

MEMO TO LIONEL -

EXCERPTS FROM SPEECH AT MORA, MINNESOTA, ON DECEMBER 1, 1947 -

Cooperative enterprise represents economic collective bargaining. The cooperatives offer to the farmer and the consumer a means of participating in the market on fair and equal terms with big business, and in particular the monopolies.

Cooperatives are the very essence of democracy. Within the organization of the cooperative there is no limitation upon participation because of race, color, or creed. Money does not buy special privilege or political power. A shareholder is a shareholder, regardless of the amount of stock or shares that he may own. Cooperative enterprise provides an opportunity for local participation in management and economic policy. This is grass roots democracy, and it is a democracy that is working for the benefit of the individuals concerned, and the public in general.

The history of postwar Europe clearly reveals that the nations which had a strong cooperative movement are those that are now quickly recovering. The nations where cooperatives exercised a political and economic influence are the same nations that are successfully resisting dictatorship of the left or of the right. Communism and Fascism have found a mortal enemy in cooperatives. The small businessman, the individual land owner, the worker in the factory and the shop, have found a friend and an ally in the cooperative.

The recent attack upon the cooperatives in the Congress of the United States-- the tax proposals of the N.T.E.A., come from the same sources as the onslaught upon the labor movement embodied in the Taft Hartley Bill sponsored by the National Association of Manufacturers. There is clear and definite proof today that farmers and workers, the individual businessman and the white collar worker, have been segregated for special consideration by the power and monopoly interests of this nation. Surely there should be a kindred spirit between those on the farms and those in the factories. If for no other reason than the fact of a common attack

by the representatives of big business upon the farmers, cooperatives, and the workers trade unions, these organizations of our people should grow to understand each other just a little better. I repeat, the security and prosperity of this nation rest upon a stable and prosperous agriculture and an economy of full employment and adequate wages in the industrial centers of America.

The same Congress that curtailed appropriations for REA, soil conservation, the school lunch program--the same Congress that handed labor a Taft Hartley Act, and refused to go ahead with the programs of regional river valley development and has ducked the issue of raising minimum wages to a respectable living standard level--this same Congress has seen fit to investigate the cooperatives, and to urge the taxation of the cooperativ. On the one hand, the cry is for tax reduction--a tax reduction in the high income brackets, despite the repeal of excise profits taxes. On the other hand the demand is made for new revenues by taxing cooperatives. The inconsistency of this position is so clear and definite that no one is being fooled.

The people of America ~~are~~ facing drastic shortages of steel, of cement, and of electrical power, are wondering why haven't these industries been investigated. Why are they beyond the notice of our public officials? Is it not strange that shortages exist in America in those industries which from all economic reports are clearly monopolistic? In a period of high profits and high prices, the evidence is indisputable that monopoly enterprise goes hand in hand with shortages and scarcity. In this period of inflation, the economic evidence is overwhelming that monopoly enterprise is making axhorbitant profits, while the nation suffers from the lack of strategic materials and goods.

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