

Adventure in a Co-op

By Joseph Dana Miller

(In the following article Mr. Miller relates a personal experience in the field of consumers' cooperation from the viewpoint of radical individualism. In a future issue the subject will be handled, with different results, from the viewpoint of social liberalism.)

Many of those who are looking for a solution of our economic problems seek it in the field of cooperation. The Cooperative movement has made some impressive gains. But it has failed to enlist general support and the economic problems remain unsolved. We say this despite the fact that some good minds have been drawn into it and the literature of cooperation is most extensive. Besides it has found many enthusiastic and devoted adherents.

It is easy enough to cooperate in the production and marketing of simple commodities. Where the system breaks down is in its failure to establish a partnership with those who control the sources of supply. The element of speculative rent is not at the command of the cooperators. Nor are they free from restrictive and oppressive taxation.

But cooperation has other drawbacks. It is artificial and lacks the stimulation of individual effort. It seeks to bring about results which are not desirable in themselves. Its chief effort is to abolish the middleman. It seeks immediate contact between manufacturer and consumer. In most cases this results in more expensive operation. In trying to do away with the profits of the middleman they dispense with their more efficient labor as distributors.

I was once a member of a cooperative enterprise, being the manager of the New York office of the concern. We had thirty-five thousand acres of land and paid to the owner of the land a release price of thirty dollars for every lot sold by the company. The price of the lots was one hundred dollars and something extra for corner lots. We sold lots to the amount of one hundred thousand dollars in the first year. The lots were worth nothing, I am sorry to say.

But they sold readily. We had a

beautiful prospectus. I know because I wrote it. With every deed went a certificate of stock which entitled the investor to dividends on the industries to be established, as well as the increase in the value of the land. The land was situated in May's Landing, Atlantic County, New Jersey.

Then we started to establish industries. As a beginning we took up the making of clothing and cigars.

First let me speak of the clay beds on the Company's property. We believed this clay was adapted to the making of buff brick, then selling for forty dollars a thousand as compared with five dollars a thousand for the ordinary red brick.

Chemists agreed that the clay was adapted to the making of buff brick. But chemists do not make brick; workmen, laborers and superintendents make brick. And we couldn't make them, try as we would. Somehow the clay stubbornly refused to respond. How much the company lost in this unsuccessful attempt to make buff brick I cannot say at the moment, but it was considerable.

You see the members of the Company were not brick makers. One of the officers was a Wall street broker, another was a lawyer, and a third was connected with a large industrial company. Of course they could hire expert brick-makers. But that was not enough. Their occupational experience unfitted them for the running of a brick plant. Of course!

The reader may say that perhaps the clay was not adapted to the making of buff brick. But it was. When the ill-fated experiment went into bankruptcy, the clay beds fell into the hands of real brick-makers. Since that time the brick plant has turned out great quantities of buff brick for buildings in Philadelphia and elsewhere. This therefore is to be



charged as one more failure for semi-socialistic experiment and one more triumph for competitive industry and its normal results under partial freedom.

But now let me turn to the clothing industry. We tried to supply the consumer directly from the establishment owned and run by the company, thus getting rid of the middleman, you see. It works fine on paper. But our agents were land sellers, not tailors. We would instruct our lot-selling agents to take the measure of visitors to the company's property on the trains running out of New York and Philadelphia. We took 600 on one train from New York, so we had lots of prospects.

Incidentally, because we could not get the best qualified person, we placed in charge of the tailoring establishment the same man who had tried unsuccessfully to run the brick plant. He did know something about brick but little about clothing.

I tell you those suits were horrors. The cloth was of good quality but the suits were almost invariably misfits. I got some of these suits. I never had so many clothes and never went so badly dressed. I had a trunk full of forty suits and managed with the aid of a custom tailor to get some suits that fitted well out of them. The excursionists who were measured on the train by our agents did not fare so well and for the most part threw the suits back on us. But make no mistake. We had got rid of the middleman. But heavens, at what a cost!

It would take the pen of a Dickens to do justice to this experiment in cooperation. Take the cigars. Made on the ground in our own company's plant and delivered direct to the smoker. Abolish the middleman! But somehow it didn't work. The agents smoked most of the cigars and the company lost money. The cigars disappeared in smoke with nothing to show for them.

And so the adventure came to an end in the early nineties. We built some forty houses. I believe some of them are still standing.

There is about the same population at May's Landing that there was at the time of the Revolution, though it is a county seat. Most of those in the county have never been outside of it. And so ended this attempt to abolish the middleman. Maybe he

just doesn't deserve to be abolished, and is going to stick around quite a while.

It is to be observed that the one individual who reaped a profit, and no inconsiderable one at that, was the gentleman who got thirty dollars

for every lot of land released.

Some soft snap! But then it always is!

Compare: "Progress and Poverty," pp. 316-319, 454-472; "Social Problems," pp. 3-4; p. 191, pp. 200-201. But see also: "Protection or Free Trade," pp. 62-68.