to the detriment of the many. How to bring about an equally efficient organization, without the power for evil possessed by trusts, can only be found in co-operation. It should be the great mission and purpose of the Farmers' Union and kindred organizations to lay the foundation that will support and accelerate the building of that great superstructure, the co-operative commonwealth, which must come to supersede the corporate tyranny under which we are struggling today, if mankind is to continue its onward march of progress.

WHY AMERICA IS BEHIND.

There are, perhaps, several reasons why we are fifty years behind many of the progressive European countries in co-operative self-help, but I believe one of the greatest hindrances has been our incurable belief that we are going to accomplish important and fundamental changes through legislation. This is one elementary illusion which we ought to get out of minds. It relaxes efforts to establish voluntary co-operation. It has impaired the usefulness of many farmers' organizations and has cost the life of some of them. It is much easier to propose a legislative remedy, so-called, than to go down among the rank and file with patience and perseverance enough to teach, in practical operation, the fundamental principles of co-operative self-help. You will find a hundred men who are perfectly willing to impose upon themselves the arduous and patriotic task of doing the "uplifting" act through some process of legislative work where you will find one soul that wants to help democratize our economic system through voluntary co-operation. What we need above everything else now is a democratized form of business

to accompany a democratized system of government.

COERCIVE AND VOLUNTARY CO-OPERATION.

In my plea for voluntary co-operation I do not mean to ignore the fact that there are two kinds of co-operation and that each kind has its important place. That other kind of co-operation, which I refer to briefly is that sphere of co-operation which comes through governmental agency, state, local or national, in the field of natural monopolies, which embraces those pursuits which are not at all times subject to the constant pressure of competition. When such monopolies are privately owned they are odious and oppressive, but as public monopolies, honestly administered in the interest of the people, they become a blessing when confined to their proper sphere. Among all the vast enterprises of the world the postoffice system is an example of public monopoly that ranks in efficiency and economy as the best managed business, compared with which no great private corporation can take favorable rank. Among other public and natural monopolies are the steam railways, street cars, gas and water works, electric lighting establishments, canals, roads, bridges, harbors, docks, water powers, etc. The problem involved in these cases is not, shall we have a monopoly, but shall the monopoly be public or private. Government enterprises as applied in owning and controlling natural monopolies is frequently referred to as paternalism to discredit it, but it is coercive co-operation applied where voluntary co-operation can not be applied. After we leave the domain of natural monopolies almost the entire remainder of the industrial field is the proper sphere for voluntary co-operative efforts, and this includes the business of agriculture, manufactures and distributing agencies.

DESTRUCTIVE POWER OF CORPORATIONS.

All of the destructive power of joint stock corporations lies hidden in two ideas—dollar voting in stockholders' meetings and dividends upon capital stock only. Here is where the difference between corporation and co-operative methods comes in, and we should, through the Farmers' Union, clearly define what "co-operation" is, and having defined it, then proceed to work out our definition into practice and into law. We need a statutory definition of the term in order that the legal distinction between the corporate and the co-operative institutions may be as definite and clear cut as are their business practices. As yet Wisconsin seems to be the only State in the Union which has a law that legally defines "co-operation" and provides for the organization of shareholding co-operative corporations on a basis of one vote only for each member, regardless of the number of shares owned, (no proxy voting) and dividends to be declared in such manner as to distribute profits in proportion to patronage, or service rendered, after having allowed capital the legal rate of interest or hire for its use in the business.

The joint stock corporations that we have in this country give money the power to vote in stockholders' meetings instead of men, and in distributing the benefits they take the results of patronage and labor and give it all to money—to capital invested—and the men whose business and labor create the profits get nothing. In the truly co-operative corporations human beings reap the benefits and money becomes a servant employed and is allowed its hire, at the legal rate of interest, and that is the legal wages money commands in the market. It can be hired even outside the co-operative corporation on that basis, and in the interest of equity and justice and economy that is all it should be entitled to. The principle of limited hire for capital is good because it is eternally right!

MUST BEGIN WITH SMALL GROUPS.

If, through our enthusiasm we attempt to start co-operation on a large scale we will learn by such