

AGRICULTURAL EXPERIMENT STATION
KANSAS STATE AGRICULTURAL COLLEGE
MANHATTAN, KANSAS

COOPERATION APPLIED TO MARKETING
BY KANSAS FARMERS



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SUMMARY

The facts in this bulletin were gathered by a careful investigation in which more than two hundred farmers' organizations made reports to the Kansas Agricultural Experiment Station. These set forth the extent and importance of cooperation in the state.

Since 1910 the number of farmers' economic cooperative concerns has been rapidly increasing. In 1915 about one-sixth of the farmers of Kansas were members of cooperative concerns and the value of their business exceeded \$41,000,000. On the basis of war prices they probably did a business of more than \$100,000,000 in 1918. The successful two-thirds of the cooperative concerns reporting made savings of 6 percent and upwards on the value of the total business transacted, after paying all costs including interest on their capital. About one-third of the concerns were in no sense making financial savings for their patrons.

Although Kansas has a cooperative law which clearly stipulates the essential principles of cooperative organization, farmers' concerns in many cases fail to apply all of the principles which experience indicates would make for greatest development and fullest usefulness. The experience of the concerns reporting indicates that application of the five principles of cooperative organization dealing with membership, capital, payment of interest on capital, division of savings, management, and voting, is essential to the successful establishment and maintenance of truly successful cooperative endeavor.

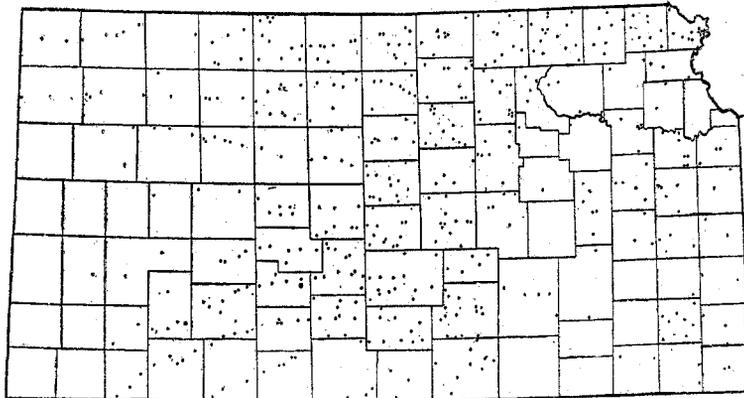
The benefits which cooperative organizations have obtained are not confined to financial returns. In addition to money savings, cooperation stimulates improvement in the quality and quantity of farm products, promotes knowledge of marketing, and creates individual and group interest in the economic and social problems of the community.

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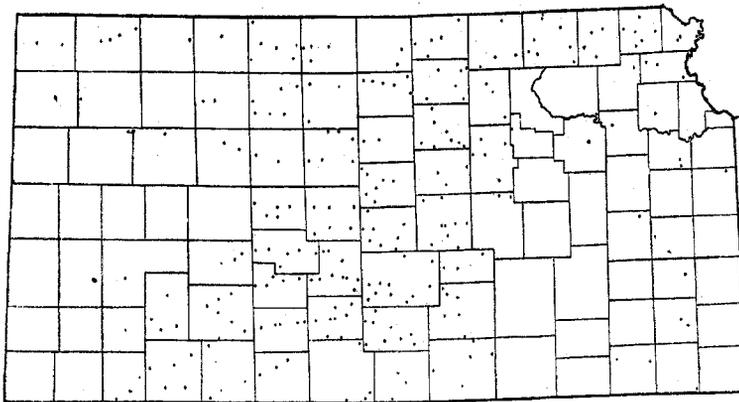
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FARMERS' ECONOMIC ORGANIZATIONS

FIG. 1.—Outline map showing the location of 553 farmers' economic organizations found in operation in 1916



FARMERS' ELEVATORS

FIG. 2.—Outline map showing the location of 276 farmers' elevators in 1916. These elevators are located in the more important grain-growing regions of the state

COOPERATION APPLIED TO MARKETING BY KANSAS FARMERS¹

THEODORE MACKLIN²

Feeling that cooperation is an important method of organization and that, in spite of many failures, it is helpful to farmers when applied in a practical manner, the Kansas Agricultural Experiment Station in 1915 started a study of cooperation as applied by farmers in the state. Letters were sent to the addresses of all the known cooperative concerns and to all of the banks in the state requesting the names of any farmers' organizations in their respective counties. There was obtained in this way a list of 488 cooperative concerns to which 65 more were later added, making a total of 553. The location of these organizations is shown in figures 1 to 8, and also on pages 48 to 50. They are distributed fairly evenly over the state and represent 276 elevators, 65 farmers' stores, 59 livestock shipping associations, 77 grain and produce shipping concerns, 31 insurance companies, and 45 other organizations engaged in a variety of undertakings such as irrigation, threshing, and similar enterprises.

A questionnaire was sent to each of the cooperative organizations. There were returned 204 replies representing 134 elevators, 34 stores, 13 livestock shipping concerns, 9 insurance companies, 7 buying organizations, and 7 engaged in other activities. This bulletin is based largely on the facts gathered in this way, and sets forth the characteristic features of cooperation as found in Kansas. It emphasizes the important principles involved, and suggests possibilities as yet undeveloped.

EXTENT OF COOPERATION IN KANSAS

The importance of cooperation is determined very largely by the number of people who are united for the attainment of some one or more mutual purposes, the extent to which these aspirations are realized, and the manner by which success is achieved. In the early months of 1916 there was, as mentioned above, no less than 553 cooperative organizations in Kansas.

¹Contribution No. 3 from the Department of Agricultural Economics.

²The author was a member of the investigational staff of the Kansas Agricultural Experiment Station throughout the period required for the investigation herein reported, being in charge of Agricultural Economics at the time the work was completed and the manuscript presented for publication.

TIME OF ESTABLISHMENT

Without attempting to trace the history of the farmers' cooperative movement in the state, at least one of these concerns dates back to the Granger days of 1876, nine years after the eventful founding of the Patrons of Husbandry. Most of the existing cooperative societies of Kansas, however, owe their origin to the period since 1900 in which the Farmers Educational and Cooperative Union has played a most important part. According to Table I more than 62 percent of

TABLE I.—ESTABLISHMENT OF COOPERATIVE ORGANIZATIONS

Time of establishment	Number reporting	Percent
Before 1901.....	10	5.0
1901-1905.....	28	14.1
1906-1910.....	37	18.6
1911-1915.....	118	59.3
First months of 1916.....	6	3.0
Total.....	199	100.0

the reporting organizations have been established since 1910 and 95 percent since 1900. This suggests that cooperation is increasing in importance. To a considerable extent the increase is a movement on the part of farmers to stimulate or create competitive conditions which will require buyers to bid higher for farm products.

MEMBERSHIP

Probably about one-sixth of the farmers of Kansas are members of cooperative organizations engaged in business activities. In Table II are presented estimates of the membership in each type of farmers' cooperative business in the state. Excluding the membership of insurance companies, there are twenty to thirty thousand farmers who believe in and are attempting to demonstrate the value of cooperative endeavor. Often farmers belong to more than one cooperative organization, hence there is some duplication in the figures of Table II.

COOPERATION APPLIED TO MARKETING

TABLE II.—ESTIMATED MEMBERSHIP OF COOPERATIVE CONCERNS, 1915

Type of concern (a)	Number reporting	Av. membership	Total estimated membership
Elevators.....	276	119	14,190
Stores.....	65	213	15,795
Livestock shipping.....	59	177	10,443
Grain and produce shipping.....	77	72	6,644
Miscellaneous.....	45	61	2,745
Total.....	522	99	48,717
Insurance.....	31	4,645	143,995
Grand total.....	553	348	192,712

(a) For detailed statistics relating to the various concerns mentioned in this table see "Statistics of Cooperation in Kansas," pages 47-61.

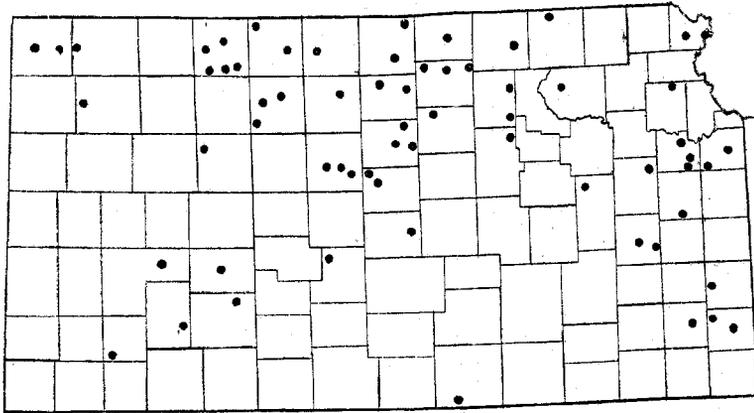
BUSINESS TRANSACTED

On the basis of 1915 prices these cooperating farmers transacted a business of approximately \$41,350,000, excluding insurance. Including insurance, the value of their business was about \$46,200,000. Table III presents estimated totals for the value of business for each of the important kinds of cooperative concerns. The average family cooperating probably transacted \$1,300 to \$2,000 worth of business through these concerns in 1915.

TABLE III.—ESTIMATED VALUE OF BUSINESS TRANSACTED BY COOPERATIVE CONCERNS, 1915.

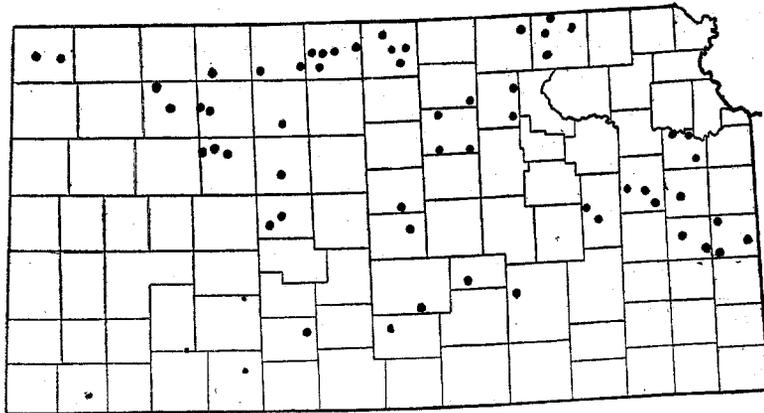
Type of concern	Number reporting	Av. value of business	Estimated total value of business
Elevators.....	276	\$126,576	\$34,934,976
Stores.....	65	45,931	2,985,616
Livestock shipping.....	59	10,000	590,000
Other concerns.....	122	23,283	2,840,526
Total.....	522	\$79,216	\$41,351,017
Insurance.....	31	157,047	4,868,457
Grand total.....	553	\$83,579	\$46,219,474

If proper allowance were made for the change in prices, the value of business done by cooperative effort in 1918 would not be less than \$100,000,000. Therefore, the average family cooperating did a business of from \$3,000 to \$5,000 that year.



FARMERS' STORES

FIG. 3.—Outline map showing the location of 65 farmers' stores in 1916



FARMERS' ASSOCIATIONS SHIPPING LIVESTOCK

FIG. 4.—The location of 59 farmers' livestock shipping associations in 1916

MONEY SAVINGS THROUGH COOPERATION

Almost without exception successful cooperative concerns reported a considerable saving after paying current expenses and a nominal return on all capital, including that used in providing a place to work, necessary equipment, and interest on borrowed money. Those organizations reporting indicated savings of from 2 percent to 60 percent on the business transacted, but the average is probably not more than 5 or 6 percent, as indicated in Table IV. More than half of the concerns

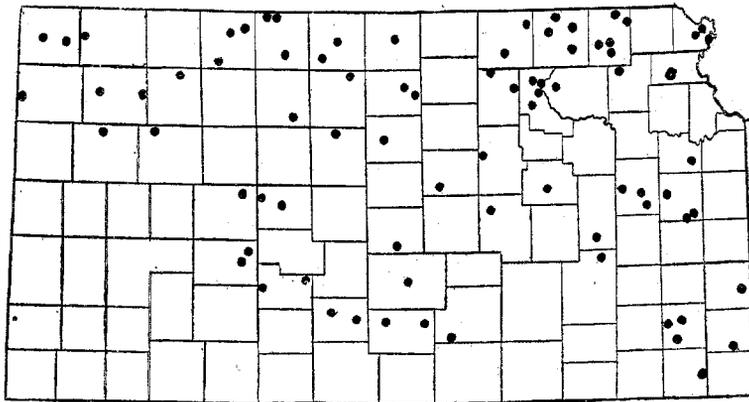
TABLE IV.—PERCENT SAVED THROUGH COOPERATION, 1915

Percent saved	Number of concerns reporting	Percent of concerns reporting
2 to 4.....	8	8
4 to 6.....	29	29
6 to 8.....	27	27
8 to 10.....	7	7
10 to 12.....	16	16
12 to 14.....	3	3
14 or more.....	1	1
6 to 60.....	9	9
Total.....	100	100

made savings ranging from 4 to 8 percent which were prorated back to the cooperators in proportion to their contribution by sale or purchase to the size of the whole undertaking. Almost two-thirds of the organizations made savings of 6 percent or more.

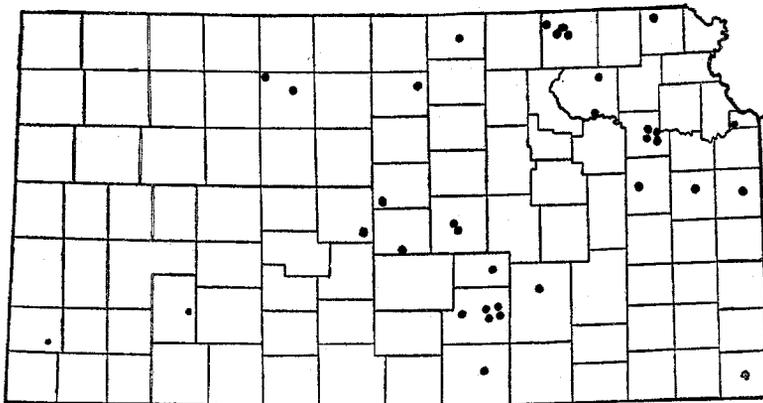
It should be emphasized that not all cooperative undertakings are able to make savings. In many cases the results of cooperation cannot be measured in dollars and cents, while in others the enterprises are conducted on the basis of merely paying costs involved, the members sharing in the benefits arising from lower costs. Out of 173 concerns which gave information on this point, 65, for some unknown reason, did not make a return of savings to the cooperators. Probably not more than two-thirds of existing cooperative concerns are successful, so that some proportion of these 65 organizations which did not make savings, were unsuccessful enterprises.

On an average it is quite likely that the farmers of Kansas who belong to cooperative organizations, are annually making savings of not less than 5 percent on the value of the products



FARMERS' GRAIN AND PRODUCE SHIPPING ASSOCIATIONS

FIG. 5.—Outline map showing the location of 77 farmers' grain and produce shipping associations in 1916. These concerns did not own or operate elevators



MUTUAL INSURANCE COMPANIES

FIG. 6.—Outline map showing the location of 31 mutual insurance companies in 1916

which they individually contribute to their cooperative concerns. For the year 1915 the average cooperating farm family probably saved from \$65 to \$100, while in 1918 the amount was probably \$150 to \$250. Cooperation successfully applied by Kansas farmers is worth while in a financial way,

CHARACTER OF COOPERATION

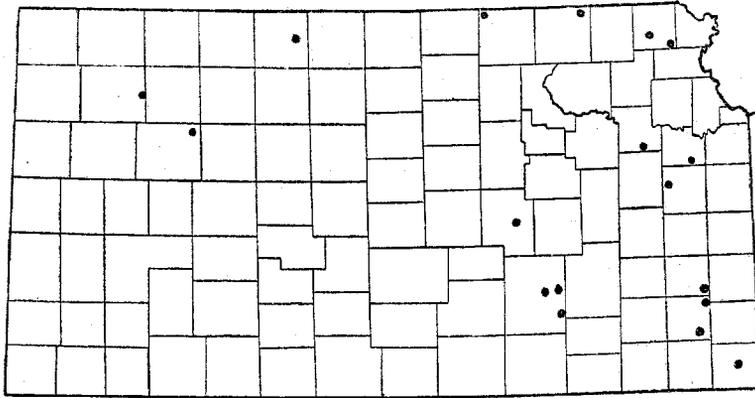
ELIGIBILITY TO MEMBERSHIP

Of 172 organizations which reported on eligibility of individuals to membership, 131 indicated no restrictions or limitations whatever, while 41 enumerated various requirements such as "membership in Farmers' Union." The underlying cooperative idea is to promote the efficiency of operating a business by means of providing a larger volume of trade than is otherwise possible. With efficient management, most undertakings which farmers attempt to handle cooperatively yield larger and larger savings as the volume of business is increased. For this reason all individuals who produce or consume the products which a given cooperative concern is entitled to handle, should be free to join. Limitations, if any, stipulate that membership be confined to patrons of the business, and that "chronic knockers" or other persons incapable of effective cooperation be denied the right to join. Such provisions do away with many causes of dissatisfaction and of serious trouble. Unfortunately too few of the cooperative concerns in Kansas are availing themselves of these serviceable precautions.

CAPITAL

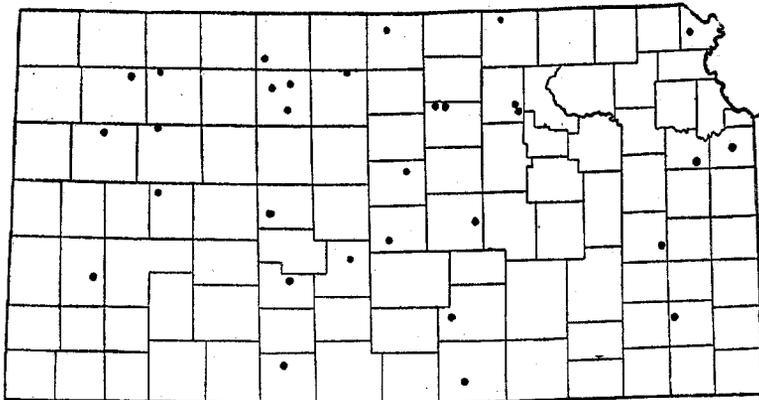
To conduct most kinds of business it is necessary to have a certain amount of land, buildings, adequate machinery and other equipment, together with supplies, raw material, and labor. The required funds to meet these expenditures are ordinarily contributed by those who intend to assume the risks and responsibilities of the business. Farmers who resort to cooperation choose one out of several important methods of conducting business.

The corporation, which at present is the principal form of organization, rests upon the idea that any group which feels capable of handling in one way or another a given kind or series of products, and thereby making returns on a given investment of capital, is free to incorporate and start activities. The gaining of a profit is usually of far greater concern to the owners of the capital than the reduction of costs and the increase of production. Farmers feel that it is entirely appropriate for them to enter the business field for the purpose of



FARMERS' BUYING ASSOCIATIONS

FIG. 7.—Outline map showing the 18 farmers' organizations found in 1916 which specialized in mail-order-house business and other buying from distant markets. There were undoubtedly many times that number in the state at that time



MISCELLANEOUS FARMERS' ASSOCIATIONS

FIG. 8.—Outline map showing the location of a small number of cooperative organizations devoted to various undertakings such as irrigation, threshing, etc., in 1916

investing such amounts of capital as are required for the operation of given lines of business at minimum cost and for maximum savings to themselves. Such procedure tends to increase production because of the higher net returns. It should be noted, however, that while a corporation seeks to make use of business to earn the highest possible returns on the capital invested with neutral regard for the patrons, a cooperative concern seeks to use that amount of capital which will develop the business itself to the fullest usefulness to the patrons, in keeping with their welfare.

In accordance with this fundamental idea, cooperators find that capital, while essential to the operation of their business, is not to be thought of as an investment from which handsome earnings are to be derived. Instead, cooperators contribute adequate funds to develop chosen undertakings and thereby save for themselves considerable sums which in a corporation go, not to the patrons of the undertaking, but to the owners of the capital.

The amount of capital required for successful development of the enterprise varies greatly with the kind of undertaking, the level of prices, and the desired size of the building, equipment, and business. In Table V are presented facts concerning some of the cooperative enterprises having the greatest need for capital. Experience emphasizes, however, that the average concern is rarely as successful as it ought to be, so that more than an average allowance of capital is usually desirable. Some idea of the variations in amount of authorized and of paid-in capital is shown in Tables V and VI. On an average about 60 percent of the authorized capital is paid in. In very few instances was the entire authorized capital paid up.

TABLE V.—AUTHORIZED CAPITAL OF COOPERATIVE CONCERNS

Type of concern	Av. authorized capital per concern	Av. paid-in capital per concern	Smallest authorized capital	Largest authorized capital
Elevators	\$11,513	\$6,866	\$500	\$100,000
Stores	18,276	9,973	1,320	100,000
Livestock shipping	8,977	7,525	300	30,000
Average	12,241	7,468	300	100,000

TABLE VI.—PAID-IN CAPITAL OF COOPERATIVE CONCERNS

Capital per concern	Authorized capital		Paid-in capital	
	Number of concerns	Average per concern	Number of concerns	Average per concern
Less than \$2,000.....	5	\$924	14	\$1,027
\$2,000 to \$4,000.....	7	2,643	27	3,045
\$4,000 to \$6,000.....	17	4,823	46	4,838
\$6,000 to \$8,000.....	14	6,587	41	6,755
\$8,000 to \$10,000.....	13	8,000	18	8,732
\$10,000 to \$12,000.....	71	10,007	12	10,456
\$12,000 to \$14,000.....	6	12,250	7	12,893
\$14,000 to \$16,000.....	18	14,944	1	14,200
\$16,000 to \$18,000.....				
\$18,000 to \$20,000.....	1	19,700	1	18,500
\$20,000 to \$22,000.....	8	20,000		
\$22,000 to \$24,000.....				
\$24,000 or more.....	15	45,000	7	43,178
Total.....	175	\$12,623	174	\$7,500

In the 175 cases studied there were 139 having authorized capital ranging from \$5,000 to \$15,000, while the paid-up capital in 144 instances ranged from \$3,000 to \$10,000.

LIMITATIONS OF CAPITAL OWNERSHIP

Although the Kansas law authorizing the establishment of cooperative organizations strictly limits the ownership of capital by an individual member to 5 percent of the total, most of the organizations reporting apply this principle very ineffectively. A large number of the cooperative concerns in the state are therefore continually exposed to the danger of being converted into corporations, against the interests of the majority of the farmer members.

Where cooperators are to provide the capital for their undertakings, arrangements for acknowledging payment and for assigning personal interests in, or ownership of the property acquired by the group, should be fixed upon a democratic basis. The size of the individual minimum contribution and the method of payment should be such as to enable every cooperatively inclined producer in the community to gain membership. At the same time the shares should be large enough to permit the raising of adequate funds without calling on each prospective member to subscribe for many more than one share. The size of the shares in 172 concerns is shown in Table VII. It will be seen that two-thirds of the organizations fixed their shares at either \$10 or \$25. The 25-dollar shares were the most popular.

COOPERATION APPLIED TO MARKETING

TABLE VII.—SIZE OF SHARES

Size of share	Number of concerns	Percent of concerns
\$5.00 or less	10	5.7
\$10.00	55	32.7
\$25.00	62	36.0
\$50.00	17	10.0
\$100.00	16	9.8
Miscellaneous	12	7.0
Total	172	100.0

PAYMENT OF INTEREST ON CAPITAL

No uniform practice is followed concerning the payment of interest on the capital of cooperative associations in Kansas. Out of 173 organizations reporting, 47 paid no interest on capital. The other 126 paid interest at various rates ranging from 3 to 100 percent. The rates most frequently paid were 8, 10, and 5 percent named in order of importance and amounting to almost two-thirds of the concerns reporting on this point. More than 70 percent of the organizations which paid interest on capital, did so at rates ranging from 5 to 14.9 percent. These and other data are shown in Tables VIII and IX.

TABLE VIII.—RATE OF INTEREST PAID ON CAPITAL, 1915

Percent paid	Number of concerns	Percent of total number
Less than 5	3	2.4
5 to 10	57	44.5
10 to 15	35	27.3
15 to 20	3	2.4
20 to 25	12	9.4
25 or more	18	14.0
Total	128	100.0

TABLE IX.—RATES OF INTEREST PAID THE MOST FREQUENTLY, 1915

Percent paid	Number of concerns	Percent of total number
5.....	12	9.4
8.....	36	28.1
10.....	32	25.0
3 to 20 (a).....	18	14.0
20 or more.....	30	23.5
Total.....	128	100.0

(a) Excludes rates of 5, 8, and 10 percent.

DIVISION OF SAVINGS

Since cooperation seeks the betterment of the patrons of a business both financially and otherwise, it is by no means possible to determine the value of cooperation entirely in terms of the money returns. On the other hand, the financial success of a cooperative organization rests distinctly upon the degree to which the patrons of the concern are thereby given money savings. The fact that almost one-fourth of the organizations reported that they had made payments of interest on capital ranging from 20 to 100 percent indicates that owners of the capital were frequently receiving far more than nominal rates of interest. It also suggests that unless every member contributed both the same amount of capital and the same amount of business to the organization, some members were being robbed to pay others excessive returns on the capital which they subscribed. Money can almost always be obtained at nominal rates for the operation of an honest business, but raw material and patronage cannot, unless stimulated by the prospect of increased returns which cooperation promises. When the promised savings are improperly distributed on the basis of capital ownership instead of business contributed, it is more than likely that the purpose of cooperative organization is being defeated. In this particular too large a percent of so-called cooperative organizations are depriving their patrons of the benefits of cooperation and are therefore restricting their usefulness.

MANAGEMENT

Efficient management is probably the most important problem which confronts a cooperative organization. After a group of farmers have banded themselves together, elected a board of directors, and formulated a policy to govern their undertakings, they invariably appoint some inexperienced or experienced, capable or incapable man to conduct the enterprise and to see that its work is properly done. As a rule, a farmer will never make the mistake of employing a city-reared store clerk to operate a threshing machine or a professional musician or lawyer to plow corn or put up hay. Yet this is precisely the sort of error into which he falls when it comes to selecting a manager for a business in which he not only has invested considerable money, but also through which he expects to sell his products and buy his supplies. Very little pondering on this important matter will convince one of the necessity of entrusting the management of cooperative concerns to capable men only. The more experience managers have had, provided their sympathies and beliefs are in accordance with cooperative ideals and purposes, the more valuable they are. Only competent managers are worth while, even though much higher salaries must be paid, for the reason that their greater efficiency brings to the cooperators a larger fund of savings after paying for the higher salary.

The facts seem to indicate that farmers usually consider the manager of a cooperative concern of little, if any, greater value than the deliveryman of a city grocery store. To them, it seems, the man who is capable of assuming the responsibility and who possesses the intelligence to handle large sums of money and immense quantities of grain, produce, livestock, and other products, is no more valuable than the relatively uninformed and incapable person who is paid merely to fetch and carry. That such conditions exist because farmers, as a rule, actually believe there is no difference between a capable manager and a common laborer is unlikely. Rather this situation exists because in the rush and toil of vigorous rural life the farmer has not taken time to think out the relationship of adequate compensation to the possession of knowledge, skill, and experience, which are essential qualities of a good manager. That managers are generally underpaid is shown in Table X.

TABLE X.—SALARIES OF MANAGERS

Monthly salary	Number of concerns	Av. annual salary
Less than \$50.....	1	\$144
\$50 to \$60.....	4	615
\$60 to \$70.....	16	752
\$70 to \$80.....	26	888
\$80 to \$90.....	18	991
\$90 to \$100.....	12	1,090
\$100 to \$110.....	52	1,200
\$110 to \$120.....	8	1,360
\$120 to \$130.....	17	1,496
\$130 or more.....	5	1,956
Total.....	154	\$1,106

The average annual salary of the managers of 154 cooperative undertakings in 1915 was only \$1,106. In most cases where cooperative concerns have had outstanding success, the managers have been paid far above this amount. Only 16.3 percent of the 154 cooperative organizations that reported, paid their managers more than \$1,200 a year. Approximately 41.5 percent paid from \$1,000 to \$1,200, inclusive, while 42.2 percent paid less than \$1,000.

CONTROL OR VOTING

By state law the method of voting in a cooperative concern is limited to the principle of one and only one vote by each member, irrespective of the number of shares representing the amount of capital that he has contributed to the organization. Thus cooperation in Kansas is designed to be democratic so far as law can make it. In practice, unfortunately, far too many organizations fail to guard the interests of their members by this important provision. As a result, it is by no means uncommon for a cooperative concern to become a corporation in practice. When the control of an organization changes from that of "one-man-one-vote" to that of "one-share-one-vote" it is only a simple step for the principal capital owners in the concern to vote an increase of the interest rate on capital and thereby reduce the size of the savings fund which is prorated to the patrons of the business. When such a change has been accomplished the organization is a corporation. Too frequently cooperation has failed because of such an internal change.

EDUCATION

Successful cooperation is the result of carefully planned growth in which every member has been educated to a proper appreciation of the merits and obstacles of this kind of activity. It is rare indeed to find any kind of cooperative organization which does not have to face almost overwhelming difficulties and meet with discouraging setbacks at one time or another. In order to prepare its patrons for these common experiences of cooperative endeavor and to so train them that they will assume individually the responsibilities of loyalty, continued patronage, and good will at the critical points in group action, education is indispensable. The experience of cooperative organizations indicates that some small proportion of the savings should be reserved and used to defray the expense of gathering and printing helpful and inspiring information regarding cooperative experience both in local organizations and those elsewhere. In successful cooperative organizations there is a bond of interest which is created and maintained only by a constant feeling on the part of the cooperators that their venture is thoroughly worth while. Such a feeling is prompted and intensified by the proper sort of education of the membership.

BENEFITS OF SUCCESSFUL COOPERATION

Cooperation at various times has been regarded by enthusiasts as all but a panacea for the ills of the farmer. As a cure-all, however, cooperators find their favorite method of organization subject to the various whims and weaknesses of human nature which beset other business organizations. As in most other methods of creating improved conditions, the farmer meets with the necessity of distinguishing between the results of cooperative principles properly applied and those improperly applied. In a survey of farmers' cooperative organizations, such as that presented in the preceding pages or in the statistical section of this bulletin, pages 47 to 61, there is concrete evidence of the decided financial benefits of successful cooperative endeavor. It would be impossible to evaluate the other benefits arising from cooperative relations. They pertain to either direct or indirect influences which tend to improve the kind, quality, and quantity of products turned out by the farmer and

to increase his personal interest in the community in which he resides. Briefly stated, there are at least five kinds of benefits which flow from cooperation when successfully developed.

First, by investing capital in cooperative undertakings headed by competent managers, farmers are able to make savings which otherwise go as profits to the investors of capital in, and the organizers of private corporations and businesses.

Second, by creating in a community the conditions which promote or insure a supply of high-grade products both uniform in quality and adequate in quantity, a community reputation is frequently built up which induces buyers to come direct to the farmers, who, according to the usual method at present, are obliged to go to the buyer. In this way cooperation saves for farmers considerable sums of money which otherwise figure as part of the cost of marketing. The saving thus retained for the farmers amounts to a higher price for farm products, whether it be prorated back to the patrons or distributed to them in other acceptable ways.

Third, by determining the aggregate needs of the farmers and bringing their individual orders together, cooperation increases the size of a given business so that the various articles and products desired are bought to better advantage. Thus cooperating farmers are enabled to save on many farming and household necessities, such as machinery, twine, feed, lumber, coal, clothing, and flour and other food supplies.

Fourth, by uniting farmers into interested working groups who depend on their manager for market information and advice as to what to produce in order to comply with market needs and as to when to bring given products to their manager for disposal, farm products are produced, graded, packed, and sold in such ways as to command the best prices and thereby yield to farmers greater returns.

Fifth, by the contact of farmer with farmer in carrying out joint marketing and other enterprises, conditions are brought about wherein other community problems are sooner or later discovered and given their share of community discussion. As a result, a progressive attitude among farmers is incited which leads to improvements, not only in the organization and performance of the work on individual farms, but in the educational, social, and religious phases of rural community life.

PRINCIPLES OF SUCCESSFUL COOPERATION

The organization and successful operation of a farmers' cooperative undertaking frequently reduces the quantity of farm products and farm supplies which are available for handling by private business concerns. For this reason corporations and business concerns operated purely for private profit quite commonly assume antagonistic attitudes toward cooperative organizations. Often hostile activities of jealous private competitors are so designed that either by unfairly raising purchasing prices and lowering selling prices or by changing the form of organization itself to that of a corporation, they are able to neutralize the efforts of, or destroy, their cooperative opponents. Those principles or safeguarding features of organization which the experiences of cooperative organizations have tested and proved essential as a guarantee of the permanency of cooperation are of great interest and importance.

It should be emphasized that the only way in which cooperation is made truly successful is to create and maintain a group of cooperators who fully realize the aims, possibilities, obstacles, and responsibilities, individually and collectively, which pertain to their undertaking. Consequently in attempting to start a new organization or in trying to make one already established more successful, experience indicates that each and all of the prospective or actual members should acquire a clear understanding of the points which are called principles of cooperation.

While there are almost countless points which might be raised concerning cooperative principles, those which are of the greatest immediate practical value may be classified under the following six main headings: (1) Essential Prerequisites. (2) Character of Business, (3) Character of Cooperators. (4) Organization. (5) Management. (6) Federation.

ESSENTIAL PREREQUISITES

The essential prerequisites of successful cooperation are: (1) Sufficient business; (2) confidence in cooperation; and (3) leadership.

SUFFICIENT BUSINESS

Ordinarily farmers enter into a cooperative organization to do something which in the absence of this cooperative endeavor would either not be done so well or would not be done at all.

In a great majority of cases the success which cooperation brings is based upon the fact that the services, knowledge, purchases, or sales of a larger group of people than hitherto are bulked together into a larger undertaking. In any case cooperation guarantees that the savings or services go to the patrons of the business instead of to the contributors of capital. It can be readily understood that some undertakings might be too small to enable the making of any savings and consequently there would be nothing to justify farmers in an attempt to cooperate. On the other hand, there are often businesses so large and efficient that high rates of profit are secured.

To prospective cooperators the question of how large a volume of business can be commanded at the start and how great it is likely to become in the course of the first critical years, is of supreme importance. When cooperative organizations are started with too small a supply of raw material or too limited a possibility for business expansion, almost invariably the costs of operation are greater than the margins taken by private concerns. In these cases the very farmers who have established the cooperative concern soon find that the immediate financial advantages from private concerns are greater than those gained through cooperation. As a result such farmers lose interest in their organization and it fails.

It is impossible to say just how large a volume of business should be guaranteed before it would be safe for a group of farmers to organize. Such a statement must be based in every case upon a study of the market conditions, price levels for raw material, building material, equipment, supplies, labor, and all of the other items which must figure as part of the cost of doing a certain business at a given place. Farmers who have successfully established cooperative undertakings insist that those who propose to cooperate should make the gathering of information of this sort their first step. The knowledge which these facts give are needed before organization is attempted.

The detailed statistics given in the back of this bulletin may prove suggestive to persons interested in promoting cooperation or in creating new organizations. In the case of elevators considerable information is given concerning the grain available, on the basis of 10-year averages, for all elevators in Kansas as well as averages for the elevators of each county.

CONFIDENCE IN COOPERATION

There are without doubt numerous communities in Kansas where there is abundant raw material and where cooperative organizations with adequate-sized businesses could be started. In some of these communities unsuccessful attempts at cooperative endeavor have been made while in others no attention has ever been paid to the possibilities of cooperation. Manifestly the farmers of such communities have lacked confidence in the cooperative principle. This lack of confidence may have been justified because of exceedingly fair treatment from private business men who, with increasing efficiency and comparatively small margins, have rendered commendable service to all parties in their communities. Again, the lack of confidence may have been due to a general lack of knowledge of the responsibilities which a cooperative organization requires of each member. Whatever the cause may be, cooperative experience emphasizes the common saying, "Where there's a will there's, a way." Facts indicate that farmers cannot expect to successfully develop a cooperative undertaking if their interest is half-hearted, or if there is any appreciable lack of confidence in the program and methods at hand. To attain success, groups of cooperators have invariably found that individually and mutually the members must feel the need and value of group activity. Each and all of them find it necessary not only to have "a fine internal feeling of self-helpfulness," but a further internal feeling of mutual helpfulness.

LEADERSHIP

In almost every community where cooperation has become an important factor in the economic and social life of farmers, some person with outstanding knowledge and enthusiasm for cooperation has devoted himself unselfishly to the task of leadership. It is rare indeed to find a community in which many persons take an equal interest in problems which concern others as much as themselves. Usually farmers are especially individualistic and some unusual personality or conviction is required if they are to be brought together for group endeavor. It takes leadership to inspire a group of individuals. Leadership is essential in carrying the education of an interested group of farmers to the point where each is willing to sacrifice something of immediate importance for the greater ulti-

mate advancement not only of his own interests but those of the others. The greater knowledge and sounder judgment of a competent leader gives confidence to the prospective members, and in the various business steps which must be taken his experience and advice prove indispensable.

In some cases leadership has been self-appointed, in others the group has wisely selected the person who thereafter commanded of them the necessary enthusiasm, services, funds, and support. In all cases cooperators find it exceedingly helpful to follow the leadership of a well-informed, enthusiastic person whose judgment is sound.

CHARACTER OF BUSINESS

Most successful cooperative undertakings are readily understood by their patrons, are based on local units, make sufficient savings to inspire the loyalty of the patrons, and are decidedly nonspeculative.

READILY UNDERSTOOD BY PATRONS

Experience shows that it is unreasonable to expect each farmer to spend enough time studying the processes and methods of a complex business to gain much of an understanding of them. Yet the fact is greatly stressed by cooperators that the understanding which farmers have of their business determines the character of the policies which they are willing to approve and rigidly support. Those who fail to understand the business throughout, usually misinterpret the various business requests which come from the manager, whose responsibility it is to promote the enterprise. When a manager's requests for necessary funds, equipment, methods, and products are not granted, owing to a lack of understanding by cooperators, the business is seriously handicapped. In Kansas and every other region where farmers maintain cooperative organizations, their failure to understand business needs is a principal cause of unsuccessful cooperation. Frequently private business men affirm that they would long ago have been run out of business but for the fact that farmers were usually so poorly informed and unprogressive in the business phases of their cooperative undertakings.

Those undertakings which are the more simple and therefore easily comprehended by the farmers of a given community

are likely to be successfully developed through cooperation to a much greater extent than complex businesses. As an example, a local elevator business, as compared to a great flour milling and distributing enterprise, is wonderfully simple and easy to see through. It is noteworthy that there are large numbers of cooperative elevator concerns, but almost no large cooperative flour-milling organizations.

LOCAL CHARACTER

Since the essence of cooperation is mutual help, and because mutual help among farmers has been by far the most successful when practiced among the individuals who utilize a single shipping point, it is important for farmers to confine their first efforts to the establishment of local organizations. Later, if desirable, these local organizations may become united by cooperation among themselves. Almost invariably the first stages of cooperative growth require that the members be acquainted with each other to inspire confidence. Later, after the enterprise has developed and most of the personal elements of friction have been worn off, personal acquaintance is of less importance, the greater confidence in the business itself having lessened the need for confidence in the other members.

In almost every sort of cooperative venture which has proved successful, the establishment and permanent maintenance of local units has preceded federation. In very few cases has it been possible to promote cooperation from outside a given community. As examples, a local creamery is easily operated by a cooperative concern because the patrons, for the most part, center about and do the major portion of their business through the same shipping point. There are great numbers of cooperative local creameries in regions where the supply of butterfat is adequate. On the other hand, centralizer creameries in the United States are rarely ever cooperatively owned and operated. They require the gathering of cream from numerous communities and under these conditions farmers have rarely cooperated successfully until after local organizations have been established. In general, therefore, to be successful, farmers are organizing locally around one shipping point or in one community.

SUFFICIENT SAVINGS

Ordinarily farmers are interested in cooperative organizations in proportion to the money returns derived. If an un-

dertaking is commenced which, after considerable experience, fails either to directly increase prices to farmers for their products or to make savings which are prorated back to them, interest lags and eventually disappears. The time to make careful estimates of the possible savings obtainable by the cooperative handling of given products has been proved by experience to be before the new business is started and not after some months or years of operation. Without exception experienced cooperators urge that great difficulties and probable failure face the cooperative concern which does not return to its patrons a substantial sum of money over and above that which private concerns permanently make possible.

NO SPECULATION

Farmers as a rule, and Kansas farmers in particular, disapprove of having a manager use their money and products in speculative ventures. This is a perfectly reasonable attitude. However, records show that a board of directors or a manager may attempt to utilize any kind of business in a speculative manner. The point which farmers are particularly concerned about is that their undertaking actually be free from the risks to which a speculating management might subject it. They are also cautious, when organizing, to avoid the selection of enterprises which are of a highly speculative character. In highly speculative lines of business, losses occur frequently and with a high death rate to the concerns which were blindly started by well-intentioned farmers.

CHARACTER OF COOPERATORS

The success or failure of cooperative organizations depends directly upon the existence of cooperative spirit and the loyalty of the cooperators.

COOPERATIVE SPIRIT

Farmers, and for that matter people generally, differ greatly with respect to the personal characteristics which help or hinder cooperative success. Selfish, individualistic persons find it much more difficult to cooperate happily and successfully with other people than do those of a give-and-take temperament. Successful cooperators are enthusiasts for team work. They work constantly for the success of their organization and think of it as one of their most important personal affairs. In other words, they have become imbued with the real spirit of cooperation which means practical mutual helpfulness.

LOYALTY

“One’s loyalty to country and home” carries a meaning which is clearly understood by everyone. Loyalty to one’s cooperative organization means that after choosing to cooperate in a venture in which the objects can be realized, the cooperator shall give to the organization constant and whole-hearted interest and support. Loyalty to a cooperative marketing concern particularly means that each farmer will constantly sell all of his products or continually purchase all of his supplies through the organization of which he is a member. The reasons for this are easily explained. The concern is started on the basis of a known volume of business determined by the promise of each member to do all of his selling or buying through the cooperative company. If a larger number of farmers join than was at first considered possible the increased size of business reduces the cost and increases the savings. On the other hand, if fewer farmers join, the smaller volume of business increases the cost and reduces the savings. When the patrons of the cooperative concern take their products to a private company or buy from such companies instead of dealing with their own company, they reduce the volume of business handled. This increases costs per unit handled and reduces the amount of savings. Very frequently the direct result of this disloyalty is to change a company from a successful to a bankrupt condition which usually brings immediate dissatisfaction among the members and leads to ultimate dissolution. Farmers who are not willing to deal constantly with their own concern cause more difficulty than do those who refuse to join at all. In many cases such refusals would have prevented the establishment of organizations which failed later on account of inadequate business due to nonsupport of members.

ORGANIZATION

The immediate financial purposes which farmers have for organizing a cooperative association are first, to make savings on the business, and second, to distribute the savings back to the patrons of the concern. In accomplishing their purpose, farmers handle the same products and follow many of the same business procedures which are customary with private companies. The essential differences between cooperative companies and private or corporation companies are found in the

provisions regarding membership, capital ownership, rate of interest on capital, disposition of savings, and the method of voting. Each of these features is designed to safeguard the interests of the group and to realize the ideals of cooperation. Successful cooperators insist that each prospective or actual member of a cooperative organization has much to gain from familiarity with these important principles.

MEMBERSHIP TO PATRONS ONLY

Every increase in the volume of business gives added opportunity for greater savings through cooperation. Each prospective patron of the business is therefore an asset to a cooperative organization and the policy of encouraging his patronage is worth while. Only those who actually deal with the concern, however, should be permitted to become members.

CAPITAL OWNERSHIP LIMITED

Those who own considerable proportions of the capital used by business concerns frequently exert their influence in favor of paying constantly higher rates of interest on capital. The logical outcome of such tendencies is a corporation instead of a cooperative organization. Hence, in order to preserve the cooperative principle experience indicates that it is necessary to eliminate, so far as possible, any tendency to manipulate the methods of distributing savings in favor of capital owners and against the interests of those who contribute business. The Kansas law limits the amount of capital which one individual may own to 5 percent of the organization's total capital.

INTEREST ON CAPITAL FIXED AND NOMINAL

Because numerous cooperative companies have slowly changed into corporations by increasing the rates of interest paid on capital and reducing the amount of savings that are returned to the individual cooperators, it is exceedingly important to have limitations in the rate of interest paid on capital. It might be well to have capital subscribed on the definite condition that interest rates are fixed at a nominal, unalterable rate of 6 percent. Contributors could be informed clearly that any savings made on the business would be distributed, not on the basis of capital contributed, but in proportion to their contribution of products or patronage. With this understood, desire to manipulate for personal advantage would be reduced to a minimum.

SAVINGS TO BENEFIT OF PATRONS

The best individual welfare of the members of a cooperative company is realized when the company itself is developing on a successful and financially sound basis, when the cooperators are acquiring consistently a fuller knowledge of how to work together efficiently, and when there is turned back to patrons a measurable saving in the form of money. In the most successful farmers' concerns the balance, after paying all costs of operation, including fixed interest on capital, is distributed to the benefit of members partly in the form of a reserve or sinking fund, partly for educational propaganda, and the rest (or major portion) directly to them in cash. As a suggestive proportional distribution of the net savings which has been successfully used, 20 percent of the total is set aside for the reserve fund, 5 percent for the educational fund, and 75 percent is prorated to the patrons in cash. That portion of the savings which is paid in cash is divided among the members in proportion to their contribution to the value of the annual business transacted by the company.

CONTROL OR VOTING

The control of a cooperatively owned business rests with the group. Cooperation is essentially a democratic form of organization and as such all tendency toward individual or minority domination, and its consequent evils, is not permissible. The most successful means of realizing this aim is the "one-man-one-vote" principle. In no case are truly cooperative organizations conducted on the share-vote basis. Each member has only one vote regardless of the amount of capital which he may have contributed. Group discussion and action while slow, is more acceptable to farmers than dictation accompanied by injured feelings and consequent animosity.

MANAGEMENT

THE MANAGER

The first essential for the efficient operation of any business is the manager. The knowledge and skill requisite to the proper management of a successful elevator, store, or other undertaking, is not gained without considerable expense and time. Experience ripens the judgment and creates the buying and selling contacts and relationships which make the unusual manager so valuable. And yet it is the unusual manager who

has built up the outstanding successful cooperative companies. In spite of these facts few cooperative concerns in Kansas are paying sufficient salaries to attract managers of the caliber that is essential if cooperation is to be made the success which it could readily become. In the noted cases of cooperative endeavor in Iowa, Minnesota, Wisconsin, California, and many other regions, cooperative organizations have found that a manager who is worth while to a private business is even more valuable to a farmers' cooperative concern. In these cases farmers have competed with private enterprises and have drawn away from them their most capable managers, who thereafter made cooperative business wonderfully successful. The secret of the change was the payment of salaries which attracted capable, experienced managers and which outbid others who desired the same services.

Farmers in Kansas have failed to pay sufficiently high salaries. They have suffered the consequences in failing companies and lost capital. In the future there is ample justification for a more liberal attitude. Numerous instances might be cited to show the effect of employing a capable manager who, in spite of the higher salary, was able to make substantial savings for the farmers in place of heavy losses. As typical of common occurrences one may consider certain facts on the basis of an average cooperative elevator in Kansas handling annually approximately 125,000 bushels of wheat and 25,000 bushels of other grains. A payment of \$750 as manager's salary amounts to a charge of only one-half cent a bushel. A manager obtainable at such a low salary frequently, if not usually, makes losses of from \$1,000 to \$5,000. When such a company has obtained the services of a thoroughly competent manager, savings of from \$3,000 and upward have often been made after paying the higher salary. Assuming that a \$3,000 salary would be required and that a saving of \$3,000 is made in addition, the members of such an organization by increasing the cost for a manager from one-half of a cent to two cents per bushel, find that their savings account has been changed from a loss of two cents to a net gain of two cents per bushel. No cooperative undertaking which has an adequate volume of business can afford to hire any but competent managers. The best are none too good and are relatively cheap at much higher salaries than must be paid to attract them. Competent manag-

ers are not usually obtainable unless farmers are willing to pay more for them than a competitor. They can usually be secured if their competitive market salary is offered,

ADEQUATE CAPITAL

The fortunes of business are such that a company is not confined entirely to methodical and regular development. Frequently unusual opportunity for expansion meets with the limitation of an inadequate supply of capital. In order to meet all normal financial needs of the enterprise and, in addition, to assume the responsibilities of unforeseen possibilities for expansion, a cooperative organization, according to experienced cooperators, requires liberal provision for the actual raising or borrowing of necessary funds at critical times.

STANDARD ACCOUNTING SYSTEM

Almost all cooperative companies are concerned with problems of costs for labor, supplies, products, interest, disposition of savings, and many other items of income or expenditure. Records are therefore indispensable. The manager finds it is necessary to have accurate records which will give him a correct understanding of the business. Without such facts he could not have information needed to answer correctly questions about the costs of operation, the prices paid, the savings made, or any other specific inquiries. Furthermore, without complete records it would be impossible to determine how much of the savings should be returned to the different members.

It is obvious that if a manager is worth while a system which indicates what he has done and aids in deciding what to do in the future, is also valuable. A standard system which gives facts that are directly comparable with the results obtained by other similar concerns is highly desirable and commendable. Such systems and standard accounting forms are obtainable from the Bureau of Markets, United States Department of Agriculture.

Finally, in the more successful cooperative concerns the records are regularly audited by expert accountants to see that any errors are located and that proper treatment is accorded. The manager himself is greatly aided by the auditing of the books because accurate knowledge of his methods and their results gives greater confidence for the future, not only to the manager but to the patrons of the business as well.

FEDERATION

If each of the principles just mentioned has been faithfully applied, the local cooperative organization, without doubt, has the most favorable conditions to attain success. As it happens however, a single local concern centering about one shipping point, no matter how successful, covers but a fraction of the existing route from producer to consumer. It, therefore, is able to make but a fraction of the savings which more complete cooperation, such as that attained by The California Fruit Growers Exchange, secures. The local company finds that its activities and possibilities for reducing the cost of operation and increasing the savings are confined almost entirely to a few functions such as receiving, preparing for shipment, and forwarding products raised in the locality, or receiving and distributing supplies to be consumed in the local territory.

Many of the chief opportunities for benefit through cooperative organization lie in the fields which an individual local concern cannot hope to enter. By cooperation between a group or series of these small companies, however, it is possible to jointly undertake and to benefit by federated buying and selling. Such organizations as The California Fruit Growers Exchange and The Canadian Grain Growers and other large cooperative concerns are deriving a large share of their usefulness and financial benefits from the terminal or federated phases of their aggregate activities. Whenever a group of local enterprises reaches the stage where larger quantities of products or supplies would facilitate greater economy in the assembling and exchange processes, federated activity becomes not only desirable, but is an actual necessity for further development of the services and returns which cooperation promises for its patrons. To establish federations, the active officials of each local organization arrange for the same sort of cooperation among local units which has already been discussed pertaining to individual farmers. In other words, federation refers to the establishment of a cooperative organization among local cooperative associations to further enlarge their savings funds and thereby give farmers greater returns than could be obtained without federation.

EXAMPLES OF POSSIBLE IMPROVEMENT BY COOPERATION

There are numerous opportunities for the further introduction and development of cooperative endeavor among the farmers of Kansas. Practically the whole field for federated action by local organizations is untouched. Without dealing extensively with this question there is abundant opportunity for the improvement of existing and the establishment of new local cooperative undertakings. The character of some of the possible lines of improvement or of new endeavor may be illustrated by the elevator situation, the cream station business, livestock shipping, and farmers stores.

ELEVATORS

It is a well-known fact to those in charge of elevators that the cost of operation per bushel of grain decreases as the volume of business grows larger. While no facts have been gathered from Kansas elevators to show how rapidly costs go down when volume of business goes up, figures on this point secured by Minnesota investigations¹ bring out the principle. These facts, presented in Table XI, indicate that if the business of the average elevator in the state amounting to not over 100,000 bushels of grain could be doubled or trebled, there could be made a saving of 1 or more cents per bushel through reduction in operating expenses alone. If farmers only realized that greater loyalty to their own companies and a larger membership could easily add this 1 cent a bushel to their savings they would probably be more enthusiastic.

TABLE XI.—COST OF HANDLING GRAIN IN ELEVATORS IN MINNESOTA

Bushels of grain handled per elevator	Cost per bushel
50,000 to 100,000.....	<i>Cents</i> 2.5
100,000 to 150,000.....	1.9
150,000 to 200,000.....	1.5
200,000 to 300,000.....	1.3
300,000 to 400,000.....	1.15

¹ Weld, L. D. H. Farmers' Elevators in Minnesota. Minn. Agr. Expt. Sta. Bul. 152: 1-24. 1915.

Out of 702 Kansas towns in which elevators are located, 314 have two or more elevators. According to Table XII probably not less than two-thirds of the grain handled by elevators in Kansas is marketed through towns each of which has two or more elevators and in which successful consolidation through cooperation would at least double the business per elevator. This alone would mean a saving of not less than \$750,000 per year. The opportunities for future saving which would result from federation and from other developments, in addition to existing cooperative benefits, are worthy of more serious consideration from Kansas farmers. The very conservative character of this conclusion is emphasized by the figures on pages 64 to 56, which indicate that the average available quantity of grain per elevator, varies from less than 10,000 to more than 275,000 bushels. In some sections, therefore, elevators are so short of grain that costs are exceedingly high per bushel, while in other regions a consolidation of elevators would greatly increase an already large average size of business. In either instance there is opportunity for further application of the cooperative principles.

TABLE XII.—GRAIN HANDLED BY ELEVATORS IN KANSAS TOWNS

Number of elevators per town	Number of towns	Aggregate bushels of grain handled (a)	Bushels of grain per town	Number of elevators
1.....	388	39,964,000	103,000	388
2.....	229	47,174,000	206,000	458
3.....	58	17,922,000	309,000	174
4.....	22	9,064,000	412,000	88
5.....	4	2,060,000	515,000	20
6.....	0			0
7.....	1	721,000	721,000	7
Total.....	702	116,905,000	167,000	1,135

(a) Calculated on basis of the business of the average elevator handling 103,000 bushels of grain.

CREAM STATIONS

In 1915 there were 2,020 cream stations located in 851 towns in Kansas. Through these stations farmers marketed approximately four-fifths of the butterfat destined for butter-making purposes. The 21,500,000 pounds of butterfat thus marketed averaged 10,667 pounds per station and each operator received an average commission of 2 cents per pound of butterfat. This represents one of the most expensive steps in the making of Kansas butter. A reduction could scarcely be made except by

enlarging the business of the average station. In Table XIII are presented facts showing the location of most of the Kansas cream stations. Only 282 towns had one station only, so that 564 towns had 1,734 stations, or an average of more than three each. By consolidation through cooperation, so that one station would do the work of three, the volume of business could be increased from less than 11,000 pounds to over 30,000 pounds of butterfat annually. The increase in business would so reduce expenses per unit that undoubtedly a cooperative concern could save at least 1 cent per pound on butterfat. Were the entire produce-handling business involving butter-fat, eggs, poultry, and the essential cold-storage facilities consolidated into the hands of one efficient cooperative concern, where at present there are two or more competing enterprises, the savings could easily be made still more worth while.

TABLE XIII.—BUTTERFAT HANDLED BY KANSAS CREAM STATIONS

Number of cream stations per town	Number of towns	Aggregate pounds of butterfat handled (a)	Pounds of butterfat per town	Number of cream stations
1.....	282	9,000,004	10,007	282
2.....	240	5,120,160	21,334	480
3.....	151	4,832,151	32,001	453
4.....	101	4,309,468	42,668	404
5.....	50	2,666,750	53,335	250
6.....	11	704,022	64,002	66
7.....	8	597,352	74,669	56
8.....	2	170,672	85,336	16
9.....	1	95,903	95,903	9
Total.....	646	21,504,572	25,420	2,016

(a) Calculated on basis of the business of the average cream station handling 10,667 pounds of butterfat.

LIVESTOCK SHIPPING

The experience of Minnesota farmers in their cooperative livestock shipping¹ indicates that 100 cars form an adequate volume of business for successful cooperation. In fact, most of the associations there ship from 20 to 60 cars a year. The largest number shipped by any association was 204 cars. By cooperative shipping the costs have been reduced from \$1 per hundred to 33 cents per hundred, thus saving 67 cents per hundred pounds live weight. In Table XIV is indicated the number of cars of livestock shipped from a Kansas town of about 8,000 population during 12 consecutive months. The farmers contributing these livestock lived within five miles of the ship-

¹ Durand, E. Dana. Cooperative livestock shipping associations in Minnesota. Minn. Agr. Expt. Sta. Bul. 156: 1-29. Fig. 3. 1916.

ping point, and probably not more than half of the stock represented individual carlot shipments from farmers. While there are probably only 25 to 50 shipping points in Kansas from which 400 or more cars of livestock are being shipped every year, there are likely hundreds of points from which at least 100 cars are marketed, and 100 cars are ample for the maintenance of a very successful cooperative shipping association.

TABLE XIV.—CARS OF LIVESTOCK MARKETED FROM ONE KANSAS SHIPPING POINT DURING TWELVE MONTHS, 1917-18

Month of shipment	Total cars shipped	Cars of cattle	Cars of hogs
<i>1917</i>			
September	102	99	3
October	46	42	4
November	30	18	12
December	18	12	6
<i>1918</i>			
January	20	7	13
February	32	23	9
March	24	11	13
April	27	4	23
May	11	4	7
June	17	4	13
July	32	21	11
August	78	68	5
Total	432	318	119

GENERAL STORES

While cooperative stores, as a rule, are not very successful, and represent one of the most complicated endeavors which farmers attempt to develop, there are a few facts which might be more widely known to advantage. The ordinary Kansas rural community combining both farm territory and the trading center, comprises not less than 100 square miles. In such an area there are not likely to be more than 200 farmers and their families. There may or may not be the same number of residents within the local center itself. The actions of these town people with reference to the support of cooperative endeavors initiated by farmers are uncertain and may therefore be disregarded. In such a community center there are rarely less than two or three general stores competing for trade. The fourth store which farmers have so frequently established often fails to realize the farmers' expectations. The cause of failure lies in the subsequent volume of business handled per store and the character of its management.

Under Kansas conditions before the war the average farm

family purchased \$157.41 worth of food, \$215.46 worth of clothes, and \$20.24 worth of fuel.¹ This makes a total of \$393.11 per farm family or \$78,622 for 200 families. When this small volume of trade already handled by two or three concerns is further subdivided by a fourth concern, costs are necessarily raised and the dreams which prospective cooperation had stimulated soon vanish. Unless the establishment of a cooperative store means that the new enterprise will have a larger average volume of business than that previously existing per store in town, the new concern merely accentuates former unsatisfactory conditions. Every increase in the number of concerns which reduces the actual average size of stores merely increases overhead costs by further duplication in store buildings, lots, and partially idle store keepers or managers. As a result, the margins by which wholesale prices are increased to pay retail costs and provide profits are simply further enlarged and the otherwise possible savings are eliminated. Store experience indicates that cooperation in this line is very difficult, and that it is successful only when it effectively increases the volume of business and obtains more efficient management than previously existed.

STEPS IN ORGANIZING

The Kansas law dealing with the privilege and procedure of organizing cooperative associations and companies is printed and circulated by the secretary of state. Copies may be secured directly from that office. Any group of farmers who may have reached the stage in cooperative development where legal incorporation becomes desirable, will find it convenient to write for information even before formally requesting incorporation.

In a preliminary way persons interested in cooperative organizations may find it convenient to refer to the following legal features which are included in sections 9, 12, 15, 16, and 39-52, inclusive, of the "Summary of Kansas Corporation Laws," issued by the secretary of state, June, 1917. For further convenience sectional references to the "General Statutes of Kansas," 1915, are given.

Following these extracts is presented a copy of a suggestive constitution and by-laws which, for the most part, has been

¹ Funk, W. C. What the farm contributes directly to the farmer's living. U. S. Dept. Agr. Farmers' Bul. 635: 1-21. 1914.

successfully used in various sections of the state. Only such modifications have been made as would bring it into greater conformity with the ideals of the state law and of practical co-operative development.

LEGAL FEATURES

GENERAL REQUIREMENTS OF COOPERATIVE ORGANIZATIONS

Twenty or more persons, citizens of the United States, a majority of whom shall be residents of the state of Kansas, may organize and incorporate a cooperative corporation in the manner and form provided by law in other cases, for the purpose and to the end of more successfully promoting and conducting any business or industrial pursuit. (L. 1917, ch. 126.)

Every such corporation when so organized and incorporated may issue stock to its shareholders in such amounts and with such limitations as are hereinafter defined. The shareholders in any such mutual or cooperative corporation shall each have but one vote in all matters pertaining to the business of such corporation, without regard to the number of shares owned, and no shareholder may own to exceed 5 percent of the total capital stock of any such cooperative corporation organized under the provisions of this act; and no such shareholder in any cooperative corporation may own to exceed 5 percent of the total capital stock of any other cooperative corporation; and no cooperative corporation shall own to exceed 5 percent of the total capital stock of any other cooperative corporation. (G. S. 1915, sec. 2300.)

No corporation hereafter organized and doing business for a profit in this state shall be permitted to use the word cooperative as a part of its corporate name, unless it shall have complied with the provisions of this act; and any corporation violating the requirements of this section may be enjoined from doing business under such name, upon the complaint of any citizen of this state, and any corporation so incorporating shall use the word cooperative as a part of its corporate name or title. (G. S. 1915, sec. 2301.)

Every such cooperative corporation, when organized and incorporated, shall enjoy all the rights, privileges, and powers not in conflict with the provisions of this act, as are conferred by the statutes of this state on other cooperative corporations. (G. S. 1915, sec. 2302.)

Any number of persons, not less than 20 who are citizens of the state of Kansas, may associate themselves together as a cooperative corporation for the purpose of conducting any agricultural, dairy, mercantile, mining, manufacturing, or mechanical business on the cooperative plan. The title of such corporation shall begin with "the" and end with "association," "company," "corporation," "exchange," "society," or "union." For the purpose of this act the "cooperative plan" shall be construed to mean a business concern that distributes the net profit of its business by: First, the payment of a fixed dividend upon its stock; second, the remainder of its profits are prorated to its several stockholders upon their purchases from or sales to said concern or both such purchases and sales. (G. S. 1915, sec. 2306.)

They shall sign and acknowledge written articles of incorporation which shall contain: The name of the corporation; the names and residence of the persons forming the same; the purpose of the organization; the principal place of business; the amount of capital stock; the number of shares and the par value of each share; the number of directors and the names of those selected for the first term; the time for which the corporation is to continue, not to exceed 50 years. (G. S. 1915, sec. 2307.)

The original articles of incorporation or a certified copy of the same shall be filed with the secretary of state who shall return to the corporation a certified copy of the same, with the date of filing and attested with the seal of his office, upon the approval of the charter board. (G. S. 1915, sec. 2308.)

For filing the articles of incorporation and amendments thereto under this act the same fees shall be paid to the secretary of state as is now required under the general corporation law. (G. S. 1915, sec. 2309.)

No corporation organized under the provisions of this act shall commence business until at least 20 percent of its capital stock has been paid for in actual cash, and a sworn statement to that effect has been filed with the secretary of state, and his receipt for the same shall be construed as a permit to do business. (G. S. 1915, sec. 2310.)

Every such association shall be managed by a board of not less than five directors. The directors shall be elected by and from the stockholders of the association at such times and for such term of office as the by-laws may prescribe, and shall hold office for time for which elected and until their successors are elected and shall enter upon the discharge of their duties; but the majority of the stockholders shall have power at any regular or special stockholders' meeting, legally called, to remove any director or official for cause, and fill the vacancy, and thereupon the director so removed shall cease to be a director of said association; provided, that prior notice shall have been given to the stockholder of such meeting and the object thereof. The officers of every such association shall be: A president, one or more vice presidents, a secretary, and a treasurer, who shall be elected annually by the directors, and each of said officers must be a director of the association, except the secretary who may or may not be a director. The office of secretary and treasurer may be combined, the person filling the office shall be secretary-treasurer. (G. S. 1915, sec. 2311.)

Each corporation shall formulate by-laws prescribing the duties of the directors and officials; the manner of distributing the profits of its business; the manner of becoming a member; and such other rules and instructions to its officials and members as will tend to make the corporation an effective business organization. (G. S. 1915, sec. 2313.)

Each corporation organized under the provisions of this act shall make an annual report to the secretary of state the same as is required of other corporations; provided, such cooperative corporation shall be required to report the names of its stockholders and the amount of stock owned by each for such years only as may be required by the secretary of state. (G. S. 1915, sec. 2314.)

All cooperative corporations, companies, or associations heretofore

organized and doing business under prior statutes, or which have attempted to so organize and do business, shall have the benefit of all of the provisions of this act, and be bound thereby on paying the fees provided for in this act and filing with the secretary of state a written declaration signed and sworn to by the president and secretary to the effect that said cooperative company or association has by a majority vote of its stockholders decided to accept the benefits of and be bound by the provisions of this act. No association organized under this act shall be required to do or perform anything not specifically required herein, in order to become a corporation, or to continue its business as such. (G. S. 2915, sec. 2315.)

No corporation, association or company now or hereafter organized or doing business for profit in this state shall be entitled to use the title "cooperative" as part of its corporate or other business name or title, unless it has complied with the provisions of this act; and any corporation, association, or company violating the provisions of this section may be enjoined from doing business under such name at the instance of any stockholder of any association legally organized hereunder. (G. S. 1915, sec. 2316.)

METHODS OF ORGANIZING

Persons seeking to form a private corporation under laws of the state of Kansas shall make application to the state charter board, upon blank forms supplied by the secretary of state, for permission to organize a corporation. The application shall set forth: (1) The name desired for the corporation. (2) The name of the post office where the principal office or place of business is to be located. (3) The full nature and character of the business in which the corporation proposes to engage. (4) The names and addresses of the proposed incorporators. (5) The proposed amount of the capital stock. Such statement shall be subscribed by all of the proposed incorporators. (G. S. 1915, sec. 2134.)

The charter of a corporation must set forth: (1) The name of the corporation; (2) the purposes for which it is formed; (3) the place or places where its business is to be transacted; (4) the term for which it is to exist; (5) the number of its directors or trustees, and the names and residences of those who are appointed for the first year; (6) the amount of its capital, if any, and the number of shares into which it is divided; (7) the names and addresses of the stockholders, and the number of shares held by each; and shall be subscribed and acknowledged by five or more of the stockholders, three of whom, at least, must be citizens of this state. (G. S. 1915, sec. 2106.)

Each application to the charter board for permission to organize a domestic corporation or to engage in business in this state as a foreign corporation shall be accompanied by a fee of \$25 to be known as an application fee; provided, that the application of a mutual telephone company to engage in business in this state shall be accompanied by a fee of \$5; provided, that corporations organized for religious, educational, or charitable purposes, having no capital stock, shall not be required to pay such fee. (L. 1917, ch. 121, sec. 1.)

Every corporation hereafter organized under the laws of this state and every foreign corporation that may be authorized by the charter board to engage in business in this state shall pay to the secretary of state a fee of \$2.60, to be known as a filing and recording fee. (G. S. 1915, sec 2116.)

SUGGESTIVE CONSTITUTION AND BY-LAWS

ARTICLE I. NAME

This association shall be called _____.

ARTICLE II. OBJECTS

The objects of this association shall be to conduct any of the following enterprises for the purpose of rendering service or making savings thereby:

1. The conversion and disposal of all agricultural products by means of mills, elevators, markets, stores, and otherwise.
2. Buying and shipping of grain.
3. Cleaning grain for its members and others.
4. Manufacturing and marketing of dairy products.
5. Buying and selling of coal, flour, farm supplies and other merchandise, including livestock, for the mutual benefit of its shareholders and any other patrons.

ARTICLE III. PLACE OF BUSINESS

The office and place of business of this association shall be at and at such other places as the directorate shall select.

ARTICLE IV. MEMBERSHIP

Eligibility to membership in this association shall be limited to the following:

1. Actual producers of farm products named in Article II.
2. Subscribers to at least one minimum contribution to the association's capital.
3. Applicants signing this constitution and by-laws and giving such other information as may be required.

ARTICLE V. LIST OF SHAREHOLDERS

A correct list, showing name, residence, post office, and number of shares of each member, shall be kept by the secretary in the office of the association. This list shall be open to the inspection of all members; and no member shall be entitled to any interest, portion of savings, or vote unless his name appears on the list.

ARTICLE VI. OFFICERS

1. The officers of this association shall consist of eight directors, who shall elect from their number a president, treasurer, and secretary, who shall hold their offices until their successors are duly elected and qualified; provided the secretary or an assistant secretary may be chosen from members outside the directorate.

2. The directors shall select one or more members of the association to audit, or hire audited, all accounts once every year, or oftener if the directorate think necessary, and said auditing committee shall furnish a detailed statement showing amount and kind of business done during the last year, and the approximate savings or loss for said period. A complete invoice shall be taken at the close of the year, when the annual report is required by statute, and all books and accounts shall be balanced to said date.

ARTICLE VII. CAPITAL AND MINIMUM CONTRIBUTION

1. The capital of this association shall be \$———, divided into —— shares of \$——— each.

2. All shares shall be negotiable and transferable at the option of the holder, subject to approval of board of directors and purchase by the association, and all transfers must be recorded on the books of the association.

ARTICLE VIII. INTEREST ON CAPITAL

Interest fixed at the rate of 6 percent shall be paid on all capital, all interest to become due and payable on or after the annual settlement.

ARTICLE IX. DISTRIBUTION OF SAVINGS

Savings constitute the balance after all expenses, including interest on the capital at a fixed rate of 6 percent have been paid. They shall be used for the benefit of the entire membership in the following manner:

1. **Reserve Fund.**—Twenty percent of the savings, if any, shall be kept in the treasury and carried on the books as a reserve fund for the payment of any unexpected losses not otherwise provided for. The reserve fund may be invested or loaned to members.

2. **Educational Fund.**—After the deduction of 20 percent of the total savings for purposes of a reserve fund, there shall be set aside a further 5 percent to be known as an educational fund, to defray expenses of enlightening the members of the association by lecture or printed matter concerning the problems, difficulties, successes, and value of cooperation.

3. **Prorated Savings.**—After setting aside the reserve and educational funds, the balance comprising 75 percent of the total savings, shall be prorated to the members in proportion to their contributions to the amount of business transacted.

ARTICLE X. VACANCIES

All vacancies on the board of directors shall be filled by the directorate, and such appointment shall extend to the next regular meeting of the association, when said vacancy shall be filled by the association.

ARTICLE XI. BUSINESS MANAGEMENT

All questions at a meeting of the directors shall be decided by a majority vote.

ARTICLE XII. MANNER OF CONDUCTING BUSINESS

1. All money received on account of capital contributions or shares, other contributions, or otherwise, shall be paid to the treasurer, unless otherwise ordered by the directors, and said money shall be withdrawn only on the authority of the treasurer or business agent.

2. Such funds as the association may have, not needed for immediate use in the business of the association, or too meet accruing liabilities, shall, with the consent of the association given at any regular meeting, be invested by the directors.

3. The business of this association shall be conducted on a cash basis.

4. All members of the association shall be given scrip showing the amount and kind of business transacted. Said scrip shall be turned in at the time of annual settlement and shall be the basis for computing dividends. Any scrip lost or transferred shall be void and not binding on the association, and all scrip must be presented within 60 days of the announcement of the annual settlement, and if not so presented shall become void.

5. The business manager shall keep a sales book showing correct list of all sales, the amount and price of said sales, the name of purchaser and the kind of goods sold. This sales book shall be balanced daily, and shall show total sales for each day; and said sales book shall be kept open for the inspection of any member of the association.

ARTICLE XIII. SECURITY

Every person elected to office or employed in any capacity requiring the receipt, management, or expenditure of money or property, shall, before entering upon the duties of his office, give such security as the board of directors shall require.

ARTICLE XIV. ANNUAL MEETING

1. The annual meeting shall be held the first Wednesday in December of each year.

2. Fifty stockholders present in person or by proxy shall constitute a quorum to transact business.

ARTICLE XV. SEAL

This association shall have a seal.

ARTICLE XVI. ELECTIONS

All elections shall be by ballot.

ARTICLE XVII. TENURE OF OFFICE

Four of the directors elected at the first annual meeting of this association shall hold office for four-year terms, the others for two-year terms and all directors shall thereafter be elected for a term of four years.

ARTICLE XVIII. STOCK OF DECEASED MEMBERS.

Upon the decease of any member of the association the directors may repay to his legal representatives the face value of the capital shares owned by said member at the time of his death, together with all accrued interest and dividends, within twelve months after decease of said member.

ARTICLE XIX. INTEREST ON DEPOSITS

Any member of the association, at the discretion of the directors, may be paid interest at the rate of 6 percent per annum, on any amount due

him on dividends or interest on capital shares or any other sums of money he may deposit with the association. Said deposits must be represented by certificates of deposit, stating length of time said deposits shall run; provided, said deposits can be used by said association to advantage. If no interest is paid or allowed on deposits they may be withdrawn at the option of the owner by giving 30 days' notice.

ARTICLE XX. VOTING

Every member of this association shall be entitled to but one vote, regardless of the shares owned by him or her.

ARTICLE XXI. AMENDMENTS

This constitution and by-laws may be amended or changed by a majority vote of the shareholders present at any regular meeting.

STATISTICS OF COOPERATION IN KANSAS

NOTE: The business concerns included in this investigation are as follows:

Cooperative Elevators	276
Farmers' Cooperative Stores	65
Livestock Shipping Associations	59
Grain and Produce Shipping Associations	77
Cooperative Insurance Companies	31
Miscellaneous Cooperative Undertakings.....	45
Total	<u>553</u>

FARMERS' ECONOMIC ORGANIZATIONS BY COUNTIES

The location by counties of all the farmers' organizations included in the investigation is given in the following tables:

FARMERS' ECONOMIC ORGANIZATIONS BY COUNTIES.

COUNTY	Total number of economic organizations	Number of						
		Elevators	Stores	Livestock shipping associations	Grain and produce shipping associations	Purchasing organizations	Miscellaneous concerns	Mutual insurance concerns
Allen	1					1		
Anderson	3	1		2				
Atchison	3	3						
Barber	4	4						
Barton	8	7						1
Bourbon	3		1		1			1
Brown	8	6				2		
Butler	6	1		1		3		1
Chase								
Chautauqua								
Cherokee	2					1		1
Cheyenne	8	2	2	2	2			
Clark	5	4		1				
Clay	11	3	2	2	2		2	
Cloud	10	6	3	1				
Coffey	4	1	2				1	
Comanche	4	3					1	
Cowley								
Crawford	3		2		1			
Decatur	1	1						
Dickinson	7	5	1		1			
Doniphan	10	4	2		2		1	1
Douglas	11	2	3	3	1	1	1	
Edwards	8	5			2		1	
Elk								
Ellis	3	2		1				
Ellsworth	11	7	2	1				1
Finney	2	1	1					
Ford	8	7	1					
Franklin	7		1	1	3	1		1
Geary	1	1						
Gove	4	1			1	1	1	
Graham	5	3		2				
Grant								
Gray	5	4	1					

Greeley	1				1			
Greenwood								
Hamilton		3						
Harper	5	3						1
Harvey	5	3		1				
Haskell	2	1	1					
Hodgeman	6	3	1		2			
Jackson	2	1			1			
Jefferson	2	1	1					
Jewell	11	3	2	4	1		1	
Johnson	4		3					
Kearny	1							
Kingman	12	9		1	2			
Kiowa	7	6		1				
Labette	1				1			
Lane	1						1	
Leavenworth								
Lincoln	6	2	3		1			
Linn	3			3				
Logan	3	1			1		1	
Lyon	4		1	2	1			
McPherson	13	10					1	2
Marion	4	2			1	1		
Marshall	22	8	1	4	4	1		4
Meade	5	5						
Miami	2	1						1
Mitchell	11	6	2		2			1
Montgomery	2	2						
Morris	1				1			
Morton								
Nemaha	9	4			5			
Neosho	9	2	1		3	2	1	
Ness	1				1			
Norton	9	1	4	1	3			
Osage	8		1	3	3			1
Osborne	7	4	1		1			
Ottawa	14	8	1	3			1	
Pawnee	6	6						
Phillips	14	6	2	2	3		1	
Pottawatomie	4		1		1		1	1

FARMERS' ECONOMIC ORGANIZATIONS BY COUNTIES—CONCLUDED.

COUNTY	Total number of economic organizations	Number of						
		Elevators	Stores	Livestock shipping associations	Grain and produce shipping associations	Purchasing organizations	Miscellaneous concerns	Mutual insurance concerns
Pratt.....	10	8			2			
Rawlins.....	6	4	1		1			
Reno.....	13	11		1	1			
Republic.....	7	5	1					1
Rice.....	13	8	1	1	1		1	1
Riley.....	4				4			
Rooks.....	14	6	3	1	1		2	1
Rush.....	10	6		2	2			
Russell.....	10	6	3		1			
Saline.....	4	3			1			
Scott.....								
Sedgwick.....	13	6			1		1	5
Seward.....	3	3						4
Shawnee.....	6	1				1		
Sheridan.....	3			2			1	
Sherman.....	2	1			1			
Smith.....	12	4	1	5	2			
Stafford.....	12	10	1				1	
Stanton.....								
Stevens.....	1			1				
Sumner.....	8	5	1				1	1
Thomas.....	5	1	1		2	1		
Trego.....	6	2	1	3				
Wabaunsee.....								
Wallace.....								
Washington.....	10	4	1	1	2	1	1	
Wichita.....								
Wilson.....								
Woodson.....								
Wyandotte.....								
Total.....	553	276	65	59	77	17	28	31

COOPERATIVE ELEVATORS

There were 276 cooperative elevators in January, 1916. Their location is shown on pages 48 to 50 and in figure 2. The time of establishment is given in the tabular statement below:

WHEN ESTABLISHED	NUMBER	PERCENT
Before 1901	1	0.6
1901-1905	25	19.3
1906-1910	26	20.0
1911-1915	78	56.1
First months of 1916	5	4.0
Total	130	100.0

MEMBERSHIP IN ASSOCIATIONS OPERATING ELEVATORS

The membership in cooperative elevator associations as far as shown by this study varied from 9 to 1,010. Details are given below:

NUMBER OF MEMBERS PER ELEVATOR	NUMBER OF ELEVATORS	NUMBER OF FARMERS	AV. NUMBER OF FARMERS PER ELEVATOR
Fewer than 40	14	383	27
40 to 80	48	2,854	60
80 to 120	31	3,086	100
120 to 160	15	2,016	134
160 to 200	12	2,025	169
200 or more	9	3,874	270
Total	129	14,238	110

BUSINESS TRANSACTED

The number of bushels of wheat handled by 95 elevators in 1915 varied from 6,000 to 478,000. Details are given below:

NUMBER OF BUS. HANDLED PER ELEVATOR	NUMBER OF ELEVATORS	TOTAL NUMBER OF BUS. HANDLED	AV. NUMBER OF BUS. HANDLED PER ELEVATOR
Less than 50,000	19	653,514	34,395
50,000 to 100,000	27	2,115,886	78,366
100,000 to 150,000	13	1,535,487	118,114
150,000 to 200,000	18	2,974,870	185,210
200,000 to 250,000	8	1,679,436	209,929
250,000 to 300,000	7	1,923,434	275,490
300,000 or more	3	1,147,200	382,400
Total	95	12,034,827	126,682

The number of bushels of other grain handled varied from 578 to 100,000. Details are given below:

NUMBER OF BUS. HANDLED PER ELEVATOR	NUMBER OF ELEVATORS	TOTAL NUMBER OF BUS. HANDLED	AV. NUMBER OF BUS. HANDLED PER ELEVATOR
Less than 10,000	14	49,900	3,564
10,000 to 20,000	9	111,390	12,377
20,000 to 30,000	14	330,035	23,574
30,000 to 40,000	4	126,801	31,700
40,000 to 50,000	5	213,999	42,800
50,000 to 60,000	5	250,000	50,000
60,000 or more	4	330,000	82,500
Total	55	1,412,125	25,675

The number of tons of coal handled varied from 90 to 5,000. Details are given below:

NUMBER OF TONS HANDLED PER ELEVATOR	NUMBER OF ELEVATORS	TOTAL NUMBER OF TONS HANDLED	AV. NUMBER OF TONS HANDLED PER ELEVATOR
Less than 500	17	6,605	388
500 to 1,000	29	21,017	725
1,000 to 1,500	10	11,731	1,173
1,500 to 2,000	0	.....	.....
2,000 to 2,500	1	2,091	2,091
2,500 or more	2	7,500	3,750
Total	59	48,944	830

Feed, flour, seed, vegetables, fruit, and various other commodities were bought and handled by a minor number of elevators varying from 29 in the case of feed to 8 in the case of vegetables and fruit.

The estimated approximate value of the business transacted by elevators is given below:

PRODUCT HANDLED	NUMBER OF ELEVATORS	TOTAL VALUE OF PRODUCT	AV. VALUE OF PRODUCT PER ELEVATOR
Wheat (a)	95	\$11,072,041	\$116,548
Other grain (b)	55	756,899	13,762
Coal (c)	59	195,776	3,383
Total	95	\$12,024,716	\$126,576 to \$133,698

(a) Value of wheat, 92 cents per bu., the farm price, December 1, 1915.

(b) Value of other grain, 53.6 cents per bu., calculated on weighted averages of prices of oats, barley, rye, and corn, December 1, 1915.

(c) Value of coal, \$4.00 per ton.

MONEY SAVINGS THROUGH COOPERATION

The savings returned to farmers after paying at least 6 percent on capital and all other expenses varied from 1 cent to 10 cents per bushel. Details are given below:

NUMBER OF CENTS SAVED PER BU.	PERCENT OF AV. PRICE SAVED	NUMBER OF ELEVATORS	PERCENT OF ELEVATORS
1 to 2	2 to 4	6	7.8
2 to 3	4 to 6	24	31.2
3 to 4	6 to 8	24	31.2
4 to 5	8 to 10	5	6.5
5 to 6	10 to 12	15	19.4
6 to 7	12 to 14	2	2.6
7 or more	14 or more	1	1.3
Total		77	100.0

COOPERATIVE FEATURES

Of 126 elevators only 22 limited membership in any way, 104 leaving membership open.

Out of 131 elevators, only 14 did not limit ownership of capital. Of 117 elevators, 112 limited the number of shares to be owned by one man from 1 to 500 shares, while only 6 limited capital ownership to a percent of the total capital. The total amount of capital, the size of shares, and the number subject to individual ownership are essential points in this question in case the percent limit is not stated.

Out of 129 concerns, 99 pay interest on the capital shares, while 30 do not. Of 117 reporting whether the rate of interest is fixed or variable, 79 have a fixed rate and 38 do not.

Of 78 elevators reporting, 72 indicated that the savings were returned to the patrons on the basis of the amount of business transacted for them by the elevator, while only 6 returned the savings according to the ownership of capital.

The salaries of managers varied from \$12 to \$180 per month, or \$144 to \$2,160 per year. Details are given below:

MONTHLY SALARY PER MANAGER	NUMBER OF ELEVATORS	TOTAL SALARIES OF MANAGERS	AV. ANNUAL SALARY PER MANAGER
Less than \$50.....	1	\$144	\$144
\$50 to 60.....	1	600	600
60 to 70.....	10	7,500	750
70 to 80.....	19	16,860	887
80 to 90.....	15	14,800	987
90 to 100.....	10	10,860	1,086
100 to 110.....	42	50,400	1,200
110 to 120.....	3	4,080	1,360
120 to 130.....	16	23,940	1,496
130 or more.....	3	5,520	1,840
Total	120	\$134,704	\$1,122

Of 70 concerns, only two reserved funds for education and propaganda.

The authorized capital varied from \$500 to \$100,000. Details are given below:

AUTHORIZED CAPITAL PER ELEVATOR	NUMBER OF ELEVATORS	TOTAL AUTHORIZED CAPITAL	AV. AUTHORIZED CAPITAL PER ELEVATOR
Less than \$2,000.....	2	\$1,500	\$750
\$2,000 to 4,000.....	5	14,000	2,800
4,000 to 6,000.....	13	63,000	4,846
6,000 to 8,000.....	10	65,230	6,523
8,000 to 10,000.....	12	96,000	8,000
10,000 to 12,000.....	58	580,500	10,009
12,000 to 14,000.....	6	73,500	12,250
14,000 to 16,000.....	14	210,000	15,000
16,000 to 18,000.....	0	.....	.....
18,000 to 20,000.....	1	19,700	19,700
20,000 to 22,000.....	7	140,000	20,000
22,000 to 24,000.....	0	.....	.....
24,000 or more.....	8	280,000	46,500
Total	134	\$1,543,430	\$11,518

The amount of paid-in capital varied from \$480 to \$45,000. Details are given below:

PAID-IN CAPITAL PER ELEVATOR	NUMBER OF ELEVATORS	TOTAL PAID-IN CAPITAL	AV. PAID-IN CAPITAL PER ELEVATOR
Less than \$2,000.....	6	\$6,533	\$1,089
\$2,000 to 4,000.....	22	67,000	3,045
4,000 to 6,000.....	34	165,145	4,834
6,000 to 8,000.....	34	231,400	6,806
8,000 to 10,000.....	15	129,812	8,654
10,000 to 12,000.....	9	94,850	10,539
12,000 to 14,000.....	6	77,050	12,842
14,000 to 16,000.....	1	14,200	14,200
16,000 to 18,000.....	0	.....	.....
18,000 to 20,000.....	1	18,500	18,500
20,000 or more.....	3	95,000	31,667
Total	131	\$899,490	\$6,866

Of the 130 concerns reporting size of shares, 57 had 25-dollar shares, 31 had 10-dollar shares, 15 had 100-dollar shares, and 14 had 50-dollar shares. The remaining 13 had shares varying from \$5 to \$300, chiefly between \$5 and \$20, inclusive.

ALL ELEVATORS

The location by counties of all elevators, the available grain per elevator and per town, and the area of contributing regions per elevator and per town having one or more elevators is given below:

COUNTY	Area in Sq. mi.	Number of elevators, 1914	Number of towns with elevators, 1914	Sq. mi. per elevator	Sq. mi. per town having elevators	Bushels available for elevators, basis 10-yr. av., 1905 to 1914 (a)	Bushels available for elevators, 1914	Av. bushels per elevator, basis 10-yr. av., 1905 to 1914	Av. bushels per elevator, were there but one elevator per town, basis 10-yr. av.
Allen	504	11	8	46	63	488,111	506,030	44,373	61,014
Anderson	576	8	7	72	82	397,533	442,854	49,700	56,790
Atchison	423	12	9	35	47	1,044,198	1,399,342	87,016	116,022
Barber	1,134	14	8	81	142	1,257,871	2,625,797	89,848	157,234
Barton	900	23	10	39	90	3,654,486	5,600,604	158,890	365,449
Bourbon	637	6	6	106	106	451,802	468,754	75,300	75,300
Brown	576	21	14	27	41	1,747,461	2,290,159	33,212	124,819
Butler	1,428	16	12	89	119	767,549	880,987	47,972	63,962
Chase	750	2	2	375	375	230,323	198,519	140,164	140,164
Chatauqua	651	6	5	108	130	218,248	304,870	36,375	43,650
Cherokee	589	3	3	196	196	790,253	1,723,763	263,418	263,418
Cheyenne	1,020	3	2	340	510	647,890	1,237,789	215,897	323,945
Clark	975	11	5	89	195	722,001	2,116,038	65,636	144,500
Clay	660	20	9	33	73	1,741,642	3,304,189	87,082	193,516
Cloud	720	14	7	51	103	2,213,927	2,759,919	158,138	316,275
Coffey	648	7	7	93	93	711,501	654,609	101,643	101,643
Comanche	795	9	3	88	265	814,833	2,495,166	90,537	271,611
Cowley	1,112	13	10	86	111	1,102,549	1,393,228	84,811	110,255
Crawford	592	11	8	54	74	677,265	1,041,796	61,569	84,638
Decatur	900	13	7	69	129	984,857	3,090,878	75,758	140,694
Dickinson	851	20	13	43	65	2,148,988	3,651,157	107,449	165,307
Doniphan	379	15	12	25	32	1,026,755	1,234,699	68,450	85,563
Douglas	469	6	5	78	94	947,119	1,119,591	157,853	139,424
Edwards	612	14	5	44	122	1,803,825	3,577,409	128,344	369,765
Elk	651	6	5	108	130	307,093	355,442	51,182	61,418
Ellis	900	15	5	60	180	1,775,959	4,538,469	118,397	355,192
Ellsworth	720	16	6	45	120	1,839,247	3,331,839	114,953	306,541
Finney	1,296	2	1	648	1,296	207,543	391,434	103,871	207,543
Ford	1,080	18	9	60	120	2,002,617	5,262,531	111,256	222,513
Franklin	576	11	9	52	64	551,264	653,354	50,115	61,251

Geary.....	407	3	2	136	204	509,322	709,259	169,774	254,661
Gove.....	1,080	5	3	216	360	572,881	1,216,597	114,576	190,960
Graham.....	900	4	2	225	450	1,117,725	3,000,202	279,431	558,862
Grant.....	576					11,680	34,535		
Gray.....	864	10	6	86	144	413,328	1,195,460	41,333	68,888
Greeley.....	780					11,640	16,764		
Greenwood.....	1,155	7	6	165	192	505,665	391,990	72,238	84,278
Hamilton.....	972	1	1	972	972	14,212	10,532	14,212	14,212
Harper.....	810	16	8	51	101	2,140,559	4,652,044	133,772	267,545
Harvey.....	540	10	7	54	77	1,747,163	3,143,232	174,716	249,595
Haskell.....	576	1	1	576	576	76,283	150,131	76,283	76,283
Hodgeman.....	864	3	3	288	288	570,371	2,477,353	190,124	190,124
Jackson.....	658	17	11	39	60	903,882	1,390,644	53,170	82,171
Jefferson.....	568	13	11	44	52	1,080,432	1,541,671	83,110	98,220
Jewell.....	900	13	9	69	100	1,700,263	2,280,231	130,789	184,918
Johnson.....	480	12	10	40	48	1,105,094	1,463,113	92,091	110,509
Kearny.....	864	2	2	432	432	66,116	123,035	33,058	33,058
Kingman.....	864	18	13	48	66	1,984,579	3,316,167	110,254	152,660
Kiowa.....	720	15	5	48	144	1,876,601	3,628,680	125,109	375,320
Labette.....	649	9	8	72	81	722,868	1,274,841	80,319	90,358
Lane.....	720	4	3	180	240	372,750	1,162,636	93,188	124,250
Leavenworth.....	455	5	5	91	91	1,105,566	1,406,900	221,113	221,113
Lincoln.....	720	11	6	65	120	1,581,547	2,546,491	143,777	263,591
Linn.....	637	5	5	127	127	499,382	562,203	99,876	99,876
Logan.....	1,080	3	2	360	540	242,569	347,301	80,856	121,285
Lyon.....	858	8	6	107	143	725,440	634,204	90,680	120,907
McPherson.....	954	19	10	50	95	2,508,906	4,916,775	132,047	250,890
Marion.....	900	15	11	60	82	1,763,508	2,552,275	117,567	160,319
Marshall.....	900	37	23	24	39	2,064,333	2,501,988	55,794	89,753
Meade.....	975	8	3	122	325	669,578	1,908,122	83,697	223,193
Miami.....	588	8	7	74	84	830,661	914,102	103,833	118,666
Mitchell.....	720	14	8	51	90	2,023,615	2,816,065	144,544	252,952
Montgomery.....	648	10	8	65	81	699,619	906,873	69,962	87,452
Morris.....	700	9	7	78	100	483,628	599,682	54,845	69,090
Morton.....	729	2	2	364	364	10,669	36,433	5,335	5,335
Nemaha.....	720	19	13	38	55	1,240,083	1,721,381	65,267	95,391
Neosho.....	576	13	11	44	52	1,022,343	832,718	78,642	92,940
Ness.....	1,080	7	5	154	216	843,745	3,382,812	120,635	168,760
Northon.....	900	7	5	129	180	1,020,960	2,211,279	145,852	204,192
Osage.....	720	13	12	55	60	673,666	542,291	51,820	56,139
Osborne.....	900	8	4	112	225	1,764,543	3,332,291	220,568	441,136
Ottawa.....	720	18	10	40	72	1,789,110	2,781,997	99,400	178,911
Pawnee.....	756	14	7	54	108	2,829,991	6,777,775	202,142	404,284
Phillips.....	900	18	10	50	90	1,441,964	2,555,698	80,109	144,196
Pottawatomie.....	848	14	14	61	45	881,681	1,084,285	62,977	62,977

ELEVATORS—CONCLUDED

COUNTY	Area in Sq. mi.	Number of elevators, 1914	Number of towns with elevators, 1914	Sq. mi. per elevator	Sq. mi. per town having elevators	Bushels available for elevators, basis 10-yr. av., 1905 to 1914 (a)	Bushels available for elevators, 1914	Av. bushels per elevator, basis 10-yr. av., 1905 to 1914	Av. bushels per elevator, were there but one elevator per town, basis 10-yr. av.
Pratt.....	720	20	9	36	80	2,867,596	4,679,282	143,380	319,733
Rawlins.....	1,080	5	3	216	360	3,648,251	1,801,249	729,650	1,216,084
Reno.....	1,260	27	12	47	105	4,158,317	7,211,226	154,012	346,526
Republic.....	720	21	13	34	55	1,606,034	2,182,277	76,478	123,541
Rice.....	720	24	13	30	55	2,292,476	3,939,353	95,520	176,321
Riley.....	617	5	4	123	154	726,265	950,949	145,253	181,566
Rooks.....	900	14	7	64	129	2,341,617	4,253,693	167,258	334,517
Rush.....	720	19	7	38	103	1,867,134	4,762,542	98,270	266,748
Russell.....	900	18	8	50	112	2,015,132	3,778,229	111,952	251,892
Saline.....	720	12	7	60	103	1,894,590	3,519,479	157,882	270,656
Scott.....	720	3	1	240	720	190,983	322,362	63,661	190,983
Sedgwick.....	1,008	23	15	44	67	2,693,698	4,513,329	117,117	179,579
Seward.....	648	6	3	108	216	233,214	764,851	38,869	77,738
Shawnee.....	558	5	4	112	140	705,907	886,384	141,181	176,477
Sheridan.....	900	5	3	180	300	779,519	1,896,236	155,904	259,840
Sherman.....	1,080	5	4	216	270	350,359	531,752	70,072	87,590
Smith.....	900	12	8	75	112	1,692,315	2,504,441	141,026	211,539
Stafford.....	792	25	9	32	88	3,016,938	4,864,861	120,678	335,215
Stanton.....	672	.....	.....	.....	.....	10,272	14,072	.....	.....
Stevens.....	729	3	2	243	364	71,374	208,120	23,791	35,687
Sumner.....	1,188	33	19	36	63	2,932,110	5,203,122	88,852	154,321
Thomas.....	1,080	10	7	108	154	859,513	1,898,732	85,951	122,788
Trego.....	900	7	4	129	225	719,042	2,376,352	102,720	179,460
Wabaunsee.....	804	5	4	161	201	680,895	786,333	136,179	170,224
Wallace.....	900	.....	.....	.....	.....	35,992	42,601	.....	.....
Washington.....	900	17	10	53	90	1,776,116	2,250,612	104,477	177,612
Wichita.....	720	1	1	720	720	121,282	98,924	121,282	121,282
Wilson.....	576	6	5	96	115	510,229	595,175	85,033	102,046
Woodson.....	504	2	2	252	252	246,276	250,216	123,138	123,138
Wyandotte.....	153	.....	.....	.....	.....	263,517	278,670	.....	.....
State of Kansas.....	82,144	1,135	701	72	117	117,526,414	206,314,638	103,547	167,655

(a) Grain available for elevators was calculated on the basis of United States census figures which show that all wheat, all rye, 20 percent of corn, 17 percent of barley, and 11 percent of oats are marketed.

COOPERATIVE STORES

There were 65 cooperative stores in January, 1916. Their location is shown on pages 48 to 50 and in figure 3. The time of establishment is given in the tabular statement below, the oldest one existing having been started in 1876:

WHEN ESTABLISHED	NUMBER	PERCENT
Before 1901	2	6.1
1901-1905	0	...
1906-1910	4	12.1
1911-1915	27	81.8
Total	33	100.0

MEMBERSHIP IN ASSOCIATIONS OPERATING COOPERATIVE STORES

The membership in associations operating cooperative stores varied from 37 to 1,200. Details are given below:

NUMBER OF MEMBERS PER STORE	NUMBER OF STORES	TOTAL NUMBER OF MEMBERS	AV. NUMBER OF MEMBERS PER STORE
Fewer than 20	0	...	...
20 to 40	1	37	37
40 to 60	2	94	47
60 to 80	2	180	65
80 to 100	3	253	84
100 to 120	2	218	109
120 to 140	4	511	128
140 to 160	2	308	151
160 to 180	2	385	167
180 to 200	2	389	194
200 to 220	2	400	200
220 to 240	0	...	...
240 to 260	1	245	245
260 to 280	0	...	...
280 to 300	1	288	288
300 to 320	1	360	360
320 to 340	1	431	431
340 to 360	1	500	500
360 to 380	2	1,600	800
380 to 400	1	1,200	1,200
Total	30	7,294	243

BUSINESS TRANSACTED

The value of store sales varied from \$15,174 to \$250,000. Details are given below:

AMOUNT OF BUSINESS PER STORE	NUMBER OF STORES	TOTAL SALES	AV. SALE PER STORE
Less than \$20,000	1	\$15,174	\$15,174
\$20,000 to 30,000	6	146,404	24,400
30,000 to 40,000	4	187,944	34,488
40,000 to 50,000	4	165,240	41,310
50,000 to 60,000	1	52,000	52,000
60,000 to 70,000	1	61,000	61,000
70,000 or more	1	250,000	250,000
Total	18	\$827,762	\$45,931

MONEY SAVINGS THROUGH COOPERATION

The savings returned to patrons varied from 3 percent to 13 percent. Details follow:

PERCENT SAVED AND PRORATED TO PATRONS	NUMBER OF STORES	PERCENT OF STORES
3	2	14.3
4	1	7.1
5	4	28.7
6	2	14.3
7	1	7.1
8	2	14.3
10	1	7.1
13	1	7.1
Total	14	100.0

COOPERATIVE FEATURES

Out of 34 stores, 19 limit membership to the persons who are members of some farmers' organization, such as the Grange or The Farmers' Union. The other 15 stores have no real limitations to membership.

The authorized capital varied from \$1,320 to \$100,000. Details are given below:

AUTHORIZED CAPITAL PER STORE	NUMBER OF STORES	TOTAL AUTHORIZED CAPITAL	AUTHORIZED CAPITAL PER STORE
Less than \$2,000	2	\$2,820	\$1,410
\$2,000 to 4,000	1	2,500	2,500
4,000 to 6,000	2	9,000	4,500
6,000 to 8,000	2	13,500	6,750
8,000 to 10,000	1	8,000	8,000
10,000 to 12,000	12	120,000	10,000
12,000 to 14,000	0		
14,000 to 16,000	3	44,000	14,667
16,000 to 18,000	0		
18,000 to 20,000	0		
20,000 to 22,000	1	20,000	20,000
22,000 to 24,000	0		
24,000 or more	8	365,000	45,625
Total	32	\$584,820	\$18,276

The amount of paid-in capital varied from \$600 to \$85,000. Details are given below:

PAID-IN CAPITAL PER STORE	NUMBER OF STORES	TOTAL PAID-IN CAPITAL	AV. PAID-IN CAPITAL PER STORE
Less than \$2,000	6	\$6,550	\$1,091
\$2,000 to 4,000	5	15,210	3,042
4,000 to 6,000	10	47,898	4,789
6,000 to 8,000	4	27,150	6,787
8,000 to 10,000	2	18,850	9,425
10,000 to 12,000	3	30,989	10,328
12,000 to 14,000	1	18,200	18,200
14,000 to 16,000	0		
16,000 to 18,000	0		
18,000 to 20,000	0		
20,000 or more	3	177,250	59,088
Total	34	\$337,091	\$9,978

Out of 33 stores, 19 issued 10-dollar shares, 7 issued 5-dollar shares, 3 had 25-dollar shares, 2 had 50-dollar shares, 1 had 100-dollar shares, and only 1 had 1-dollar shares.

Out of 34 stores only 3 had no limit to the concentration of ownership of capital. No valuable data regarding concentration of capital are available.

Out of 34 stores reporting, 21 pay interest on the capital and 13 do not.

Out of 34 stores, 24 rebated the savings to the members, while 10 made no rebates.

Managers' salaries varied from \$50 to \$175 per month or \$600 to \$2,100 per year. Details are given below:

MONTHLY SALARY PER MANAGER	NUMBER OF STORES	TOTAL ANNUAL SALARIES OF MANAGERS	AV. ANNUAL SALARY PER MANAGER
Less than \$50	0		
\$50 to 60	3	\$1,860	\$620
60 to 70	5	3,810	762
70 to 80	6	5,340	890
80 to 90	2	1,960	980
90 to 100	2	2,220	1,110
100 to 110	6	7,200	1,200
110 to 120	0		
120 to 130	1	1,500	1,500
130 or more	1	2,100	2,100
Total	26	\$25,990	\$1,000

Out of 34 stores, 33 vote according to the "one-man-one-vote" idea, and only in one case was the "one-share-one-vote" method used.

Out of 34 stores, only 3 have a fund reserved from the savings for the purpose of educating the members in the value and responsibilities of cooperation.

LIVESTOCK SHIPPING ASSOCIATIONS

There were 59 livestock shipping associations in January, 1916. Their location is shown on pages 48 to 50 and in figure 4. The time of establishment is given in the tabular statement below:

WHEN ESTABLISHED	NUMBER	PERCENT
Before 1901.....	1	7.7
1901-1905.....	1	7.7
1906-1910.....	2	15.4
1911-1915.....	9	69.2
Total.....	13	100.0

MEMBERSHIP OF LIVESTOCK SHIPPING ASSOCIATIONS

The number of members in livestock shipping associations varied from 35 to 345. Details are given below:

NUMBER OF MEMBERS PER ASSOCIATION	NUMBER OF ASSOCIATIONS	TOTAL NUMBER OF MEMBERS	AV. MEMBERSHIP PER ASSOCIATION
Fewer than 40.....	1	35	35
40 to 80.....	0	..	..
80 to 120.....	2	204	102
120 to 160.....	3	424	141
160 to 200.....	0	..	..
200 or more.....	3	908	303
Total.....	9	1,571	177

BUSINESS TRANSACTED

The number of cars of cattle marketed varied from 6 to 40; the number of cars of hogs, from 5 to 60.

MONEY SAVINGS THROUGH COOPERATION

The business of livestock shipping associations, for the most part, is operated on the basis of prorating cost so that all income above 6 cents per 100 pounds goes to patrons in the form of prices for livestock. Savings amounted to from 5 cents to 60 cents per 100 pounds shipped. The usual amount was 20 cents per 100 pounds.

COOPERATIVE FEATURES

The amount of authorized capital varied from \$300 to \$30,000. Details are shown below:

AUTHORIZED CAPITAL PER ASSOCIATION	NUMBER OF ASSOCIATIONS	TOTAL AUTHORIZED CAPITAL	AV. AUTHORIZED CAPITAL PER ASSOCIATION
Less than \$2,000.....	1	\$300	\$300
\$2,000 to 4,000.....	1	2,000	2,000
4,000 to 6,000.....	2	10,000	5,000
6,000 to 8,000.....	2	13,500	6,750
8,000 to 10,000.....	0	..	..
10,000 to 12,000.....	1	10,000	10,000
12,000 to 14,000.....	0	..	..
14,000 to 16,000.....	1	15,000	15,000
20,000 or more.....	1	30,000	30,000
Total.....	9	\$80,800	\$8,977

The amount of paid-in capital varied from \$300 to \$30,000. Details are shown below:

PAID-IN CAPITAL PER ASSOCIATION	NUMBER OF ASSOCIATIONS	TOTAL PAID-IN CAPITAL	AV. PAID-IN CAPITAL PER ASSOCIATION
Less than \$2,000.....	2	\$1,800	\$650
\$2,000 to 4,000.....	0	.....	.....
4,000 to 6,000.....	2	9,500	4,750
6,000 to 8,000.....	3	18,415	6,138
8,000 to 10,000.....	1	8,512	8,512
24,000 or more.....	1	30,000	30,000
Total	9	\$67,727	\$7,525

Out of 9 concerns, 5 had 10-dollar shares, 2 had 25-dollar shares, 1 had 1-dollar shares, and 1 had 50-dollar shares.

None of the livestock shipping concerns imposed effective limitations on the ownership of capital.

Out of 10 concerns, 6 pay interest on capital and 4 do not.

Out of 9 concerns, 6 rebate the savings to members, while 3 do not.

The managers' salaries varied from \$60 to \$180 per month or from \$720 to \$2,160 per year. Details are given below:

MONTHLY SALARY PER MANAGER	NUMBER OF ASSOCIATIONS	TOTAL ANNUAL SALARIES	AV. ANNUAL SALARY PER MANAGER
Commission of \$5 per car.....	2	.....	.....
Commission of \$7.50 per car.....	1	.....	.....
Commission of \$10 per car.....	1	.....	.....
\$60 to \$70.....	1	\$720	\$720
70 to 80.....	1	900	900
90 to 100.....	1	1,080	1,080
100 to 110.....	4	4,800	1,200
130 or more.....	1	2,160	2,160
Number paying salaries.....	8	\$9,660	.....

Voting is carried out on the principle of one vote for each share owned.

VARIOUS MINOR COOPERATIVE ORGANIZATIONS

In January, 1916, there were 31 cooperative insurance concerns, 77 grain and produce shipping organizations, and 45 other cooperative undertakings, making a total of 153. Their location is shown on pages 48 to 50 and in figures 5 to 8. The time of establishment, as far as reported, is shown in the tabular statement below, the oldest existing concern having been started in 1888.

WHEN ESTABLISHED	INSURANCE CONCERN	BUYING ASSOCIATION	OTHER COOPERATIVE ASSOCIATION	TOTAL
Before 1901.....	6	0	0	6
1901-1905.....	1	0	1	2
1906-1910.....	2	1	2	5
1911-1915.....	0	5	4	9
Early in 1916.....	0	1	0	1
Total	9	7	7	28

MEMBERSHIP IN ORGANIZATIONS

NUMBER OF MEMBERS PER CONCERN	NUMBER OF CONCERNS	TOTAL MEMBERSHIP	AV. MEMBERSHIP PER CONCERN
<i>Insurance</i>			
200 or more.....	7	32,517	4,645
<i>Buying</i>			
Fewer than 40.....	..	..	..
40 to 80.....	4	188	47
80 to 120.....	1	80	80
120 to 160.....	2	230	115
Total	7	498	71
<i>Other cooperative associations</i>			
Fewer than 40.....	2	32	16
40 to 80.....	4	220	55
80 to 120.....	1	109	109
Total	7	361	52

BUSINESS TRANSACTED

The amount of business transacted by miscellaneous cooperative organizations in 1915 cannot be estimated correctly. The information obtained is presented below:

KIND OF BUSINESS	NUMBER OF CONCERNS	AGGREGATE VALUE OF ANNUAL BUSINESS	AV. ANNUAL BUSINESS PER CONCERN	INSURANCE IN FORCE
Insurance	7	\$157,047	\$22,435	\$62,406,391
Buying association	7	23,283	3,326	.....

MONEY SAVINGS THROUGH COOPERATION

Miscellaneous cooperative organizations saved from 2 percent to 20 percent by cooperation, 10 percent being the usual amount.

Buying associations saved from 17 percent to 30 percent on the articles purchased. In 2 cases the saving was 20 percent, in 2 cases, 30 percent, in 1 case 17 percent and in 1 case, 25 percent.

