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Coop

WAR RELOCATION AUTHORITY

Washington, D.C.

12-16-42

OUTLINE PLAN

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

1943 -
Jan 16 - outline Plan
Credit Union

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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~~ *Play coop* for supplying desired goods *meetings* 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~~ *Play Coop.*
- D. Appointment of membership committee whose duty it will be to interview community residents, explaining the purposes of the ~~Consumers' Co-operative Association~~ *Play Coop, and* and to solicit pledges to membership should an association be formed.
- E. When a sufficient number of pledges (preferably ~~500~~ *100* 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~~ *Play Coop* will be outlined, the minimum requirements explained, and a decision reached as to whether the residents wish to establish a ~~Consumers' Co-operative Association~~ *Rec. Coop.*
- F. A board of directors will be elected by the membership of the new ~~Consumers' Co-operative Association~~ *Play Coops*.
- G. The board of Directors of the ~~Consumers' Co-operative Association~~ *P.C.* will hold a meeting to appoint officers and to name committees to supervise the main types of enterprises. *activities.*

II. Surplus of the Temporary Enterprises

WRA
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:

- P.C.
- 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.

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CONCERNING THE ORGANIZATION OF A PERMANENT
COOPERATIVE OUTSIDE OF THE CENTERS

The Situation at Present:

1. During 1944 the ten Center Business Enterprises had a volume of business amounting to \$6,928,562.21. They had a membership of 37,488 on December 31, 1944 and they had served a total of more than 80,000 persons during the year. The total savings amounted to \$851,868.28.
2. Since September, 1943, three conferences of representatives from the center co-ops have convened to organize and maintain a buying agency in New York City.
3. These co-ops, pooling funds and sharing expenses, have maintained two buyers in the New York office at a cost of more than \$500 per month since November, 1943. Now with the prospective closing of the centers, the need for the buying of dry goods has rapidly declined.

The Present Needs:

1. Need for proper handling of final trustee funds.
2. Need for housing where evacuees will return in considerable numbers.
3. Need for farm and household equipment.
4. Need for consumer goods and services.
5. Need for organization to market goods.
6. Need for organization to build goodwill and oppose discrimination.

A Proposed Method for Meeting These Needs -- Organization of a Permanent Consumer-
Producer Enterprises, Inc. -- and Some Immediate Steps and Goals.

1. Calling of an All-Center Co-op Conference.
2. Authorization of conference delegates to organize a permanent outside co-op.
3. Preparation of bylaws and adoption by conference.
4. Campaign for members in each center.
5. Goal of 5,000 members, 51% or more to be American citizens.
6. Memberships to cost \$10. One vote only. Open to anyone 18 or over.

7. Election of Board (9 - 15), Educ. Com. (5), and Audit Com. (5).
8. Board to choose a general manager, also an educational director recommended by the educational committee. General Manager to proceed to meet greatest need of the members. Educational director to proceed to educate all of the members, to assist in organization of local co-op groups if desirable and to co-ordinate the relationships with the entire co-op movement of the region.

Don Eberson

CO-OPERATIVE FARMING AS A SOLUTION FOR THE
RESETTLEMENT PROGRAM FOR THE W.R.A.

More than a year has elapsed since the evacuation of all Japanese and American citizens of Japanese ancestry from the Pacific Coast took place in the spring of 1942. It has been felt by government officials and the thinking public in America, who have been concerned with the undesirability of spending billions of dollars for evacuees now confined in the relocation centers, that keeping loyal people within barbed wire fences would only arouse and intensify bitter feelings against the United States and against other fellow Americans of other extractions. Accordingly, a program to relocate loyal Americans of Japanese ancestry and Japanese aliens who profess to be faithful to the laws of the land was announced. But only those who are young enough to reestablish themselves and to start their life anew in "the free world," and of those only five percent, have left the projects to take up jobs in the middle eastern and eastern states. A large percentage of the Japanese are still in the centers and are unable to relocate themselves due to incapacity to be independent in these times of high living costs. Most of them lost everything they owned because of the short notice given them prior to their unexpected evacuation. They have infants and aged dependents to take care of, and it is too costly and too difficult to relocate a family and start from scratch again on the outside. Mass evacuation has done great damage to the people of Japanese extraction--damage to the degree that a large portion of evacuees would virtually have to depend on public assistance for their livelihood.

Co-operative farming, if it is well planned and shared by Caucasian people, will help relieve this depressing situation. The benefits derivable from co-operative farming are many, but briefly, it will help the resettlement program and offer an opportunity to Japanese families to live shoulder to shoulder with other American people having common interests, and thereby create mutual understanding. It will give an opportunity to Japanese to display their skill in farming and will restore their sense of independence and self-respect.

Such co-operative farming should be based on principles of scientific management of diversified agriculture; it should include livestock raising of all kinds and general farming. It should also include small industries in the nature of craft work for winter occupation. It should develop a community recreational program along with an educational program on consumers' co-operatives and credit unions. Such a community should have a well-planned physical arrangement so that its houses, farming acreage and surrounding areas will be designed and maintained to foster community pride and promote aesthetic and cultural values.

During the first year, the management of such farming should be concentrated on one point, namely, to attain a degree of self-sufficiency. At a time when food and commodities are difficult to obtain, it should attempt to raise the standard of living and to prepare for the economic difficulties which are bound to confront the post-war world.

This plan is not too idealistic to put into practice. There are many Japanese youth who are experienced in scientific farming and management of producer and marketing co-operatives. They are eager to initiate such projects. However, it is difficult for

evacuees to take the initiative in this program unless they receive the wholehearted support from the people outside, for evacuees have had no freedom to go outside to look for ideal locations or to enlist the assistance of enough interested Caucasians for the teaching of such a movement. This difficulty is aggravated by the fact that they do not have sufficient capital to initiate the program and to provide for the maintenance of such a venture until it becomes productive and self-supporting.

It is hoped that a program as outlined herein may be initiated at the earliest possible opportunity by a substantial number of interested evacuees with the aid of the people outside of the relocation centers who are free to act on behalf of the evacuees.

Success in the initiation and maintenance of such community farms for the benefit of all participants, regardless of race and creed, will indeed present a fine example to the war-torn world. It would prove that people of different extractions can work harmoniously for the benefit of themselves and each other.

OUTLINE PROGRAM FOR THE CO-OPERATIVE FARMING

OUTLINE OF PURPOSE

- I. To develop an ideal farm which would extend it's influence into the surrounding community, exemplary of scientific farming and farm beautification.
- II. To improve the cultural life and to promote the feeling of community which is essential to the peaceful and creative society.
- a) By developing a well-rounded community recreational program.
(The members of the project would build recreational facilities and furnish leadership.)
 - b) Educate for and develop producers' cooperatives such as a community canning co-op or a co-op dairy.
 - c) Aid in developing community institutions such as libraries, schools, churches, etc.
- III. Relate the project to a neighboring urban community by promoting consumers' cooperatives which would absorb community products. Although activity would largely center on the farm project, as much attention would be given to the development of cooperative and purposeful living in the urban community.

CLASSIFICATIONS OF ACTIVITIES

- I. Cooking and Housekeeping
Several members who have had experience in cooking would be invaluable.
- Specializing in:
- a) Attractive preparation of simple foods.
 - b) Discovering inexpensive, attractive home furnishing materials, and best arrangement thereof.
 - c) Undertaking of such enterprises as cooperative canning.
- These would serve the multiple purposes of:
- 1) Aiding in raising the standard for low income groups and making possible more attractive living.
 - 2) Releasing of more money of higher income groups for greater service.
- II. Landscaping
with an eye toward:
- a) Attractively designed, well-arranged buildings.
 - b) Beautified farm yards
 - 1) Trees, lawns, hedges, flowers
 - 2) Attractive fences

- c) Beautification of surrounding areas. (Roadsides, streams, riverbanks, etc., depending upon locality) This would tend to build community pride and promote aesthetic and cultural values. If properly presented it would foster in young people an appeal for rural life and for creative use of leisure time, developing the beauty of their own farm homes. Those qualified for this activity would devote some of their time to the community program, wherever their services might be in demand.

III. Livestock Raising

- a) Dairy and beef cattle
- b) Hogs
- c) Chickens and Rabbits
- d) A few horses

Dairy and meat products, being more marketable than other other products, would be an important source of income. An effort would be made to utilize scientific resources and knowledge, and to share the same with the community.

IV. General Farming

- a) Crops for livestock feeding
 - 1) Alfalfa - Soya beans
 - 2) Small grains - Bees
 - 3) Corns, etc.
- b) And Crops for marketing or processing
 - 1) Potatoes
 - 2) Beans, etc.
- c) Crops for seeds for use and marketing

V. Gardening

- a) Miscellaneous garden crops
- b) Orchard, with a wide variety of fruit and nut trees

This, too, might be an important source for subsistence food and cash.

VI. Forestry - Farm lumber supply

VII. General Maintenance

Skills needed in the various handicrafts such as

- a) Blacksmithing - Plumbing
- b) Carpentry
- c) Machine work

These services would probably be offered to the community where needed, but not on a competitive basis.

VIII. Business Administration

- a) Accounting and bookkeeping
- b) Purchasing

IX. Community Contact

- a) Attempt to develop community feeling and interest.
- b) Develop producer cooperatives, according to community interests and needs.
- c) Develop a community recreational program and other cultural facilities.
- d) Develop an urban counterpart to the project in the form of cooperative living. Consumer cooperatives would furnish a market for the farm products.

X. Adult Education Leader

- a) English
- b) Co-op, etc.

Other ideas which we desire to incorporate include the establishment of: small industries in the nature of craftwork for winter occupations; community credit unions; cooperative medicine; and a central machinery depot which the community would share. Our aim is to start with plain farming, expanding, as wise and expedient, into other areas, the opportunities being presented. We desire to develop a community of rural and urban people--a community in which all the persons would be living for a common accepted purpose--in which all effort, all time, and all money would be dedicated to higher living.