

# **Death in the Co-op Family**

70 Years of Murder, Suicide and Tragic Accidents

*A forward: How this paper came to be*

*In Scotland, progress is brewing. At St. Andrews University, the Student Union is interested in developing housing co-ops, not a small undertaking for a country where none exist now.*

*Last fall, Ben Reilly, who is one of the officers of the St. Andrews Student Union, came to the NASCO Institute to learn more. Ben is well organized, thoughtful, and always seems to know the right questions to ask. Recently he asked for thoughts on why co-ops fail, so that they could avoid some of the pitfalls.*

*This is the first time that I've ever had such a request, though I've been thinking about the question for years. We tend to focus on success stories, and there are many: Berkeley, Ann Arbor, Austin, Oberlin, Toronto, Waterloo, Madison, Minneapolis and other places large and small have co-ops that have prospered for many decades. We know a lot about them, and we can both celebrate and emulate their success.*

*It's much harder to learn about failure. Co-ops with serious problems seldom write much about them, and those who participate in disaster often leave for parts unknown. As a part-time historian of the movement, I've had to spend many hours in dusty university archives to figure out why things happened as they did.*

*This paper is based on what records and memories we can gather. In some respects, it's a sad and depressing story, filled with tragedy that has scarred both our movement and the people who failed in their efforts to keep their co-ops afloat. At the end, I'll try to draw some conclusions and give some suggestions on avoiding similar failures – and hopefully that will provide some relief from these stories of gloom and doom.*

*In many cases, I've drawn conclusions based on the limited information, and these could be way off base. I would invite any readers with more information or different thoughts to share them with me, so that future efforts to discuss these tragedies can be more accurate and complete.*

## **Introduction: the Mysterious Presence in Student Cooperatives**

In this paper, I will constantly be drawing an analogy between housing co-ops and human lives. I firmly believe that this is an accurate way of characterizing co-ops, in the sense that conclusions drawn from this analogy often do describe and predict behavior.

I used to offer a workshop on our co-ops called “The Mysterious Presence.” I talked about the way that our members come to think of their house as an entity separate from themselves,

with its own name, personality, clothing (the physical structure), money, a history and a future. Sometimes, even a language unique to the co-operative has developed, such as in the Ann Arbor co-ops, where the word “guff” has a 70 year history of meaning snack food and other goods which are up for grabs.

The most fragile years for a co-op are the first two to five, when the personality is first forming. There is often a struggle during this early stage between different groups, each with their own ideas of the purpose and norms which should develop. This can sometimes be avoided, but only if planning predates development. This is like the parents talking about how to do toilet training or discipline before the baby is born – it can avoid many later arguments.

When this doesn't happen, or when the planning isn't effective, groups with competing visions often conflict until one becomes dominant. It can be a bloody process, and it is a dangerous time. After the first year or so, the losing group or groups will leave, and new members will know what to expect before joining. This early developmental stage will set the course for the co-op for years to come. As the old adage goes, “As the twig is bent, so grows the tree.”

As the personality of the new co-op takes shape, the group gains a stability and continuity that's difficult to explain to the outside world. This is much more true for group housing than for apartments, where the social ties are much looser and socialization a weaker force.

In a group setting, there are two forces that strengthen the personality and character of the group. The first is self-selection: only those prospective members who are attracted to the emerging nature of the co-op will seek to join, and when they do join, they reinforce that “mysterious presence.” In those co-ops which have a selective membership system, there is also a tendency (which many deny) to invite people with similar and compatible ideas into the group. While this works against diversity, it does have a harmonizing effect, which in the early years could be considered a survival mechanism.

The second force is socialization. Acceptance of the norms of the co-operative are vital to building a strong community, and the informal educational structures in a successful co-op are incredibly effective. In the typical group housing co-op, a new member will come to understand and accept the systems and normative values of the group within the first two weeks; in cases where that doesn't happen, the new member will be socially ostracized and will generally leave or be forced out of the group.

Most co-ops pride themselves on diversity and openness, but it's clear that only a certain range of attitudes is acceptable. Before the end of housing segregation in the United States, most student co-operatives were the only private housing near campus where Black students could live. During World War II, the co-ops in Ann Arbor welcomed Japanese-Americans when they too had few choices. Jews and gays have also been welcomed into membership. A racial bigot or homophobe, by comparison, would clearly not be accepted. Nor would males who believe in more traditional roles for the sexes, a fact quickly impressed on many students from male dominated countries.

The values of the co-operatives are related to their degree of success. Clearly, co-ops with strong communities and shared values will be more likely to pull through difficult times. And the longer the co-operative exists, the stronger the community, the personality, and as a result, the “mysterious presence” become. Over time, co-op members re-define their roles from birth parents to caretakers. They see their work as protecting and sustaining the entity where they are temporarily living, part of an ongoing history rather than as an isolated experience.

Going back to the analogy, a co-operative may be thought of as going through developmental stages, with its ability to cope with difficulties increasing as it gains experience and develops a strong core identity. There are many pitfalls along the way, however, and as a toddler it’s always in danger, both from external forces and from its own mistakes.

The members are like the brain, nervous system and organs that keep us all alive, and they must all do their job in order for the co-op to survive. Diseases can and will develop, as we will see later in this paper, and the strength of the culture is in this case the same as the strength of the immune system – it’s absolutely necessary for survival.

This paper will be divided into three sections, each dealing with different kinds of disasters that can and do happen with cooperatives. The first section deals with outside forces which can destroy a cooperative, which I would term murder, or perhaps more accurately, manslaughter. The second section describes dysfunctional cultures/personalities, which can lead in the worst cases to suicide. The third section talks about accidental death – the kinds of disasters that are caused by forces of nature, or more often by lack of experience, and sometimes just through plain stupidity.

## **Yes, Virginia, sometimes murders happen**

Sometimes co-ops are killed by others. Co-ops generally fall into only three categories: (1) those that own their own property, (2) co-ops that lease from private or non-profit owners, and (3) co-ops that lease or manage university owned property. In the last two cases (and in rare cases even when property is owned), the co-op is at the mercy of people who are not members. For a variety of reasons, this can lead to death.

Death by landlord execution. Death by landlord is the easiest kind to understand, although the reasons for it can vary widely. When they first begin, many co-ops lease their buildings from private landlords. If they have a strong identity and are not just a collection of random people, the co-op can survive the loss of a lease and move to another location.

With private, for profit owners, there is always a risk that the building will be sold to someone who wants to use it for a different purpose. In other cases, the owner will want to raise the rents to an unacceptable level. Whatever the reason, this has been a common problem over the years, and whether the co-op dies or simply moves to a location is a test of its character and stability. Some examples are given in the case studies below:

Case Study: War casualties at the University of Michigan. Independent student housing co-ops began in Ann Arbor in 1932 and grew rapidly, until there were thirteen houses by the start of World War II. All were in rented rooming houses, and all were single sex groups, as required by the university and the mores of the times.

When the war broke out, some of the men's houses closed, while others had "sex changes." This much was understandable, given the drain of men into the armed forces. A different kind of problem arose toward the end of the war, however, when speculators realized that the student body would swell far beyond even pre-war levels when the GI's returned to school. They rapidly began to purchase property around the school, including houses rented by the co-ops.

The co-ops had generally been leasing from older families who owned large houses and rented out rooms to students – a common pattern in pre-war North America. The speculators were often absentee landlords, however, and rooming houses were too difficult to manage. During and after the war, the new owners rapidly converted many of the large, old structures into apartment buildings, where they could increase the profit margin and decrease the number of leases.

This often meant that the co-ops had to go. Even where they were allowed to stay, the new owners were much more interested in profit than the families which had benefited from renting to the co-ops during the Depression. Moreover, the prices were going up dramatically, and the old rents simply couldn't pay for the new loans needed to finance a purchase.

Many of the co-ops moved on an almost annual basis in order to stay alive. Robert Owen House "lived" in four different locations between its founding in 1938 and purchase of a permanent home in 1944. Others just couldn't make it. Rochdale Co-op, Brandeis, Lincoln, and Pickerill all closed during this period, often simply because they couldn't find another house to rent.

Case study: Ahimsa Co-operative. Often the loss of a lease will simply mean finding another place to rent, as in the cases above. Sometimes, however, the co-op sees itself as a building rather than as an association, and moving is psychologically not an option.

Ahimsa, a more recent co-op also located in Ann Arbor, rented a house from its inception in 1977 until 1998, when the owner died and the building was sold to someone who preferred to lease out individual rooms. The co-op even had an opportunity to buy the building from the former landlord's estate, but their culture was not strong enough to overcome member lethargy, and the opportunity was lost. The group eventually decided to simply disband rather than find a new home.

Unfortunately, this is not an isolated example of this kind of problem. The death or sale of a house by an elderly owner has frequently ended long and well established relationships which the co-ops somehow assumed would last forever. In a couple of cases, the group has been able to purchase the property, while in too many instances, they have simply died.

Death by university decision. While it's true that leasing co-ops have a high rate of mortality, the problem is still worse for co-ops in university owned buildings. While profit is generally the motive for death in off campus leasing co-ops, universities have a whole arsenal of reasons for destroying their co-ops. Between 1873 and the present day, there are scores of colleges and universities that have provided buildings large and small for co-operative use, but few of these groups survive today. And sadly, most of these co-ops have been killed *in spite* of their success rather than because of failure.

The reasons for “death by university” fall into several general categories:

1. Death by different priority. While many universities recognize the need for affordable student housing and strong learning communities, these are not always the priorities that drive them.

#### Case study: The Strange Case of Texas A&M

This a mystifying story, but there have been many similar stories from other universities up to the present day. Over the years, universities from Idaho and California to Rhode Island have attempted to force out or kill successful cooperatives, often without apparent reason. Because the schools have seldom been forthcoming with logical explanations, we've often been forced to guess at motivations.

The story of the meteoric rise and fall of the co-operative at Texas A&M is simply too long to include in the body of this paper, and I have placed it in Appendix A below. It is an incredible story of one of the first and largest independent co-ops ever established in the United States, established in the small town of College Station, Texas in 1933. In 1938, while still in the depths of the Great Depression, the university Regents made decisions that not only destroyed the co-op, but forced some students to leave school. We can only speculate, on the slimmest of evidence, as to why this happened.

#### Case study: University of Texas Women's Co-ops

A more recent example took place in Austin, Texas where up until the late 1990s there was an extremely successful group of co-ops for women (collectively known as the U.T. Women's Co-ops). Many of the groups were founded in the 1930s and 1940s and were originally in rented houses off campus. In the 1950s, the university constructed a number of small group housing facilities specifically for the women's co-ops (self-contained duplex units for 24 students on each side) with the help of alumni donations and grants. All but one group moved in. In the early 1960s, the number of houses on campus was doubled, for a total of about 200 residents. Men's groups remained off campus in rented facilities and later became coed groups.

The women's co-ops became the best and most affordable places to live in Austin. They had a strong relationship with the financial aid office, which regularly referred to them students in need. The co-ops were under university rules and the school refused

to let them incorporate, ostensibly for reasons of liability, but the 8 on-campus co-ops formed a strong council and eventually even hired their own administrator.

A turning point came in 1998, when two male students filed a law suit charging discrimination and demanding that the university either provide similar housing for men or allow them to join the women's co-op. After a great deal of struggle, and after the university threatened to throw them out if they didn't comply, the women's co-ops agreed to make one of their houses coed.

However it soon became clear that the gender issue was a "red herring," and that the university really wanted the co-ops to leave. They developed a plan to move the co-ops out over several years, converting the houses to traditional freshman residences as they left. And, as soon as the conversion was complete, it became apparent that even this was an interim step in a longer range master plan, and that the buildings would soon be torn down to make way for a high density dormitory.

This had been rumored from the very beginning, and it made sense given the prime location of the co-ops, the low density of the four duplex buildings (which were two story construction, surrounding a beautiful courtyard). The University of Texas is now the second largest school in the country, and still growing, but they have a very small residence hall system.

The good news is that the women had enough savings and a strong enough group to move off campus and survive, after a fashion. They purchased one house for about 50 members, but for financial reasons were later forced to merge with College Houses, another off campus co-op which was larger and more secure. The house is still for women, but it is now the last vestige of what developed under the wing of the university for almost 50 years.

2. Death by cost-benefit. Universities are not monolithic institutions, and ideas that make sense from the standpoint of student life and student aid departments may make no sense at all to the financial and housing people. Co-operatives can be pulled apart by competing power structures focusing on different issues, with the students caught in the middle.

#### Case study: Franklin and Marshall Co-operative

In the early 1980s, Franklin and Marshall College, a small liberal arts school in central Pennsylvania, hired a new president who previously had worked at Oberlin College in Ohio. Oberlin has a long and successful tradition of co-op housing and dining, with 600 students (nearly 25% of the student body) as members of the Oberlin Student Cooperative Association. The new president at Franklin and Marshall asked his Office of Student Life to investigate the possibility of starting a co-op, and in turn they contacted NASCO for assistance.

The college then purchased a brick row house as its first effort, spent a summer renovating the facility, and opened it in the fall. NASCO found an experienced co-op

member to live in the house for the first year as a kind of “house mother” and help with initial organizing. The first members were selected by the college during the previous spring, based on interest, a balance between class levels, and other factors. In turn, officers were elected by the group and asked to figure out how to run the co-op.

The “house mother” and NASCO staff then worked with officers, who came to school a week early to set up the house. It was a very successful start-up, and the house ran smoothly.

Problems between the co-op and the college developed even before the opening, however. Because of extremely high standards for renovation work, the row house was gutted and rebuilt, including an extensive sprinkler system and a top quality commercial kitchen. The total cost for housing 20 students was over a million dollars.

The housing and business offices demanded that the co-op members be charged at least as much as the students in the residence halls (which were above area rental rates). The co-op members rightly objected, saying that they were doing all their own cooking and cleaning and shouldn't have to pay the same as people having work done for them.

Unfortunately for the college administration, the co-op membership included the editor of the student newspaper and members of the student government, who made the issue very public. The college backed down.

Unfortunately for the co-op, there were no more attempts to develop new co-op houses, and resentment lingered. And over time the college took more and more independence from the co-op members, and within a few years the group ended contact with NASCO. We now believe that they are dead, and they are not listed on the college web site.

3. Death by bureaucracy. It's very difficult for university housing departments to deal with small self-governed housing units, which are very different from the rest of the residence hall system. We believe, though we cannot prove, that many of the smaller co-op houses and systems have closed because of a combination of factors including staffing problems. The exceptions seem to be in places where the co-op systems are large enough to support at least a junior staff person to deal with them.

Part of the difficulty seems to be a concern over control. Control is often a very big issue with many administrators, and in many cases this issue has resulted in conversion of co-ops to more traditional residence halls, sometimes with a resident work requirement added.

However, successful co-ops need to have a degree of control over their activities in order to develop a strong identity, and groups where residents work in return for lower charges but have no control should really be called scholarship halls rather than co-ops.

### Case study: the University of Wisconsin

While more research would be needed to present a full case study of such a situation, the conversion of several very old co-ops at the University of Wisconsin to residence hall status is probably a good example of this problem.

These co-ops were very old, dating back to 1914, when a group of women were allowed to rent a vacant house from the university. Eventually, the university built several buildings specifically for three of the successor co-ops: Rust and Shriner (which shared a kitchen and dining room) and Susan B. Davis House. These were alive and well as of the 1980s, but they were very much under the thumb of the housing department.

They are now listed on the university website as residence halls (without food service) rather than co-ops. We believe that they simply became more trouble than they were worth for those in charge.

### Places where university owned co-ops have died:

- Michigan State University
- Texas A&M
- University of Texas
- Southwest Texas State University
- Denton College
- Washington State University
- University of Iowa
- Brown University
- Franklin and Marshall College
- University of Michigan
- Northwestern University
- Antioch University
- University of Wisconsin

...and probably many others. Records of dead co-ops are hard to come by.

### Places where university owned co-ops are alive and successful:

- Oberlin College
- University of Minnesota (married student housing)
- Stanford University
- Harvard University
- Oregon State University
- Cornell University
- Albion College

...and probably other small groups that we are not aware of.

## **Sometimes Co-ops Decide that It's a Good Day to Die**

There are times when co-ops have problems, but they simply decide to die rather than change. Here I'm defining "suicide" as group behavior which knowingly leads to death of the cooperative. This may sound odd at first, but surely no more odd than suicide among people. It is generally related to a psychological disorder in either circumstance, and it generally can't be explained purely through logic.

In the case of student housing cooperatives, there are two types of problems that should be discussed. In this case, we will be talking only about member-owned, off campus cooperatives, although it's possible that some similar problems occur in rental/university owned co-ops as well.

1. Death by counter-culture. Some of the most spectacular co-op failures have been related to cultural issues. There seem to be times when the common wisdom of the group is so different from that of the outside world that the two just can't co-exist.

When the world asserts standards of behavior different from those of the co-op, the group may simply refuse to comply, thereby risking death. The authority of the outside world often takes the form of the government, but it might also be the larger co-op system of which the co-op is a part. Some examples are in order:

Case study: Rochdale Co-operative College. In Canada, the very words "Rochdale College" still bring shudders in the co-operative community, thirty years now after the co-op's collapse. Rochdale was the first high-rise student co-op built in Canada under an innovative government program, and it was located on a very prominent corner in downtown Toronto.

Constructed in the late 1960s, Rochdale quickly became the center of drug traffic and the "hippy" subculture of Toronto. The co-op had an elaborate security system, complete with personnel dressed as London Bobbies, with an alarm system which would signal drug raids.

The co-op had little knowledge of who lived there or who was paying. A political decision was made not to pay on the government loan that made the building possible, in spite of a probability of foreclosure.

Worst of all, a culture developed which drove out all who attempted to deal with the problem. "Anti-authoritarianism" was the dominant theme, and the very word "leadership" took on bad connotations.

As you might guess, the building is now a home for the elderly.

Case study: Barrington Hall. Perhaps the West Coast version of Rochdale was Barrington Hall in Berkeley. Barrington was the first building purchased by the University Students Cooperative Association (USCA) in the early 1930s. It was a very large building and served its members well for generations.

In more recent years, however, a strange illness seemed to infect the building, leading to property destruction and noise that eventually brought a backlash from the neighbors. A lawsuit was filed, and the City was asked to close down the building.

By this time, the USCA had grown to an organization with 1,400 members housed in 22 buildings, and they were forced to intercede. At first, thinking that physical problems were the basis for the behavior, USCA shut down the building for the summer and did a complete renovation. It took only weeks for the building to be brought back to its “normal” self after the members returned in the fall.

Eventually, the USCA had to sell the building, which in the world of co-ops is a bit like cutting off an arm. The organization as a whole survived the experience, but Barrington lives only in memory.

2. Suicide by infection and refusal of doctor assistance. There are times when a truly destructive person becomes a leader in the cooperative. If the community is strong the group will deal with the problem. If the community is weak or the self-confidence of the group shaky, things can easily go from bad to worse.

It should be emphasized that this is an unusual situation. Nearly all cooperatives go through a cycle of good and bad years, and if the co-op owns its property, they usually they pull out of slumps without drastic problems. It's not easy to walk away when you own the building, and members will usually rise to the challenge.

However, the co-op can be vulnerable during bad years. It's as though the body's immune system is depleted, and just like a person, the co-op is vulnerable to infection. If a strong negative personality takes charge, the group as a whole may feel unable to respond. If the house is owned by an umbrella cooperative, the response is often to kick out the problem members and try again.

But in an extreme situation, the “nuclear option” of killing the co-op is sometimes the only workable alternative. I would call this a suicide, because it is never the favored option of the umbrella group, but rather the last resort when a co-op is unable to accept help, refuses to take medicine, and prefers to die.

Case study: Lenny Bruce House. In Ann Arbor, a similar story played out with Bruce House, a group of 53 members in a large former sorority building owned by the Inter-Cooperative Council at the University of Michigan (ICC). In this case, the problem was most directly related to an older student returning to school for his masters degree who turned out to be a paranoid schizophrenic. While this person was clearly the catalyst for what came later, he could never have caused so much havoc if the culture of the house had not allowed it.

In this case, he had a group of surfers from the West Coast plus a group of Korean international students who provided support, while the remaining members felt helpless and unable to respond. This was a house which included several mobility

impaired people, and they were special targets for his anger. The situation deteriorated to a point where there was real physical danger.

The ICC had to step in, and after a confrontation the building was shut down and the problem people removed. The house was renovated and re-started as a new entity with a new name: Sojourner Truth House. In effect, killing the old house was seen as the only viable solution.

Interestingly, changing the name has an important affect. There very literally is no relationship felt by members of Truth House to the old members of Bruce. It's as though the group is clearly separate from the building, and the parts are indeed interchangeable. Still, it is true to say that the old co-op was killed, or more accurately chose suicide through its inability to change.

3. Doctor assisted suicide. In some cases, boards of directors are heavily weighted toward outside interests, rather than being controlled by the resident members. Balance is the key here: having some directors with more experience and more stability over time is really a good idea, particularly if the co-op is old enough to draw from its alumni. The outside members are usually intended to serve as the “doctor” for the co-op in case of problems, and often this works.

However there are a number of cases where the real power has been vested in a board with a majority of non-members, who may have totally different perspectives and priorities. When problems arise, these boards will sometimes simply give up rather than struggling through to a solution.

The “dual corporation” model, with the ownership vested in an outside board, has a long history in student co-ops. The typical fraternity or sorority is based on this model, where the building is owned either by a group of local alumni (the fraternity model) or by the national organization (more common in sororities). Some churches also use this model.

This model, though more than a hundred years old, has serious flaws which are manifest in the condition of fraternities. Because the members feel no stake in the property, they tend to ignore problems, assuming that “someone” will fix them later. The outside board acts paternally to insure the upkeep, and the rich alumni smile knowingly at the antics and excesses of the current group.

Co-ops all go through periodic cycles of ups and downs. They generally can pull themselves out, and the problems rarely are as bad as in many fraternities. But sometimes the slump can be both frustrating and threatening for outside board members. They do not live in the house, yet they feel responsible – and in fact *are* responsible under law – for it's upkeep and well being. At some points, it simply becomes impossible to believe that the members will pull themselves out of the crunch. In the best case, the board will reorganize the group; in the worst case, the building will be sold.

### Case study: The Student Cooperative Association

As with Texas A&M, this story is too long for the body of this paper and is included as Appendix B. The SCA, located at the University of Washington in Seattle, was another very large cooperative system which started early in the Great Depression and grew quickly. It's difficult to tell whether the co-op had to die, but it is clear that there was a benefit to liquidation, though not for the current and potential members.

Case study: The Farmers Union Student Cooperative. This group began in 1937 in Fargo, North Dakota by selling shares to local chapters of the Farmers Union. The co-op functioned beautifully for more than 50 years before running into problems and being closed down. In my mind, it was the "nuclear option" used when many other options still existed, sort of a doctor-assisted suicide. This story is in Appendix C below.

## **Tragic "Accidents" Sure Can Ruin a Good Day**

By accident, I mean here not only "acts of God," but also those mistakes, acts of forgetfulness and unfortunate omissions that can have mortal consequences.

I won't go into those obvious problems, such as fire and flood, except to say that adequate insurance can and should be a conscious decision. So also should be filing tax returns, paying property taxes, and keeping houses well maintained – but sometime these don't happen. The reason that I think of these as accidents rather than stupidity is because of two underlying problems in the very nature of student co-ops: youth and turnover. In smaller independent groups, turnover and lack of experience make errors much more likely than in other types of businesses.

These errors are seldom conscious. The student members of the co-ops on the whole are very intelligent, hard working and good at making excellent collective and individual decisions. The problems usually arise from lack of information on which to act. For example, small independent groups may not even know that they have to file with the state on a regular basis to remain incorporated, and the forms may be sent to a member who no longer lives in the house. They may not think that it's important to file income tax returns, since they make little or no money, and they may not have noticed that the city fire codes have changed until an inspector orders a massive change with a quick deadline.

As individuals, we might say "Whoops!" and beg for mercy – and again co-ops are no different. But there are some cases where the damage is too much to be dealt with, and the co-op dies.

Case study: Cornhusker Co-op at the University of Nebraska. Cornhusker was the first men's co-op at the U. of Nebraska, founded 1938. In 1970, the group obtained a loan from the U.S. Dept. of Housing and Urban Development and built a beautiful new building. The following are memories of Cornhusker and its death, written by Jim Jones in March of 2000:

*“I visited Cornhusker for the first time in the summer of 1971, just as construction on the new building and before the house was actually opened for the fall. It was a very institutional place, maybe three stories high, long hall, flat roof and such. I believe it held about 60 members.*

*“I next visited in about 1982 or 1983, while serving as Executive Director for NASCO. My memory is that they had vacancies despite having a hired cook and requiring little work. They complained about the high rent but felt that if they didn’t have a hired cook, no one would live there. They had no one hired for business matters.*

*“My next contact was in the late 1980s or early 1990s, when they came to a NASCO Institute. They had “forgotten” to pay the property taxes a few years before and were in deep trouble. I suggested to them that they form a union with Brown Palace, which at the time was having serious maintenance problems but were free of debt, so that as a single unit they could (1) hire management, and (2) borrow money to fix up Brown Palace and pay off the back taxes.*

*“They went back to Lincoln and made a brief effort to explore this idea, but for whatever reason it didn’t work out and they ended up donating their building to the University...”*

## **Conclusions and Suggestions for Long Life and Better Living**

Co-ops can die for many reasons, only some of which are under their control. A focus on dying can lead to the wrong conclusions, however, since there are some models for co-operatives which avoid many of the “death traps” so depressingly outlined in this paper.

The first and most important variable is ownership. Leasing co-ops are always at risk to market forces, although it can be a good way for co-ops to start. University ownership can be problematic, although there are some excellent co-ops in university buildings that suggest some good variations to insure good health.

Without question, the most successful undergraduate co-op owned in university owned buildings is at Oberlin College. A key difference between the Oberlin Student Cooperative Association (OSCA) and university owned co-ops is incorporation. OSCA, which began in 1951, likes to say that it is student operated and has no staff, despite the fact that (1) it hires an accountant, and (2) it has the entire university to take care of its physical plant. This pride of “ownership,” of the organization if not of the buildings, is a palpable factor in their success.

Another glaring difference between OSCA and many other on-campus groups is their economy of scale. Whereas the co-ops at Stanford or Cornell are all independent groups coordinated by a university staff member, OSCA has over 600 members in residence halls, houses and dining halls at the college. While most decisions are decentralized by location, the

OSCA board has overriding authority. If any one group has problems, they can step in with to assist and make changes as necessary without the paternal interference of the college.

Moreover, it is the OSCA board that negotiates the lease agreement with the college, a grueling experience, which the students both cherish and dread. In these negotiations, they see themselves correctly as a strong bargaining partner, representing 25% of the student body. It can be quite a learning experience for a young student who has only been away from the family home for a few years.

This model has the advantage of allowing the students to concentrate on cooperative process rather than property management, which is handled by the university. The Oberlin co-op members can be (and have been) accused of living in a protected fairyland, where process is more important than pragmatic decision making, but it works. OSCA, far more than most co-ops, develops idealistic members who later work in non-profits, cooperatives and government.

Another successful model comes from the University of Minnesota, where the married student housing is run by two student-owned *management co-ops*. The largest of these, Commonwealth Terrace Co-op, handles all aspects of management for over 500 townhouse and apartment units on the St. Paul Campus. They have a full staff, including maintenance workers, and they are able to do the management work at a fraction of what it would cost the university. The savings is returned to the members in the form of a rebate.

It's interesting that these models have been around for decades and have never been replicated by other schools. It seems quite likely that fear of losing control is a contributing factor. In cases where the housing already exists, fear of job loss would also be a factor.

While there may be ways of mitigating the danger of university ownership, it is also clear that co-operative ownership is the best way to avoid death. There are simply few deaths among co-ops that are owned by the members. Having said that, however, it's important to recognize that deaths do happen and find ways reducing the number.

As I stated earlier, all co-ops have good and bad years. When there is a single co-op building, that group will rise and fall as a unit. When there are several buildings joined through a system, each group is on a different cycle, and the ones doing well can support another having problems. This argues for a multi-site co-operative with a single ownership and representative board, which is in fact the model most common in the largest and most stable U.S. co-operatives.

The irony of this model is that it allows the individual sub-units the luxury of falling apart. They can do so with the knowledge that the system will act as the "doctor" to pick up the pieces and cure the problems. When the co-op is a single unit, it *must* solve its own problems -- or it will die.

While some small, single house co-ops have existed successfully for 60 or more years, there are quite a few that have not survived. In fact, this is the most vulnerable type of member owned co-op. For a small group of 15-25 students to live long and prosper, there must be a

strong culture with systems that are institutionalized and easily transferred from one group to the next. Outside advisors or board members can help, but they can't replace a strong culture.

To summarize, the best way to lower risk of death is to have:

- (1) co-op ownership of the property, or separate incorporation if it is in university owned property;
- (2) a large enough scale to hire at least one full time staff person;
- (3) multiple locations, with decentralized management, so that members can feel a sense of ownership and control and sub-groups will be on different cycles;
- (4) a majority of the Board of Directors elected from the membership, preferably on a representational basis;
- (5) some members of the Board of Directors drawn from the community, and preferably alumni;
- (6) a strong educational program, including annual board training, new member orientation, an alumni program to stress continuity, education on the co-operative movement, easy access to information on the co-op and its services, etc.;
- (7) a strong community building program, ideally developed around shared meals and member labor;
- (8) numerous opportunities for member involvement, through committees, officer positions in sub-units, etc. (a goal should be for at least 20% the membership to be involved to a greater extent than is required);
- (9) student/member involvement in planning the co-operative, so that the very act of creation is a mutual effort.

In North America, we believe that our highly transient group equity co-ops are most likely to succeed when in "small" groups or sub-groups of 12-150 members. Establishing student cooperatives in apartment blocks is also possible but much harder. There are some special approaches that can be used if apartments are necessary, and we would be glad to make suggestions. But we do urge that at least some group housing be considered, even if only as a part of the larger project.

Remembering our original analogy, the *spirit* must be strong if the body is to prosper. In a student housing co-op, it is the culture, particularly in regard to a sense of ownership and involvement, which is critical to a strong spirit. If the spirit is strong, the co-op will survive the worst of traumas and catastrophes. If the spirit is weak, the most beautiful building in the world will fail to keep the group alive.

I realize that this has been an incredibly long answer to a simple question. I hope that it is clear, and I hope that the length of the reply won't deter future questions! In many ways, your success is our success, and we hope to help in any way that we can.

Jim Jones  
NASCO Executive Director  
January 23, 2005

## Appendix A:

# Sudden Life and Sudden Death in East Texas

Sudden life and sudden death of cooperatives perhaps must always be wrapped in mystery. In the beginning, little is written about where the idea comes from or why it succeeds. In the end, no one is interested.

So it was with some misgiving that in the winter of 2002 I traveled to College Station in eastern Texas to ferret out one of the strangest and most mysterious stories and cooperative history. What I discovered there may have lessons for us all.

The co-ops at Texas A&M grew out of great need. In 1932, in the depths of the Great Depression, a small group of friends in Moody, Texas talked about their plans for college. In the fall, they attend Texas A&M, located in the tiny town of College Station. But in that summer of 1932, they were concerned about how to live so far from home with almost no money for housing and food. The prospects were grim.

Someone suggested that they live together to save money. When they looked into the idea, they were told by the school that they would need a faculty sponsor in order to live on their own. Enter Dr. Daniel Russell, professor of Rural Sociology. But he was a rural professor with an urban background: he was at one time a Chicago policeman, and he received his PhD from the University of Chicago. Even in the early 1930s, Chicago was a hotbed of cooperative activity, with Hull House and other efforts offering ideas for new ways of living.

For whatever reason, the combination of Russell's drive and the needs of a group of students proved to be a heady mix. A story written in May of 1938 tells the story of Professor Russell, twelve youths, a "haunted house," and one of the most astonishing rates of cooperative growth in our nation's history:

The haunted house was a large two-storied place at College Station, near the college's Experiment Station farm. Vacant for a number of years, it was dilapidated, isolated, deserted and – most important – obtainable at a ridiculously low rental.

Professor Russell proposed to the faculty that they be permitted to try out the idea of an organized experimental house. Not without qualms, the deans approved.

The landlord of the house – it possessed neither sanitary accommodations, plumbing, or water connections – was approached. A bargain was struck. If the landlord would furnish lumber and other materials, the boys, their fathers, and friends would sink a well, run pipe connections to the house, and make all necessary repairs.<sup>1</sup>

The proposal was accepted. A Washington County extension agent named Dutch Hohn actually rented the house for the boys, and Russell was faculty sponsor.<sup>2</sup>

---

<sup>1</sup> "Haunted House Makes Good," John Ashton, Associate Professor in Agricultural Journalism, A & M College of Texas. *Liberty Magazine*, May 7, 1938.

<sup>2</sup> "Brenham Rotarians Establish..." *Brenham Banner* newspaper, June 30, 1938.

A cooperative plan of house management was developed, with the members of the group sharing the work. “Typically this assignment requires from thirty to forty-five minutes daily.”<sup>3</sup> The house was called Moody, in honor of Moody High School.

The co-op was a great success, and Russell was a tireless organizer. The number of people living in cooperatives grew exponentially: 12 in 1932, 110 in 1933, and still more every year, until in 1938 there were 1,171 members (23% of the student body) in 52 housing units. “Having taken over all the suitable buildings available near the campus, it was forced to push farther and farther away until now it has fifty units spread over four miles. This wide scattering of its houses has forced the cooperative into the operation of a transportation system of its own...”<sup>4</sup>

Then, in the fall of 1939, the cooperatives disappeared.

As I leaned more about the A & M co-ops over the last 30 years, the less I understood. How could the co-ops grow so quickly? How could they disappear without a trace? For many years, I assumed that World War II had brought an end to the co-ops. After all, A & M was essentially a military school, and the war must have had a devastating affect on the student body. How wrong I was.

Over the years, I kept trying to find someone who would go to College Station and look for the story. Although many people were interested, none had the time to do the investigation. Finally, while visiting family in Houston, I made a side-trip to the university archives. It was there that I learned the astonishing truth about both the growth and sudden death of the Aggie co-ops.

The most interesting information on the rapid development of the groups was found in a paper donated to the University by Professor Russell himself, called “A Few Facts Concerning the Texas A. & M. Cooperative Student Housing Program.” Clearly, the key to growth was a system of sponsorship by local individuals or groups:

#### Sponsorship

- (a) Student groups may be sponsored by: county agent, vocational agriculture teacher, parent-teacher associations, Loins Club, Rotary Club, denominational group, chamber of commerce, women’s clubs, American Legion, county school superintendent, former student club, or numerous other civic organizations.
- (b) Student groups are organized on a basis of common interest of locality or social ties. For example:
  - (1) Locality -- Collingsworth County Cooperative Group  
-- Northeast Texas Cooperative Group  
-- Washington County Cooperative Group
  - (2) Social Ties -- Catholic Cooperative Group  
-- Industrial Education Cooperative Group  
-- Junior College Group of Transfer Students
- (c) Sponsors lend moral support and leadership in contacting and organizing those financially handicapped high school graduates of a locality who desire to further their education.

---

<sup>3</sup> “Campus Cooperative,” by William H. Moore. Free America magazine, April, 1938, pp. 3-5.

<sup>4</sup> Ibid, “Campus Cooperative,” page 3.

- (d) Several sponsoring groups have financed the building of structures to house their respective student groups. The students in turn repay the loan with interest through the payment of house rents over a period of eight to ten years.
- (e) Sponsors are responsible for leadership, planning, and fostering of groups before the students are sent to college.<sup>5</sup>

Russell evidently went beyond his role as faculty advisor to essentially become the manager of the cooperatives. The “Few Facts” goes on to say that “The head and the staff of the Department of Rural Sociology serves the general capacities of administration, planning, organization, management and sponsorship of the Student Cooperative Housing Movement” in areas ranging from organizing new groups to coordinating a purchasing co-op and monitoring the finances of the 52 existing houses.

The college support for the effort was astounding. Not only was the faculty and staff heavily involved in a supporting role, but the school even built homes for some of the groups. In 1936, Texas A & M spent \$100,000 to construct fourteen model houses on its land, each with a capacity of thirty two students.<sup>6</sup>

By 1938, the cooperatives were gaining a national reputation. Not only were magazines and Readers Digest carrying stories, but Daniel Russell even traveled to Chicago to appear on an NBC radio broadcast. Numerous newspapers in small towns around the state were carrying stories. The Rotary Club of Brenham built a house of its own for 20 students, and the American Legion constructed a building for 84. Other cooperatives were started at Southwest Texas State, the North Texas State Teachers College, and then in Austin, at the University of Texas. It began to appear that the sky was the limit for cooperative housing.

In 1939, Daniel Russell began negotiations for rental of a hotel in a nearby town, trying desperately to keep up with demand. There were 600 more students who wanted to become members than there had been in the previous fall. A County Agent, E.B. McLeroy, was particularly active around the state, holding meetings throughout the summer to organize and educate student groups in their home towns.

Then, without warning and just days before the start of the fall semester, the A & M governing board ruled that all students must live on campus. The full story was told in an editorial in the college newspaper, dated September 22, 1939:

The A. & M. College faces the gravest situation in its history as a result of the ruling of the College Board of Directors prohibiting living anywhere except in College dormitories, or in cooperative houses located on the campus, until such quarters have been filled...

At first thought the rule will please many A. and M. men. But consider the rule’s immediate results. Many students have been forced to drop out of school because they could not meet the added cost of dormitory life. Hundreds of new students could not enter for the same reason.

Literally dozens of students with jobs in Bryan or College Station, boys who had already proved themselves at A. & M. and whose own efforts and ingenuity had earned their educational opportunity, were forced out of school this fall.

---

<sup>5</sup> “A Few Facts Concerning the Texas A.& M. Cooperative Student Housing Program,” evidently written without attribution in 1938 or early 1939. Signed by Daniel Russell with the date of October 10, 1953, which may have been the date of donation to the archives.

<sup>6</sup> Op Cit., “Haunted House.”

Over a dozen cooperative groups, enjoying the support and interest of as many counties and cities of Texas, were forced to disband and the boys to remain out of school or go elsewhere. The present rule amounts to an arbitrary limitation of enrollment...

The *AGGIE* fears insufficient study and too little research has been given this vital matter by the Board. It is no secret that Executive Officers of the institution are aghast at the results of the rule. Not consulted was a local committee charged last spring with a complete study of student housing. That Committee made the most comprehensive study ever made of student housing problems at A. & M. Apparently its report was filed into oblivion..."<sup>7</sup>

The local support of sponsoring groups guaranteed outrage and opposition throughout Texas. A number of legislators met with the head of the Board on August 26, as soon as they had notification of the ruling. The group met with the whole board on September 2 and left thinking that the action would be rescinded, "inasmuch as it would possibly mean that the door was being closed on around 1,500 students who would be unable to attend..."<sup>8</sup>

Why should such a strange and disastrous action be taken? How could it be politically possible? It isn't clear that this is why the decision was made, but it would be worth further investigation. ? A clue is found in the editorial cited above: "The rule puts an effective weapon in the hands of those seeking to establish two additional A. & M. Colleges at Arlington and Stephenville."<sup>9</sup> It also should be noted that in Texas the governing board of both Texas and Texas A&M are appointed by the governor, not elected.

In the short term, the college built houses continued as cooperatives, but later they were converted to more traditional uses. In 1940, the American Legion house was purchased by the school, and it too was later converted. Eventually, the college owned buildings were torn down. In 1957, a letter from the Department of Student Affairs states that "...A. & M. College of Texas does not have any cooperatives. We did have a few cooperatives prior to World War II, but they have not been instituted since 1942."<sup>10</sup>

And so ends a stirring yet tragic story. What can we learn? I can't help but wonder why other co-ops haven't looked for sponsors. Or why faculty are no longer as involved with our efforts. Would they be if they were asked to help?

We know from far too many other experiences that university administrations can have their own agendas, often with disastrous effect for the cooperatives. But in this day of greater student freedoms, could the same thing happen to a co-op with over 20% of the student body in its membership?

Questions remain, but we now know a bit more about our cooperative history. Our next challenge will be to learn from it.

--Jim Jones, October 28, 2002

---

<sup>7</sup> "At the Crossroads," an editorial in *The Texas Aggie* newspaper, College Station, Texas, September 22, 1939.

<sup>8</sup> "Lions Club Will Fight for Co-op House at A. & M.," *Palestine Herald*, September 8, 1939.

<sup>9</sup> *Op Cit.*, "At the Crossroads."

<sup>10</sup> Letter from Bennie A Zinn, Head, Dept. of Student Affairs, Agricultural and Mechanical College of Texas to Paul Strauss, North American Student Cooperative League, April 15, 1957.

## Appendix B:

# The Rise and Fall of the Student Cooperative Association

*(The SCA began in 1933 and continued through the 1950s at the University of Washington in Seattle. The text below is from a letter to Deborah Altus, faculty member and co-op historian at Washburn College in Topeka, Kansas in response to a question about what happened to the co-op.)*

September 20, 1997

Dear Deborah,

Thanks to the wonders of computers, I can send you notes on everything I can find about the Seattle student co-ops. Their end was one of the bigger disasters of the student cooperative world, and the cause is still unknown, at least to me. My biggest fear is that the change to make the proceeds of dissolution into a scholarship fund might have contributed to the decision to close, since the members would actually have a continuing benefit from the sale. Note: the scholarships are only available to the children of former members. Excuse my cynicism.

Walter Hondrick, who started the co-op seems to have been very authoritarian in his approach, even while talking a good "co-op" line. He also seems to be one of the bigger self-promoters of the movement. The early board, consisting of many non-resident members and responsible only to those deemed worthy, seems like an incredibly paranoid structure. From the time that Nettie Jean Ross started as General Manager in 1944, there seems to have been many changes, including the nature of the Board. But it just isn't clear how much of the old pattern continued informally. We all know how co-op cultures continue over time, and a lingering paternalism may also have contributed to the eventual end of the organization.

\* \* \* \* \*

I have the first three copies of the co-op's newsletter thanks to Walter Hondrick's widow. See file. Issue 1 (May 1935) has a complete history of the first couple of years. The effort seems far from grass-roots:

The older students whom he approached before school was out in the spring showed for the most part only a passive interest in the new venture... It was new and transfer students who were destined to form the nucleus of the cooperatives.

Most valuable was the assistance given by the office of the Dean of Men, where inquiries from worthy but financially distressed high school graduates came pouring in all summer long... By September 10, twenty-seven had signed up to form the first unit, and most had sent in their initial \$10 deposit...

...Each applicant signed a personal contract with the manager, Mr. Hondrick, delegating to him the right to direct the financial and social policies of the organization as well as giving him complete control over the selection of members. In return, the manager agreed that the association would be operated on a strictly cost sharing basis and that complete records would be kept of all transactions. As the group proved itself capable

of managing its own affairs in a businesslike way, more authority was to be given to members, but centralized responsibility was considered to be absolutely essential to the establishment of the cooperative.

Stress was laid upon the fact that the organization belonged to its members, and that everything that was done to improve it benefited them. The necessity for whole-hearted cooperation, of course, was not at once realized by the membership...

--"History of the Washington Movement," The Cooperative Venture, Vol. 1 No. 1, May 1935.

The initial managerial structure is described in full and seems to be very staff dominated. An administrative council meets bi-weekly (sort of a staff meeting). Purpose is to bring house managers, presidents and general administrative staff together. Presidents "represent the social and activity organization, consisting of the social, educational, and athletic committees in their houses." Story goes on to say the three housemothers are "chairmen" of the social program, publicity, research on cooperatives, and an administrative committee composed of the six house managers. (My overall impression is that the organization is more like that of a consumer co-op doing housing than like other student co-ops.) "History of the Washington Movement," The Cooperative Venture, Vol. 1 No. 1, May 1935.

The SCA placed much value on "cooperation among cooperatives" and included a great deal of information on both other student co-ops and the movement in general in its publications and educational activities. Second issue of the newsletter has info on student co-ops in Idaho, Cornell, at Washington State, U. Oregon. Also has an organization chart of the SCA. There is also an explanation of the non-students on the Board:

Because most of the members were very young and also because of the rapid turnover of membership in a student enterprise, it was thought best to provide for full and associate membership.

Associate membership is open to any person who is in agreement with the aims and purposes of the Association, and who gives reasonable assurance of his or her ability to promote these aims through participation in the program.

Full membership is open only to associate members who have been active in the organization for at least one year, who have demonstrated through their own voluntary activities that they understand the ideals and methods of democratic cooperation, and who have pledged themselves to assume definite responsibility in promoting the economic and cultural welfare of all the Association's members and the public.

Associate members have full social and economic rights. The only difference is that full members alone have the right to elect the board of directors for the central Association and to pass upon the policies of this board...

The article does not say how the Assoc. members are selected to become Full members, or whether they can continue as members after leaving residence (I suspect that they can, judging by the composition of the Board). "New Organization of S.C.A.," The Cooperative Venture, Vol. 1 No. 3, December 1935.

But the September issue does explain the way members are elevated to full status:

To earn full membership, an associate member must be over 18, have been in the organization for at least a year, and be approved by a majority of the full members at a regular or special meeting. Qualifications specified in S.C.A. By laws are not personality and cash resources but evidence that the student has "demonstrated thru his own voluntary activities that the understands the ideals and methods if denicratuc

ciioeratuib abd gas okedged gunsekf ti assyne defubute responsibility in promoting the economic and cultural welfare of all its members and the public."

" *Cooperation at Other Colleges*," *The Cooperative Venture*, Vol. 1 No. 2, September 1935.

Co-op started by Walter Hondrich in 1933 and incorporated in June of 1935. "A *Student Venture in Cooperative Living*" by Arthur E. Albrecht, *The Journal of Educational Sociology*, January 1937, pp 262-268.

An interesting article in January of 1937 helps to explain the operations of the cooperative and Hondrich's role:

This unique venture grew out of student need for lower living costs and for normal social life. It was started by Walter Hondrich, a former student at the University, who had to earn the money for his own education. Mr. Hondrich knew student life, knew what equipment was needed, and in the summer of 1933 approached and secured the support of the University administration to promote cooperative housing among the student body. By September twenty-seven students had signed up to form the first housing unit and most of them had sent in their initial ten dollar deposit which was used to get things started. At the beginning of each month, assessments were made to cover the estimated expenses of the following month. Each applicant signed a contract with the manager, Mr. Hondrich, giving him the right to direct the financial and social policies of the organization, and the complete control over the selection of members. The manager, in return, agreed that the association would be operated on a cost-sharing basis, and that complete records would be kept of all transactions. Centralized authority was considered to be absolutely essential to the establishment of the cooperative association...

From May 1933 until June 1935 there was no permanent organization. Temporarily, highly centralized control seemed desirable. However, in June 1935 the Students' Cooperative Association was incorporated under the Washington Cooperative Law and thereby the first step taken toward permanent organization with democratic control.

Another oddity of the SCA was its unusual (for student co-ops) approach to member labor:

Work is so organized that each member can do his quota of work, and so eliminate unnecessary expenditures for labor. A student may, however, pay for his work instead of "working it out."

"A *Student Venture in Cooperative Living*," Arthur E. Albrecht, *College of the City of New York; The Journal of Educational Sociology*, January, 1937, PP 262-267.

Brochure from the late 1930s lists board members and staff and gives backgrounds. Interesting that only three of nine board members are students. The President is working for Boeing. They are elected by members but evidently not required to be members. *Brochure of the Students' Cooperative Association, 4224 University Way, Seattle. See folder.*

A brochure that is undated but appears to be from the mid-40s reflects either changes or revisionism. A section on organization places emphasis on resident control:

This organization is actually owned and controlled by all the members living in the five houses. They elect nine members, at least one from each house, to act as a board of directors which, in conjunction with the advisory board, sets the policies of the Association. The advisory board, invaluable in its assistance to the student directors, is made up of Professor H.A. Densmore of the General Studies department, Verner Dattson of West Seattle High School, and Robert Scott, one of the founders and past presidents of the SCA.

Unfortunately, the brochure doesn't go into detail about the relationship between the board and the advisory group, and it is difficult to tell whether the patriarchal attitude of previous year still held formal or informal control.

Another interesting note on food service reflected the important role of SCA in relationship to the rest of the campus at the time:

Quite naturally, the most important problem which faces the organization is that of purchasing, preparing and delivering three meals a day to the five Co-op houses and eleven University residence halls that also depend upon the SCA for food.

Given the centralized nature of the food service for SCA and the fact that the University must have been a much larger customer than SCA's own members, I can't help but wonder whether a change by the U. (i.e. buying elsewhere or preparing their own food) might not have precipitated the decline. But there is no information on what happened in the records that I've found to date.

Finally of interest in the brochure is a new version of their history, barely mentioning the role of Hondrick:

Tired of living in boarding houses, working as houseboys, and having no organized program of activities, twenty-seven boys decided to do something to improve the conditions under which they were getting their education. That was in 1933, and with the renting of Macgregor House by this group, the SCA had its beginning at Washington.

The plan followed by these boys was one of cooperation: they bought and prepared their own food, and did their own housework and odd jobs. By 1935 the group had met with such success that shares were sold to students and the Students' Cooperative Association was incorporated. Since that time, over 1800 students have purchased stock in the organization, which now has five houses (4 of them owned by SCA) accommodating 250 members.

Three of these houses, Rofcre, Synadelphic, and Sherwood were added in 1934 when the Co-op boomed to a peak of eight houses. Rofcre was expanded to include two houses in 1936, and in 1944 the last member of the present organization was added when Honderich House was leased and named for Walter Honderich, former SCA manager.

*From "Living at College, " and undated brochure of the SCA*

The last piece of the puzzle comes from the early 1950s, when the board was clearly thinking about the "final solution" and its consequences:

"University of Washington co-ops are working on a program to make the University the beneficiary in case the organization is ever dissolved. The assets would be used to furnish scholarships for the children of Co-op Alumni. Also, writes Bob Moe, 'If we adopt it, this would establish more definitely our non-profit status which all co-ops are being attacked over at this time.'" *Co-ops on Campus, March-April, 1951.*

When the co-op finally sold in 1957, it's assets were indeed given to the University of Washington for this purpose. I have talked with co-op alumni whose children have used this fund for scholarships...

## Appendix C: A Co-op Grew in Fargo

The prairie has long been a breeding ground for cooperatives of all kinds. In 1937, it became fertile soil for a student housing cooperative in Fargo, North Dakota. Fifteen men studying at the North Dakota Agricultural College (now North Dakota State University) scraped borrowed money in that year to rent a house and provide it with furnishings. The membership was open and unlimited, but it was primarily drawn from Farmers Union groups around the state. Naturally enough, it was called the Farmers Union Student Cooperative.

By 1940, the group operated two houses with a capacity of 75 residents. As with many other cooperatives around the United States and Canada, it was thriving. But then the War came, taking away with it many of the male students. The co-op was forced into inactivity in 1943, and remained in limbo until the end of the War.

After World War II, the house was reborn, but it was still renting. Not until 1957, twenty years after its founding, did the group find a way to own its property. In that year, the group constructed a new building to house 46 rooming members, at a cost of \$132,000 – a major fortune in that era.

The money for the down payment came from the sale of preferred stock to other cooperatives, Farmers Union locals and other country organizations.<sup>11</sup> The three largest amounts came from: the North Dakota Farmers Union, \$25,000; the Farmers Union Grain Terminal Association, \$25,000; and the Farmers Union Central Exchange, \$20,000 plus all the kitchen equipment. Farmers Union oil companies and Farmers Union Locals came up with an additional \$12,000. The remaining \$45,000 was borrowed from the National Farmers Union Insurance Company on a 20 year mortgage loan.<sup>12</sup>

In 1969, the cooperative purchased a second, smaller house for 12 women students. They began to call themselves a “co-ed fraternity” and a “co-op fraternity.” While in earlier years they had some contact with other cooperatives in Minnesota and Manitoba, during this era they began to relate more to the Greek organizations on campus.

In 1983, I personally visited the group while on my way to visit the cooperatives in Winnipeg. I was Executive Director of NASCO at that time, and I was given a warm welcome and a place to stay in the men’s house. To be honest, I felt like I was in a time warp, reliving the cooperative experience of the 1940s. The meals were served and eaten according to strict etiquette, and a probationary membership system kept new members in line for their first semester. (Luther Buchele, who worked for the Ann Arbor co-ops from

---

<sup>11</sup> Undated brochure titled “Proposed House NDAC Farers Union Co-operative Ass’n,” probably written as a fundraising tool in 1956.

<sup>12</sup> Undated brochure titled “Cooperative, co-educational living at minimum cost,” probably written about 1970.

1951 to 1984, later told me that this was fairly normal for farm-based co-ops in the 1940s.)

At the time I was visiting, most members were recruited from the small, rural towns of North Dakota and many came from families in the Farmers Union. In turn, the house maintained a guest room for Farmers Union officials visiting Fargo, and the Farmers Union heavily recruited among co-op members. Altogether, it was a very symbiotic relationship.

The co-op members were friendly to a fault, and this was one of the cleanest houses I have ever been in. My visit was a memorable experience, and I've had a soft place in my heart for the group ever since that time.

While I was in Fargo, I was told that the house had a dual-corporation structure. A board of directors, elected by the members of the house, ran the day to day affairs of the cooperative, while a separate Board of Trustees owned the property. According to an article written later in *the ND REC Magazine*, the Board of Trustees included a representative from the North Dakota Farmers Union, an NDSU faculty advisor, a representative from Cenex-Land O' Lakes, and the president and vice-president of the house.<sup>13</sup>

Apparently it was this external board of Trustees, coupled with both a recruitment problem and lack of contact with other cooperatives that brought the cooperative to an end in the mid-1990s.

It was in 1996, I believe, that heavy rains brought disastrous flooding to the city of Grand Forks. I was one of a group of cooperators who traveled to Grand Forks to suggest ways that cooperative housing could be used as a tool to help rebuild the shattered city. My special assignment was to talk to officials at the University of North Dakota to see if they would be interested in developing student cooperatives to assist students displaced by the flooding.

I was excited to learn that one of the state officials from the Farmers Union had also traveled to Grand Forks to talk with us and the City. I took him aside and suggested that we could use the co-op in Fargo as an example of what great things could be done with the cooperative approach. It was then that I learned the tragic story of the co-op's end.

It turned out that this official had been a member of the co-op's Board of Trustees. The co-op, it seems, began to have more and more problems in the late 1980s and early 1990s. The women's house had already been closed a few years earlier, evidently because it could no longer be filled. Then, he said, a lot of foreign students began to move into the men's house, which also began to experience difficulties in filling. This left the Board of Trustees both concerned and uncertain of what to do.

The *ND REC* article gives an interesting and more positive view of the situation:

---

<sup>13</sup> "North Dakotans help themselves – through cooperatives," *ND REC Magazine*, October 1989, pages 40-41.

Publicity information released by the house last year says:  
“Although the majority are from North Dakota and Minnesota, we have a real melting pot. This year we have students living here that are from Sri Lanka, China, Vietnam and Algeria. There is a range of level of study that goes from freshmen level to one student who is working on his doctorate in computer science.”

This was a long way from the fraternity experience of 20 years earlier, and the Trustees didn't know how to deal with the problems when they arose. Cultural differences no doubt came into play as well, and by this time there was no contact whatsoever with other student cooperatives for advice.

If there had been, their suggestions could have been helpful. The situation described was a typical, cyclical one for most student housing cooperatives. There are ways of dealing with such difficulties, but the Trustees didn't know about them, and finally, after sixty years of successful operation, the house was closed and sold.

While this was a sad end for such a proud house, there are still lessons to be learned. One is what can be done with the support of interested friends, in this case the Farmers Union groups who funded the construction of the house. Another is the importance of keeping ties with the cooperative community, because all cooperatives at some time have bad years. And finally, it points to the dangers related to outside, inexperienced boards.

But in spite of the sad ending, the story of the Farmers Union Student Cooperative is exciting and inspiring. And I still have a warm spot in my heart for those young men and women who worked so hard to make it a success for so many years.

Jim Jones  
November, 2002