

Food

Berkeley, California, is the center of America's largest, liveliest concentration of consumer co-ops. An estimated two-thirds of the citizenry belongs either to an established cooperative or to one of the many "food conspiracies" (Berkeley-ese for "buying clubs") that are all the rage now among students. Within a single block—the 1400 block on University Avenue—a shopper can browse or buy in any of a dozen different types of cooperative establishments, including two kinds of food stores (health and conventional), an auto-repair garage and gas station, a pharmacy, a hardware-variety store, and a taxi service.

Most of these enterprises are owned and operated by the Consumers Cooperatives of Berkeley, a swinging, 25-year-old association with more members (63,000 families) than any other consumer co-op in the nation. It owns stores and supermarkets at nine different locations in and around Berkeley. In dollar volume they outdistance all local competitors, including such giants as Safeway and Lucky; and the cooperative's gross last year, \$40 million, was seventh highest among supermarket chains in the bay area.

"Berkeley Consumers," remarked a longtime resident recently, "is an island of integrity in a sea of commercialism"—a pardonable exagger-

ation, all things considered. Other consumer co-ops in other towns—Akron, Chicago and Ithaca, New York, to name a few—have also made their mark, but none has won such widespread support or made such deep competitive inroads as has Consumers Cooperatives of Berkeley. Indeed, total sales last year among all consumer goods cooperatives in the United States came to only \$500 million; conventional food retailing chains were meanwhile ringing up more than \$30 billion. In most places the "sea of commercialism" is a tidal wave.

Buying Clubs

Like so many successful cooperatives, Berkeley's had its beginnings during Depression days, when Upton Sinclair was preaching utopian cooperatism and running for governor on an "End Poverty in California" (EPIC) platform. He neither ended poverty nor won the election, but he did inspire many new buying clubs throughout the state. One of these, the New Day Cooperative in Oakland, after enduring the usual quota of small disasters, evolved into Pacific Cooperative Services, Inc., and began to attract members from neighboring Alameda, San Leandro and Berkeley. The year was 1936.

The new buying club operated in much the same way new buying

clubs have always operated, on a wing and a prayer. The prayer, and most of the work, was supplied by Roy Wilson, a Methodist minister from Alameda who agreed to do the purchasing and to use his parsonage basement as a grocery depot.

As Robert Neptune, one of the founders of the Berkeley co-op, notes in his regional history of consumer co-ops (*California's Uncommon Markets*, 1971), "This was the kind of project that required both devotion and stamina." Twice a week the members would phone in their grocery orders to Wilson, and he would make a master-order sheet listing every item requested. At 5 A.M. the next morning Wilson "would back his old Franklin automobile out of the garage, drive through the Alameda tunnel to the wholesale produce market, and bargain with the commission merchants . . . to make his purchases." The purchases were mainly vegetables and fruits; and quality control, says Neptune, was exercised through a simple test: "If you can put your finger through it, it's no good."

Wilson's labors saved members about 10 per cent on their food bills, an attractive proposition during that lean, hungry decade. As the club expanded, and as new members began to swamp Wilson with their orders, it became clear they would

have to become more "professional." So they hired Neptune, who didn't know "the difference between zucchini and cucumbers," as their first paid manager. His salary was \$30 a month. (Today he is general manager of Associated Cooperatives, a wholesaling and warehousing center for co-ops in the area.)

In 1938, the thriving club rented a small store on Shattuck Avenue in Berkeley; a few months later it opened a second, larger establishment on University Avenue. Among other things, the new store was stocked with a barrel of apple cider, a row of cookie bins, and sacks of beans and rice—items, notes Neptune, which "characterized the pre-package era. Even though many packaged items were then available, the philosophy of low cost and no frills guided the merchandising decisions to include many bulk items." (As any visitor to a natural food store can testify, the more things change, the more they remain the same.) By the end of 1938 co-op sales had reached \$16,856. Net savings, duly refunded to members in accord with classic Rochdale principles, came to \$412.

Finnish Brotherhood

Meanwhile, another group in Berkeley was taking the cooperative route. Berkeley's Finnish community, the second largest in the United States, already knew a great deal about cooperatives; they were a way of life in the homeland, as well as in certain sections of Minnesota and Wisconsin, whence many Finns had migrated to Berkeley. So it was reasonable for the Finnish Brotherhood to open a cooperative gas station on Shattuck Avenue, next to the other cooperative's first store.

In 1947, Berkeley's two cooperative streams, comprised of 1,400 Finns and EPICites, converged and merged, with two unexpected results: Membership meetings featured polkas and schottisches, and annual sales quickly zoomed to upwards of \$1 million.

Now, 25 years later, I entered the co-op's food store on University Avenue, the store that had once displayed cookie bins and a barrel of apple cider. It seemed a small place by modern standards, about the size of a Gristede's on upper Broadway in Manhattan. Earlier that day a co-op member had told me why she preferred shopping there to shopping elsewhere. "When I put my foot through the door of a Safeway," she had said, "a caution light goes on in my head: *They're out to get me*. But when I enter the co-op, I feel safe: *They're on my side*." I could see what she meant. The first display to catch my eye was a large, cartoonish poster advertising a "new product": "New-Improved POLLUTE . . . The Washday Miracle Laundry Detergent, Now with EVERYTHING." The poster listed the ingredients of the "miracle detergent"—phosphates, enzymes, DDT—all guaranteed to pollute the earth.

Nearby I found the Home Economics counter, a standard feature of Consumers Cooperatives. Atop the counter was a display of oven cleaners with accompanying placards of opinion. Thus a can of Vapor Brite oven cleaner was rated "highly irritating . . . not acceptable"; the placard next to a can of Easy Off noted, "*Consumer Reports* says inadequate cleaning effectiveness."

Wandering down an aisle of canned goods, I noticed that all prices were clearly marked on the shelves and that the many broadsides and brochures available tended to be full of helpful information. One chart explained the content and cost-per-pound of various brands of tuna, both chunky and solid. (The "Co-op" brand proved to be the cheapest, ounce for ounce.) The chart was surprisingly detailed: Sea Boy Bonito chunk tuna was described as "a tuna-like fish—not a true tuna"; Starkist solid tuna was said to have "no salt added (low sodium)."

In the back of the store I found

a lunch counter, where I bought a ten-cent cup of coffee. Just beyond the lunch counter I discovered the Kiddie Korral, a small room full of blocks and toys and lined with bright watercolors. A single tot sat on the floor while a lady read to him from a Golden Book: "And then the Papa Bear said. . . ." Every Consumers store has a Kiddie Korral, staffed by volunteers, for the convenience of young parents. On the whole, these nurseries seem more civilized than the assortment of coin-operated plastic cars and rocking horses offered in many supermarkets.

Co-op Politics

In another part of the store I came across a long table laden with political literature. A poster on the wall advised members to "Mind Your Own Business: VOTE!" Election of co-op board members was just six days away, and all the candidates seemed to be running scared. Edna Haynes, who was last year's chairman of the personnel committee, promised if elected to keep the stores "attractive and conducive to pleasant shopping." "Our operations must be environmentally sound," she noted. Lew Samuels, one of Mrs. Haynes' running mates, emphasized "harmony" among members and "financial well-being." Bob Goldman called for "consumer activism" and asked readers to "please recycle this paper."

Cherie Gaines, a black attorney; Judy Bertelsen, a professor at Mills College; and Bob Arnold, a former Consumers president, jointly lamented the decline of cooperative idealism: "Co-op once stood for a better quality of life. . . . New ideas once pioneered by co-ops are now advertising mainstays for our competitors. Imitation may be a great compliment, but our co-op needs to regain that lost leadership."

One had to read between the lines. In one way or another, these campaign promises—in tone so reminiscent of school elections—reflected problems, both social and fiscal,

tormenting nearly all consumer co-ops. But problems generally loom larger on the Berkeley scene than anywhere else; and solutions are for sale, cheap, on every street corner.

No Refunds

To begin with, the co-op last year failed to pay a patronage refund to its members. That is anything but an extraordinary occurrence in the cooperative world: Greenbelt, which serves the suburbs of Washington, D.C., consistently skips refunds for lack of savings in the till—this despite a \$50 million annual volume from a large and diverse operation (22 supermarkets, six pharmacies, seven SCAN furniture stores, and a miscellany of bakeries and gas stations). Closer to home, the Palo Alto Consumers Co-op spent the greater part of the '60s deep in the red, and consequently did not refund a penny from 1961-69.

But in Berkeley the members are accustomed to their refunds; until fiscal 1971, the co-op had made 26 consecutive payments, beginning a year before the Finns came in. The peak year was 1965, when Consumers paid out nearly \$900,000 in savings. From then on savings declined, although volume continued to grow, and last year the co-op finished \$73,000 in the hole.

Paradoxically, the slippage has occurred during a period when new members have been rallying around the cooperative flag. During the past three years membership has jumped by 50 per cent. But these new members, many of whom are young and claim to be radical, are impatient with traditional cooperative patterns.

Unlike many of the older members, the new ones are extremely price-conscious and do not hesitate to forsake the co-op if a nearby competing store offers better buys. Annual refunds seem less important to them than do weekly bargains, a state of mind that the organization's own dues structure actually encourages. It costs only \$5 to join the Consumers and obtain voting rights,

but it costs \$100 to be eligible for patronage refunds. Relatively few of the new members can afford the price, although they are permitted to spread payments over several months.

To cope with the situation, board and management last year felt compelled to "go discount," to make their prices competitive with those of Safeway and the other big chains. Sales instantly increased. "It was like pulling the cork out of the bottle," says Donald Rothenberg, the co-op's education director. "From then on we could hold our head up high." Nevertheless, the new policy placed patronage refunds in serious jeopardy. In effect, the younger membership has forced the Consumers to risk abandoning the old, Rochdale-type Puritan ethic (deferred payments, deferred pleasures) in favor of more current cost-plus notions (get it now, seize the day).

The abandonment, albeit reluctant, of patronage refunds, is a trend among co-ops everywhere, and it raises some embarrassing questions about the purpose of consumer cooperatives. Were not refunds, after all, their *raison d'être*? If a co-op cannot save money for its members, what justification does it have to be in business? The answers appear to lie in the cooperative's impact upon the competition, the big national chains that tend to base prices in each neighborhood on what the market will bear. If there is a co-op in the neighborhood, prices at competing stores nearly always move downward. In a sense, the co-op keeps the other stores honest, an ironic state of affairs leaving consumers little to choose between.

Uneasy Alliance

With patronage refunds in jeopardy, co-ops must rely more and more on membership loyalties. Here again, the Berkeley co-op is in some trouble. The sudden influx of new members has caused considerable grumbling among traditional-

ists, some of whom have already abandoned ship.

"Three years ago," says a co-op official who asked that his name be withheld, "we were essentially a white, middle-class extension. That's all changed now, and a lot of the old shoppers are staying away because of it. They complain about the hippies and the panhandling. A kid will come into a store, dip his fingers into a container of yogurt, sample it, close the container and leave. Who needs that?"

But the majority of new members are neither panhandlers nor yogurt-samplers; they are simply a new generation trying to shake up their more complacent elders. At meetings the younger members crusade for such predictable causes as ecology, inner-city cooperatives and Cesar Chavez's grape strike. In these and other campaigns they have met stern resistance; but they have also found strong support, and most of the time they have won. In a 5-4 vote, for example, the board decided to support Chavez's wine and grape boycott. Similarly, Consumers recently opened a health-food center, a direct response to pressures from the young.

The cooperative's relations with black people have improved over the years. In days gone by the membership, while traditionally "liberal," saw no reason to mix racial issues with co-op business. Nowadays, with blacks playing an increasingly important role in Berkeley, co-op board members speak out on such issues as welfare rights and fair employment. For the past two years the co-op has co-sponsored with 90 black organizations a gigantic Lincoln's Birthday festival, held in a co-op shopping center and featuring black music, art and folkways. "A barber was giving naturals to people right there on the spot," Rothenberg recalls.

In sum, then, the Berkeley Cooperative is trying in its own fashion to face up to the conflicts which beset us all: young vs. old, white vs.

black, rich vs. poor. But it was clear from the campaign literature I was reading that some members thought their co-op was not trying hard enough. As one of the rebellious members, a graduate student, had already told me, "The co-op is just another rip-off. That natural food store, for instance, it's just a big joke. It's *commercial*."

Natural Foods

I left the co-op supermarket and walked across the street to the natural food store. It certainly seemed commercial—spacious, well-lit and filled with customers. There probably are dozens of natural food stores in Berkeley, but most are small, cluttered and somewhat unappetizing to middle-class sensibilities. The Consumers natural food store, on the other hand, is a suburbanite's delight, very clean and very *kitsch*, with clearly marked crocks of grains, 100 varieties of honey, and shelves laden with pungent teas and strange-smelling soaps.

I asked Jim Lamb, the store's young, no-nonsense manager, why some of the honey jars were labeled "organic." Didn't all honey come from bees? Wasn't it all "organic"?

"Everything has to be 'organic' now," he explained. "It's gotten to be a big fad and lots of food packagers are capitalizing on it in their promotion. Do you know, there are people who won't buy honey unless it's been guaranteed to have come from unsprayed flowers? They think the chemicals will show up in their honey."

The store, Lamb told me, attracted 4,000 customers and \$16,000 in sales each week, just enough to break even according to the official co-op budget. Expenses are astronomical, he said, "because it's an old-fashioned store; everything has to be weighed and wrapped. We have 16 people working here, which is a lot for a store this size."

Expenses are not Lamb's only problem. Every store owned by the Berkeley Consumers Cooperatives

has its own elected Center Council whose members enjoy a considerable voice in store operations. Lamb's Center Council is dominated by "food conspiracy" people who want the natural food co-op to be more cooperative.

Food conspiracies are buying clubs that operate very much along the lines of the Berkeley co-op's dimly remembered progenitor, Pacific Cooperative Services, Inc. Somebody buys groceries direct from farmers or wholesalers and distributes them to members of the food conspiracy, presumably at prices lower than those offered by supermarkets. But unlike the old buying clubs, many of the new food conspiracies zero in on natural and organic foods, the stuff Lamb sells every day.

Survival

Why couldn't the natural food co-op, reasoned some council members at a recent meeting, stock food on behalf of the food conspiracies and sell it to them on a cost-plus-overhead basis? After all, weren't the co-op and the food conspiracies all in this thing together? Lamb's response was instantaneous. "It'll kill me," he said. "I can't afford to do business without a fair markup." Council members then reminded Lamb that he was their employee: He proposed and they disposed. And Lamb took refuge in that oft-repeated dictum, "My first duty is to see that the store survives"—a position which found ample support among Lamb's superiors in the front office.

As of this writing, no resolution of the conflict is in sight, but each side appears to suspect the worst. The food conspiracies, say co-op officials, don't have the co-op's interests at heart; while the co-op, say food conspiracy backers, is in business just for the buck. It may be a nonbiodegradable stand-off.

The dispute between Consumers and the food conspiracies is sad, not only because it seems pointless,

but because it is being repeated in countless communities throughout the nation. The cooperative milieu appears to invite such conflicts between the new and the old, precisely because the game is supposed to be cooperative and not competitive. If tomorrow a new department store opened next door to Gimbel's, one would expect Gimbel's neither to celebrate the occasion nor to offer assistance. But when a new buying club sets itself up, the established cooperative is expected to welcome it and provide it with all manner of aid and comfort.

Helping Hand

The trouble is that most established co-ops don't feel established; in their view they remain weak and perilous operations, still struggling to survive and maintain their integrity in "a sea of commercialism." And their view is not far from the reality: Few consumer co-ops, no matter how large or how competently managed, enjoy much margin for error or much leeway for extending a helping hand to others.

In one instance, the Berkeley co-op did extend a helping hand, with disastrous consequences. It all began in 1961, when a group of blacks who had been protesting against discriminatory hiring practices by neighborhood stores decided that what the community needed most was a store of its own. They founded the Neighborhood Cooperative of San Francisco, and in a year's time signed up 250 members at \$5 per share. The following year, having set up tables for contributions and stock purchases in countless churches and hotel lobbies, the group managed to raise \$75,000.

In 1965 the co-op subleased a large supermarket from Purity Stores. The store had been losing money, but co-op leaders were optimistic: They hoped to reverse the trend by appealing to black pride and community spirit. The store was located a mile from Hunters Point, a densely populated black ghetto.

Besides, as one of the founders mused recently, "We had the Berkeley people on our side."

The Berkeley people had been giving technical advice and some financial help to the fledgling cooperative all along; but it assumed a more critical role when Purity officials, fearful that the operation might fold and leave them rentless, insisted that the blacks sign a management contract with Associated Cooperatives (the organization that represents Bay area co-ops).

The Neighborhood store opened in July amid many festivities. By October it had lost \$20,000; by the end of 1967, \$104,000. Plainly, something had to be done, and what co-op leaders did was persuade Purity to release them from their management contract with Associated. It was springtime for Black Power—Stokely Carmichael had first shouted the slogan on a Mississippi highway only a year previous—and many in the black community were convinced their co-op had been playing Booker T. Washington to Berkeley's Andrew Carnegie.

So they cut loose, and continued downhill. As Neptune tells it, "Without the experienced supervision that had been provided under the management contract, the operating effectiveness in the store deteriorated. The merchandising and housekeeping became poor, the inventory was reduced, and volume dropped from \$15,000 to . . . \$7,000-\$8,000 per week."

Brief Rescue

Then, in May of 1968, Safeway Stores, the co-op's biggest competitor, came to the rescue. It refurbished and restocked the co-op store, put in one of its own managers, added Blue Chip stamps and, eventually, raised weekly sales to a figure approaching the \$20,000 break-even point.

Thinking all was well, Safeway withdrew; but the recovery proved to be short-lived. In 1970 volume again started to slide, and debts to

mount. This time neither Safeway nor the Berkeley co-op, both of whom reentered the picture, could salvage the store. On December 11, 1971, the Neighborhood Cooperative announced its closing. "We hope," said Jefferson Beaver, the outgoing president, "to build from the mistakes of the past . . . a new and viable enterprise in this community."

Yet any new and viable enterprise in the community will likely face the same old and viable difficulties that finally defeated the co-op. Chief among these was the optimism—a blessed euphoria—which convinced all concerned that the co-op could succeed where Purity had failed. There is nothing in cooperative history to suggest that co-ops *per se* attract more customers than do conventional retailers. In any case, the co-op's location, a mile outside the ghetto, made it inaccessible to many of its prospective customers. Few people nowadays will walk a mile for a co-op.

Finally, one should note that there is no such thing as an instant or pre-packaged cooperative. It is not a happening; it is a slow maturing process, à la Berkeley. Consumers' success and Neighborhood's failure both suggest that new co-ops should start small. They need time to learn, to grow and to make mistakes without fear of fatality. They also need a cooperative tradition, a spiritual base, upon which to build; and one wonders whether urban consumer co-ops have accumulated enough history and stability to provide newcomers with that essential support.

Newcomers there are aplenty. Near every campus, it seems, students are opening natural food stores and fashioning new cross-bred enterprises dedicated to cooperatism, ecology, and something they call revolution.

Typical is the North Country Store in Minneapolis. The day I went there, customers were poking into bags of rice, piling peanuts onto scales, and examining a stack of

blue jeans (People's Pants—\$4.95 a pair). Keith Ruona, one of the store's dollar-an-hour coordinators, led me to the basement and bade me pull up a packing case. He told me straightway that he and his colleagues felt little affinity with older co-ops. "They don't care about the revolution," he said, "and the revolution is the main thing. It has to come from within us."

Inner Revolt

Ruona's inside-out revolution is based more on lifestyles than on politics. "Everything should be natural," he says. "We want less packaging, and you notice we don't advertise. The old cooperatives are still trying to get people to consume more. We want people to consume less."

But North Country's fast growth hardly suggests consumer withdrawal. The store grosses about \$5,000 a month ("it's difficult to say for sure—we don't believe in ledgers"), maintains a "people's warehouse" in partnership with similar stores in town, and is beginning to attract respectably dressed ladies from suburbia. Ultimately, North Country members may have to resign themselves to the sour smell of success. Their managerial talents have outstripped their philosophy, which might be characterized as "rural-romantic."

With the exception of housing, most successful urban consumer co-ops, from natural food stores to hospitals, have drawn their initial inspiration from rural cooperatives. The new generation of cooperators will surely require a new source of inspiration. Some will seek it in places like Berkeley, where small buying clubs dating from the Depression gradually outgrew their origins and matured into large consumer cooperatives. Others may draw inspiration from Seattle, where a rare and until recently little publicized species of cooperatism—a health cooperative—has been thriving for two decades.

