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May 12, 1943

VOTE ON PROPOSED COOPERATIVE

The following procedure for election on the question of whether the residents shall form a cooperative association for the community enterprises is announced by the Temporary Delegates Committee on the Proposed Cooperative:

1. At block meetings on May 17, a special discussion will be held on this question at which time each block shall elect an election board composed of six members to conduct the elections.
2. Date of the election - Tuesday, May 18, 1943, from 1 to 8 PM.
3. Where to vote - the mess halls in your block.
4. Who can vote - residents 18 years of age or over.
5. How to vote - by secret ballot. Each voter is required to sign a registry at time and place of voting.
6. The election shall be decided by a majority of the blocks.

Attached hereto is a statement on the trust arrangement and the proposed cooperative.

Residents are urged to attend their block meeting on May 17 and to vote on this issue in order to determine the desire of the people.

◎共同消費組合組織の賛否を
左記の如く一般投票に依りて採決す。

一、来る十七日(月)各区例会に於て之れが説明をなし、選挙年委員六名を撰定す。
二、選挙日五月十八日(火)午後一時より八時迄。
三、場所 各区内メスホールに於て行ふ。
四、投票権者は満十八才以上の男女とす。
五、投票方法は姓名を登録し投票紙には無記名投票とす。
六、投票の採決は全区の過半数に依りて決す。

『居民一般は各区十七日の例会に於て是非出席し、十八日の選挙日には必ず投票せらるゝ様願望す。』

DISCUSSION OF TRUST AND COOPERATIVE

1. WRA REGULATIONS

WRA regulations provide that the community enterprises in the various relocation centers shall be operated either as a trust or a cooperative. It is up to the residents in the center to decide upon one of these forms of legal organization.

Regulations further provide for the payment of rent and the wages and clothing allowances of enterprises employees under either setup, said wages and clothing allowances to be paid according to the same scale and classifications established by the WRA.

2. PURPOSE

The purpose of community enterprises, under either the trust or the cooperative, is to provide goods and services for the residents of the Heart Mountain Relocation Center at the lowest possible cost.

3. LEGAL

TRUST

The present trust was organized upon execution of a Declaration of Trust in accordance with WRA instructions. The trustees who were approved by the Project Director are entrusted with the control and management of the enterprises, all earnings to be for the use and benefit of the residents. The trustees assume no personal liability for the obligations of the enterprises and have no personal interest in the business. Organization and procedure are fixed by the provisions of the Declaration of Trust, which may be modified by the trustees with the approval of the Project Director. Under the trust arrangement, the superintendent of community enterprises would continue as an advisor to the board of trustees. If and when a cooperative association is formed, all of the assets and liabilities of the enterprises are to be transferred to the cooperative association.

COOP

A cooperative association, if organized, would be incorporated probably under the Colorado state law. Incorporation limits liability of members. Under the cooperative plan, the members would assume full and complete control of the legal and business organization of community enterprises and elect their own board of directors to manage and operate the enterprises according to the will of the members. Organization and procedure are fixed by statute, articles of incorporation, or by-laws. Under a cooperative, the superintendent of community enterprises would continue as an advisor to the board of directors.

4. INCOME TAX

If the earnings of community enterprises are refunded to the residents or declared as an obligation to them before the end of the fiscal year, June 30, on the basis of adequate patronage records, they are not subject to income tax. This applies to both the trust and cooperative.

5. EXPENSES

All expenses now being paid by community enterprises under the trust would likewise be paid under the cooperative. Under a cooperative, the executive officers and additional employees probably would be added to the payroll.

6. MEMBERSHIP

TRUST

All residents may participate in the earnings of community enterprises according to their patronage without payment of any membership fee.

COOP

Members are eligible to participate in refunds of the earnings of the cooperative. A non-member may subscribe for membership and upon payment of the membership fee, become a full-fledged member of the cooperative.

7. RESPONSIBILITY OF THE PEOPLE

TRUST

The residents merely share in the refunds in proportion to the amount of their purchases. The people, through the trustees, have the responsibility of the operation of the business and the control and management of the enterprises. No assessments would be made upon the residents.

COOP

The members have full control and management of the cooperative and are responsible for the successful operation of the enterprises. The limit of all assessments would not exceed the amount of the membership fee.

8. LIQUIDATION

TRUST

The enterprises under the trust may be dissolved by resolution of the board of trustees with the approval of the Project Director. All funds received in the final liquidation of the assets of the enterprises would be distributed to all residents on the basis of their total patronage.

COOP

The cooperative may be dissolved by vote of the members with the approval of the Project Director. Final refunds would be distributed only to the members of the cooperative on the basis of their total patronage.

Under either the trust or cooperative, the forwarding addresses of all such residents or members leaving the center will be kept so refunds on final liquidation can be sent to them.

共同消費組合と信託組織の比較

(1) WRA規定

転住局の規定に依り各転住所内共同企業は共同消費組合か信託組織を居住民の意志に依り合法的組織に基き信託財團法人又は共同消費組合の形式を採用得るものとす。家賃給料及被服費等は何れ形式を採用するものとす。

とWRAの法規に基き総て経営者に於て負担支持せらるものとす。

(2) 目的

目的は信託組織又共同消費組合何れに依るも居住民に最低價格にて商品を供給し最上の便宜を導くものとす。

(3) 信託組織

と共同消費組合の法規的相違

現行信託

組織はWRAの指令に基き組織する併して信託委員は転住所長の承認を得て就職し凡ての營業上の運用を委任さる。猶又その収益は一般居住民の利益と便宜を爲め使用さるものとす。信託委員は個人として企業の出賃に對する責任を負はず且つ個人的企業に對し利益關係無し。

信託組織及其運用は一切信託宣言書條項に依り限定されるもので同宣言書の修正変更等に關しは転住所長の承認を得て信託委員が修正し得るものとす。

信託組織に於ては共同企業部長(白人)は信託委員會に相談役として留任す若し共同消費組合が正式設立されし場合はトラスチの一切の權利並に全財産は組合に譲渡さるものとす。共同消費組合はコロラド州法に基き有限財團法人として設立せらるゝものと思推す。

組合員は法規上共同企業カ所有者となり營業支配の全權を附與せられ重役を選出して組合員の意志に從ひ營業をなすものとす。組織及運行は定款及組合の細則に從つて決定さる。

共同消費組合に於ては現任白人部長は重役會々相談役として留任する者である。

(4) 所得税

團體企業部の収益は居住者の購買額に記

録に從いて之れを拂ふべき意志を會計年度則ち(六月三十日)以前に聲明すれば所得税を免除さる。是は信託組織

又は共同消費組合何れの場合と雖も同様である。

(5) 経費 共同企業の一の経費は信託組織も共同消費組合も同様其の各自体が支拂ふ事。

共同消費組合の場合には数名の従業員の給料が増加する事にたるものあり。

(6) 會員 信託組織の場合會員納入の義務なく全住民は企業部の利益を各自の購買額に應じて分配する。

共同消費組合の場合には組合員は利益の分配を受けるは勿論非組合員と雖組合加入の意志を表示する時は何時たりとも組合員たる資格を得、分配の権利を享有し得、但し組合員費として金毫弗納入すべきものとす。

(7) 責任 信託トラストの場合居民は各自購買額に應じて企業部の利益配當を受く、併而居民は信託委員を通じて營業上の運用、支配等一切の權利、義務を有す、但し居民は財政上の負擔責任無し。共同消費組合の場合には組合員は所有權並支配權を有すると同時に組合經營上の責任を負ふ、但し組合員は組合員費毫弗以外何等の責任無し。

(8) 解散

(A) 信託組織解散の決定権は信託委員會の決議による。

解散の場合は各自購買額に應じて全財産の割に配當を受くるのみ。

(B) 共同消費組合解散の決定権は組合員の決議による。

併して右解散の場合には組合員に限り其の購買額に應じて全財産の割に配當をなす。

尚ほ両者ともに出所者即ち購買者並に組合員に対して各々移転先の住所を記録し、配當金を送附するものあり。

(C) 解散の場合両者共移住所の長の承認を得るものとす。

WAR RELOCATION AUTHORITY

Washington, D.C.

Approved.
Oct 25, 1942
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Preliminary
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OUTLINE PLAN

Of some of the more important points
to be considered in the organization
of a Consumers' Cooperative Association
on a relocation center.

I. Steps in Organization of Consumers' Co-operative

In order to encourage the development of sound community enterprises for supplying goods and personal services, the following steps should be observed by WRA project staff.

- A. Call group meetings of persons interested in the organization of a Consumers' Co-operative Association for supplying desired goods and services.
- B. Decision by members of the group to work together in order to provide these goods and services.
- C. Development of a definite plan for soliciting membership, and for arousing the interest of the evacuees in the Consumers' Co-operative Association.
- D. Appointment of membership committee whose duty it will be to interview community residents, explaining the purposes of the Consumers' Co-operative Association, and to solicit pledges to membership should an association be formed.
- E. When a sufficient number of pledges (preferably 500 and not less than 250) have been secured, an organizational meeting will be held to which all residents in the community will be invited. At this meeting, plans for the establishment of a Consumers' Co-operative Association will be outlined, the minimum requirements explained, and a decision reached as to whether the residents wish to establish a Consumers' Co-operative Association.
- F. A board of directors will be elected by the membership of the new Consumers' Co-operative Association.
- G. The board of directors of the Consumers' Co-operative Association will hold a meeting to appoint officers and to name committees to supervise the main types of enterprises.

II. Surplus of the Temporary Enterprises

In cases where the project management already provides these goods and services, the enterprises so established may be taken over by the Consumers' Co-operative Association, under mutually agreeable arrangements for repayment, providing that the newly formed Consumers' Co-operative Association meets the minimum requirements set forth below.

Before the incorporation of the Consumers' Co-operative Association, the temporary community enterprises will be operated by a committee of evacuees under the direction of the Community Enterprises Superintendent. These enterprises will be run as a trust for the future Consumers' Co-operative Association. Any surplus or profits accumulated by the temporary enterprises will be held intact for the Consumers' Co-operative Association. On the recommendation of the temporary committee and the Community Enterprises Superintendent, funds may be used from the profits of the temporary enterprises to expand their business or to establish new enterprises. No money will be used for such purposes as recreational equipment, donations to community welfare, or other purposes not directly connected with the business to be handed over by the temporary enterprises to the Consumers' Co-operative Association. After the incorporation of the Consumers' Co-operative Association the membership will decide on how the accumulated profits will be used. It is strongly recommended that they be used in strengthening or expanding the business of the Consumers' Co-operative Association. It is recommended that they should not be used for share capital of the Association. Shares in the Association should be paid for by the people themselves out of their own pockets. It is recommended that it should not be divided up and given to the members as a rebate.

III. Minimum Requirements

A Consumers' Co-operative Association will be encouraged to establish enterprises for supplying goods and personal services in the relocation center when the Consumers' Co-operative Association meets the following minimum requirements:

A. A Consumers' Co-operative Association will follow the following principles:

1. Membership will be open to all residents of the community.
2. Every member will have one vote no matter how many shares he owns.
3. The interest paid on the share capital of the association will be limited to the amount of the current bank rate of interest on savings.
4. Goods purchased by the Association for its members will be sold to them at prevailing market prices and for cash.
5. After expenses have been paid and reserves set aside for membership education, and the

reserve fund for expansion, and payments made on indebtedness, taxes, insurance, and on share capital interest, all surplus resultant from members' patronage will be paid back to the members in proportion to the amount of patronage they gave the Community Store operated by the Association. In this way each member will have received his goods at as close to cost as feasible.

- B. The enterprises proposed by the Consumers' Co-operative Association shall be those in which a sufficient number of people have given evidence of real interest.
- C. The Consumers' Co-operative Association must be able to assure adequate financing, competent management, and a sound operating plan for each enterprise that it establishes.

IV. Consumers' Co-operative Association

The Consumers' Co-operative Association will have as its members all residents of the relocation center who wish to make use of its services. There will be only one Consumers' Co-operative Association in a relocation center, except in those centers where there are more than one community, such as Poston and Gila. Project Directors may recommend exceptions to this general policy. W.R.A. Caucasian employees may be full-fledged members of the Association, but the Project Director should discourage the practice of staff members accepting any office in the Association.

A. Branches of the Consumers' Co-operative Association:

1. The Community Store:

All establishments for purchasing commodities or goods of any type for the members of the Association will be departments of the Community Store, including such departments as dry goods and specialty stores, refreshment stores, radio and music shops. Each department will keep its own records as a separate branch of the business so as to reflect the true operational picture after allocating each department its share of all direct and joint expenses. The general accounting division of the Consumers' Co-operative Association will render financial statements to reflect this information.

The Community Store may set up work shops or factories for the manufacture of goods and commodities desired by the members of the Consumers' Co-operative Association. For example, the Community Store may establish a factory for making candy if the demand for candy by the members of the Association is sufficient to make this venture feasible. In the case that the Community Store wishes to set up such a factory it will apply to the Board of Directors of the Consumers' Co-operative Association for approval and necessary funds. If the Board of Directors of the Consumers' Co-operative Association agree that such a factory should be established by the Community Store, it will provide the necessary funds for the venture from the Reserve fund for expansion of the Association. It will also apply to the Project Director for the use of building space and stationary fixtures. When the factory is approved by the Board of Directors and space provided for it by the Project Director the Community Store will apply to the Employment Office for workers in the candy factory. The workers will be paid the regular project scale of wages by the Consumers' Co-operative Association. When the candy manufactured by the factory is placed on the counters of the Community Store it will sell at the prevailing market price for candy of its quality. The difference between the cost of operating the factory and the price charged will become part of the gross surplus of the Community Store which, after reserves have been set aside for education and revolving fund and payments made on indebtedness, taxes, insurance, and interest on share capital, the remaining surplus will be paid back to the members of the Consumers' Co-operative Association in proportion to the amount of goods which they purchased at the Community Store.

2. Services:

All enterprises established by the Association for the purpose of providing services rather than goods will be departments of the Personal Services. These departments might include a dry cleaning establishment, a barber shop, beauty parlor, shoe repair shop, and other desired services. The Personal Services' books will

be maintained in departmental fashion by the General Accounting Division of the Consumers' Co-operative Association as prescribed for the Stores.

The Personal Services may, after a trial period to determine operating costs, adopt the policy of reducing charges rather than paying patronage dividends. However, charges must not be reduced below the actual cost of operation plus reserves set aside for membership, education, and the reserve fund for expansion, and payments on indebtedness, taxes, insurance, and on share capital interest.

B. Membership:

All residents of the relocation centers will be eligible for membership in the Consumers' Co-operative Association. Members of the Association may participate in the Community Store and the Personal Services. A resident may become a member by buying a membership share.

C. Delegate Assembly:

The Delegate Assembly of the Consumers' Co-operative Association will be elected by the members of the Association. The delegates will be elected on the basis of one to represent each block. Six months will be the term of office. The retiring delegates' places may be filled by elections at the semi-annual meetings of the Community Association. It is desirable that half the delegates be reelected for the sake of continuity.

D. The Board of Directors:

The Delegate Assembly, from among its own members, elects a Board of Directors of from five to nine members. This Board of Directors becomes the policy-making body for the Association.

E. Manager:

The Board of Directors appoints a manager who is responsible to them for the conducting of the business of the stores and a manager responsible for the operation of the services.

F. Other Committees:

The Board of Directors will appoint a supervisory committee for the Community Store and one for the Personal Services. These Supervisory committees will work with the managers who are responsible for the management and operation of the business to the Board of Directors. These committees will report regularly to the Board of Directors of the Association. The management will hire and dismiss employees subject to the review of the personnel committee. Other committees may be appointed for special purposes such as the purchasing committee and the merchandising committee.

G Employees:

Employees of the Community Store and the Personal Services will be hired according to method described in paragraph XIV, Instruction 26.

H. Elections:

1. Elections should be held at the semi-annual meeting of the membership on a block basis.
2. Elections should be held by secret ballot.
3. Elections in each block may be held according to Plan A or Plan B -- Plan A, by nominations from the floor; Plan B, by nominations from the floor for a nominating committee. The election of the nominating committee takes place at a meeting preceding the semi-annual meeting. At the semi-annual meeting the nominating committee presents the names of suggested candidates with the record of each candidate stating his accomplishments and special qualifications and the reasons for placing his name on the nomination list. Additional nominations from the floor are then invited. (Plan B is recommended). In the work of educating boards and membership, special emphasis might be placed on the difference between the election of political and economic candidates. In an economic set-up it is of importance that the candidates possess sound judgment and have a record for business experience and integrity.

V. General Policies Concerning the Consumers' Co-Operative Association

A. Group Meetings:

Meetings of the members of the Community Association shall be held both before and after its establishment to obtain active membership participation in the

organization and operation of the enterprises. The Store will make use of group meetings in order to discover the needs, desires, and tastes of the members. The procurement policy of the store will be based on the knowledge gained through the use of consumers' group meetings of the types of goods and grades of quality needed by the community.

B. Careful Planning:

An operating plan for the first year shall be developed by the Community Association.

1. The budgetary section of the operating plan will evidence that the Community Store and Personal Services will have a sound operating program, with annual income sufficient to pay all operating costs, including interest, depreciation, insurance, and taxes, to meet payments on indebtedness and to provide for reserves for future contingencies and other reserves required for the expansion of the business.
2. The operating plan shall include an outline of the educational work which will be undertaken for the Store and Personal Services during the year.

C. Finance:

1. Capital: First Plan:

- (a) Shares in the Association will be sold for \$5 each and will pay no higher than 3 per cent interest. Shares may be paid for in cash or by subscribing to installment payments of 50 cents each month.
- (b) Those who do not purchase shares but who deal regularly at the store will be given membership in the Consumers' Co-operative Association when patronage refunds have accumulated to their credit to the amount of the price of a share.

2. Alternative Plan:

Shares in the Association will be sold for one dollar and no dividend will be paid to non-members.

3. Other Sources of Capital:

- (a) The surplus accumulated by the temporary stores

and canteens previous to the organization of the Consumers' Co-operative Association will be turned over to the Consumers' Co-operative Association when the Project Director is satisfied that the Association has met the minimum requirements.

- (b) If the capital accumulated by the Consumers' Co-operative Association is not sufficient for the purpose, the Association may apply to WRA for further assistance. However, every attempt should be made by the Association to establish its enterprises with money accumulated from the operation of the temporary stores and by membership contributions.

4. Repayments:

- (a) If money is used from the reserve fund for expansion to set up a new department of the Community Store or Personal Services, schedules for repayment to the reserve fund for expansion should be included in the operating plan of the new department.
- (b) When the association borrows from WRA for expansion, operating plans including a repayment schedule must be submitted to WRA for each department using the money loaned by WRA to the Consumers' Co-operative Association.

5. Approval of Loan Applications:

An application form will be supplied by WRA to a Consumers' Co-operative Association desiring a loan. Applications for loans will be forwarded for approval to the Director of WRA with the recommendation of the Project Director.

6. Open Books:

All books and records must be open to members at reasonable hours and under reasonable conditions.

7. Monthly Reports:

Reports must be made at least monthly to the Boards of Directors and the membership. These reports should be made in a clear and comprehensible form. Usual income statements and percentage form of presentation is recommended.

8. Methods of Paying Patronage Savings Returns:

There are several methods of calculating patronage savings returns.

- (a) Coupon books may be sold by the Co-operative. The single coupons could have a value of 5¢, 10¢, and 25¢, and the coupon books contain from \$5 to \$25 worth of coupons. At the time of the purchase of a coupon book, the member would be credited with the price of the book. Coupons would be used by the members the same as money in the stores and services, and the employees of the Co-operative would ring the coupons up in the cash register the same as they would cash, so that check could be kept on the amount of business done by each clerk and each department.
- (b) Cash register receipt slips would be given to the customer after each purchase. The members would be told to save these receipt slips and turn them in a week before the close of every fiscal quarter. Several clerks could be employed by the Association to add up each member's receipt slips and record their percentage of the patronage.

D. Supervision:

WRA will render advisory and instructional assistance only, and control of the Consumers' Co-operative Association will be vested in the members. The WRA assistance will be a training process in business methods and shall include advice and suggestions to the members and directors relative to management and operation in order to assist the members in more effectively exercising their control of the enterprises established by the association.

E. Buildings and Fixtures:

Buildings and stationary fixtures will be supplied by the project management for departments sponsored by the Consumers' Co-operative Association providing that the Association and its departments meet with the minimum requirements. (Section III) Rent will be paid by the Association based on an amortization period of ten years.

F. Transportation:

The Consumers' Co-operative Association may apply to the Project Director for the use of trucks belonging to the WRA. Wherever possible the Project Director will assign trucks to the enterprises to help solve their transportation difficulties. The Association will pay charges on a mileage basis.

G. Records and Reports:

1. The Consumers' Co-operative Association will maintain accounting records and shall submit periodically financial and statistical reports to the membership in a form approved by the WRA Director.
2. The accounting assistance of WRA will be made available upon request to the Director in connection with the records and reports of the Consumers' Co-operative Association.

H. Bonding:

The Project Director shall require that trustees, agents, operators, managers, and officers of the Consumers' Co-operative Association be adequately bonded.

1. The cost of such bonds shall be borne by the Association.
2. A WRA employee may not serve as trustee or custodian of the funds of the Consumers' Co-operative Association.
3. The members of each Consumers' Co-operative Association shall select the trustees or other officers who will handle their funds.

I. Insurance:

The Project Director shall require adequate insurance to be taken on real and personal property owned by the Consumers' Co-operative Association.

1. The cost of such insurance shall be borne by the Association

2. The Project Director shall review the insurance and bonding programs of the Consumers' Co-operative Association as to adequacy of type and amount of insurance.

J. Central Purchasing:

As soon as a Consumers' Co-operative Association is incorporated on the project and is operating a number of enterprises, the Board of Directors, or the Executive Committee, should begin at once to consider the advantages of central purchasing, and an auditing and business check-up service. Thousands of dollars can be saved each month by establishing these services. As soon as a Co-operative Association is appointed, a committee should be selected for purchasing, and the purchasing committee should not only concern itself with the matter of purchasing directly for the project enterprises, but should investigate the possibilities of pooling their orders with those of the nearest center.

K. Issue Clothing:

No government issue clothing (surplus or otherwise) shall be handled by the Community Stores.

L. Travel Expenses:

The Temporary Community Enterprises and the Consumers' Co-operative Associations should set aside a fund for travel expenses. The WRA will not pay the travel expenses of government employees when such travel is for the purpose of conducting business for the Community Enterprises or the Consumers' Co-operative Association.

M. Minutes:

To expedite the WRA supervisory work, all official actions, minutes of meetings, etc., of the temporary enterprises or the Consumers' Co-operative Associations shall be recorded in English and one copy filed with the Superintendent of Community Enterprises.

N. Reports:

Regular monthly reports written in informal letters shall be sent by the Community Enterprises Superintendent to the Principal Adviser for Community Enterprises in the Washington Office.