

# Update on Co-op History

## INTRODUCTION

This paper is not only an update from the standpoint of bringing the events of the coop struggle more up to date. It is also an update of our analysis of those events. As the contradictions in the coop system have developed and intensified, we can see more deeply the meaning of phenomena that were previously understood on a more superficial level. For instance, what was the significance of the economic success of North Country Coop, and how did it affect the hippie's world outlook? And why was the PRB established?

Events do not just happen. One must look for the causes in the material conditions of life.

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"There are many contradictions in the process of development of a complex thing, and one of them is necessarily the principal contradiction whose existence and development determine or influence the existence and development of the other contradictions."

"Not only does the whole process of the movement of opposites in the development of a thing, both in their interconnections and in each of the aspects, have particular features to which we must give attention, but each stage in the process has its particular features to which we must give attention, too. If people do not pay attention to the stages in the process of development of a thing, they cannot deal with its contradictions properly." -Mao

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The coop stores emerged from the latter days of the anti-war movement and the beginning of the anti-imperialist movement. What is the difference between these two movements?

1. The political platform of the anti-war movement was "make peace without war" or "make love not war". The anti-war movement was essentially a peace movement. Although the initial thrust of the anti-war movement was an anti-imperialist movement which was led by SNCC, the Student Non-Violent Coordinating Committee.

We don't have to second guess why the anti-war movement lost its anti-imperialist drive. It could only have gotten lost through co-optation. Nevertheless, the peace movement platform reflected its dominant class content which was the white middle and upper class. The political character of this platform was bourgeois idealism, moralism and escapism which purposefully prevented the anti-war movement from taking a political position on U.S. imperialism not only in Viet Nam but around the world.

Bourgeois influence was indeed a factor in restricting verbal and material support to the Vietnamese people's struggle against U.S. imperialism. However, there is also a material basis for the limited support. In looking at the class relations in the mode of production, we see the white working class and the petty bourgeoisie as well as the bourgeoisie who benefit directly from U.S. imperialism. Considering the dominant class content in the anti-war movement, how could the anti-war movement members take a class position against the capitalist class which is responsible for the movement members' privileged position in the class relations in production?

2. In contrast to the anti-war movement, the anti-imperialist movement is based on an ideological foundation which encompasses ideologies of the working class struggle.



The birth and material existence of the anti-imperialist movement is based upon the interconnectedness of all forms of class oppression and class economic exploitation throughout the world.

Due to the development of the social system of capitalism, class oppression and class economic exploitation have only one political character - imperialist. The imperialists the world over have as their aim the repression of working class struggles because the working class struggles the world over have as their aim the overthrow of their class oppressors and class exploiters. The dominant class content of this movement is working class people.

Thus, the difference between the two movements lies in the class content and class orientation.

## II

Before the closing of the anti-war era, the objective conditions presented anti-war activists with two choices: one, essentially they could adopt a political stance of reformism and non-confrontation with the imperialists; and two, they could work to transform the anti-war movement into an anti-imperialist movement.

Without exception, the anti-war activists in the Twin Cities were faced with the same objective choice. The Twin Cities anti-war activists didn't choose to work for the transformation of the anti-war movement into the anti-imperialist movement. There are two causes why the anti-imperialist movement didn't develop in the Twin Cities: one--the subjective cause, the dominant class content of the anti-war movement was college students, college dropouts, professors, and college graduates, most of whom came from the class of the petty bourgeoisie. Needless to say, this class sector had very little in common socially, educationally and politically with the working masses. As the movement attempted to spread itself to the masses, it ran head on into its class contradictions. Those involved were

either unwilling or unable to seize the problem of class contradiction and deal with it; discussions of the failures were always a demoralized, beating-around-the-bush sort of affair, turning on each others petty problems as a means of avoiding the real issues. Throughout the entire period, the movement failed repeatedly on several scores-- failure to understand class analysis and their own class position; failure to ally with and take direction from the working class struggles; failure to approach politics in an organized, systematic manner. The movement's inability to produce results led to its demise as an organized force. Its membership split off into two basic directions:

1. Isolated, ultra-left underground - Weatherman. Theory was that the ultraleft underground would serve as the vanguard to show everyone else the way. In reality, being that far left and underground created a convenient buffer space between the political "cadre" and the working masses, so that the class contradictions there could be more easily ignored. This is an analysis of the political situation at the time of the SDS split into Weatherman and PL.

2. Hippie counterculture and women's liberation movement. Both blamed the movement on individuals personal shortcomings - male chauvinism, laziness, lack of initiative, lack of spirit - and saw revolution as a process of inward personal and spiritual development. To be sure, many of these were real problems, but they were not the primary cause of the movement's failure. Much of the criticism and discussion at this point manifested itself in personality trips, backbiting, etc. Analysis and theory continued to revolve around individuals and leaders. The solutions arrived at by this group continued to be detached from the working class. This is what led up to the hippie coops.



Reason number two for why the anti-imperialist movement didn't develop in the Twin Cities, the objective cause..the material condition of the white working class wasn't at the point of economic deterioration which would have led it to actively seek class support and class solidarity across racial and sexual lines.

Faced with what appeared to be two insurmountable factors, the subjective and the objective, the only objective choice for the anti-war activists to make was to adopt a political stance of reformism.

Their political stance took basically four forms of struggle:

(A) a percent of the anti-war activists went back to join the system by way of getting high salary paying jobs; (B) a percent joined community organizations and strictly organized around community issues. e.g. tenant's rights, welfare rights, food coops; (C) another percent joined the hippie cult, which also got into food coops; (D) the separatist women's movement pulled another percent of anti-war activists.

Due to our subject of study, we are only concerned with the formation of the coops.

At the beginning of the food coops in the Twin Cities one can see more evidence of the interconnectedness of struggles and also the different approaches to political programs taken by different classes.

The first coop stores in the Twin Cities were started by black political activists who had been influenced by the SNCC coop movement in the South. These coops also had an influence on the formation of the original West Bank hippie coops.

X However, the approaches of these two groups to the program of a coop store was distinctly different and reflected the difference in class content of the two groups.

The black coons were mass-oriented programs that served the most popular kinds of foods that their communities ate, while the hippie coops became more and more exclusively cult food. One of the early coons run by both black and white working class people approached North Country Coop for cooperation with credit on sources of food, which is a key element in developing a food coop and is much more readily available to the petty bourgeoisie than to the working class. North Country Coop turned them down because they carried "shit food".

North Country Coop was the first store from which the "Coop Movement" that we are studying developed. It was the merger of groups that had run two earlier stores: People's Pantry, which was a private possession of the hippie cult, and True Grits, which was like a regular grocery store, set up by anti-war activists whose orientation was "community organizing". North Country Coop was originally conceived by the True Grits activists as a "community grocery store" which would stock all kinds of food and appeal to all kinds of people, but it was soon taken over by the People's Pantry hippies. Historical evidence has shown that these hippies were anti-working-class and that under their control North Country Coop was run foremost to serve the hippie community and secondly bourgeois college students.

The hippies played a major role in the development of North Country Coop. Nevertheless, the hippies were self-oriented and idealistic anarchists. They stood opposed to two of the most fundamental weapons that the working class cherished the most: organization and discipline.

Being self-oriented, the hippies acted opportunistically in undercutting the original plan to stock North Country to further their selfish ends.



The question of what line of foods will the coops carry has always been a class question but it has always been disguised as a health question. The class nature of the food question in some cases has been very clear and at other times the class nature has been submerged in issues which were and are secondary.

Ironically, the food question has always been resolved by class struggle. The class struggle over the line of food was very apparent while in the process of setting up North Country Coop. The food question is a class question and not a health question. This was evident in the first coop store and it has so remained until today with a much wider scope of the class struggle.

The first two line struggle took place over what class forces were going to control North Country. The choice was between the self-oriented idealist hippies or other forces who represented the community interest by pushing for a wide line of foods which working people were accustomed to eating.

The first coop struggle over the food question resulted in defeating the original line of stocking processed foods. From this victory the pure food line was established throughout the coops for a number of years without challenge.

This victory for the hippies can be attributed to two factors: one, they were more strongly organized than the forces that represented "community," and two, although the hippies were idealistic, their arguments over the pure food line were very powerful and persuasive because they dealt with the food question as a health question.

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"Hence, in order not to find (oneself) in the position of idle dreamers (one) must not base (one's) activities on abstract 'principles of human reason', but on the concrete conditions of the material life of society, as the determining force of social development; not on the good wishes of 'great men', but on the real needs of de-



velopment of the material life of society."

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In spite of the fact that North Country didn't carry processed foods, it still met a material need of many working class people by selling cheap food.

In this connection, the hippies had not planned or anticipated the great number of people that North Country attracted.

On account of North Country having met an economic need of working class people, which was completely unintentional, the anarchistic political beliefs of the hippies changed radically. Although the hippies maintained their style and mannerisms, their approach to political work changed to that of utopian socialists.

### III

"It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness."

This qualitative change of the hippies political beliefs demands our careful study. In understanding the dialectical materialist law of development which states that "external causes are the condition of change and internal causes are the basis of change", we can say with precision that the economic success of North Country Coop (the external condition) had a profound impact on the hippies political mission in furthering the destruction of monopoly capitalism.

The internal basis of this change was that (1) the hippies did not possess a scientific revolutionary theory to guide their practice; (2) furthermore, they had an unresolved internal class contradiction. Therefore the phenomenal economic success of North Country caused the hippies to formulate a false conception of themselves. They thought and acted as if they were the standard-bearers of a new society. This misformulated conception of themselves is derived from



the world outlook of idealism which is connected in practice to metaphysics. Their world outlook led them to see themselves not as part of a process in changing society, but as an external force operating on the process of changing society. In this connection, their ideas and plans weren't reflective of any social laws of capitalist development. Consequently, their plans were based on their subjectivism and therefore their plans and theories did not fit objective reality.

The North Country experience gave the hippies a new political perspective of themselves. To denote this new political change, we will now label the hippies Utopian Socialists. Utopian socialism is an inaccurate term to give them because it doesn't fully describe their essence. The inaccuracy of the term as it applies to them is the fact that they don't adhere to any formulated social theories to justify their social practice. However, their practice and idealistic aims resemble utopian socialism.

#### IV

"The nature of a thing is determined mainly by the principal aspect of a contradiction, the aspect which has gained the dominant position."

-Mao

The capitalist law of expansion and re-investment wasn't the motivating factor in the utopian socialist call for coop expansion. This law became operative when the warehouse was established. However, another economic law was operative in the early stages of North Country Coop. This was the law of supply and demand. The economic law of supply and demand was in direct contradiction to the law of expansion and reinvestment. Expansion and reinvestment was represented by the utopian socialists because of their social

mission to the world. On the other hand, supply and demand was represented by the hippies who did not become utopian socialists but who were self-oriented and self-serving (hereafter called the petit bourgeois escapists) who used the food question to regulate supply and demand. That is, by not carrying the food people eat one regulates demand.

Under the leadership of the utopian socialists, the coop movement developed and expanded. After having established the People's Warehouse, the capitalist law of economic survival became operative, the law of expansion and reinvestment, and has henceforth played a decisive influential factor in the political work of the utopian socialists.

However, centralization demands unification. If viewed as a whole, centralization without unification is fragmentation and disorganization which leads to economic decay.

Being motivated by the economic law of survival, the utopian socialists in their efforts to unify the coop system organized the All Coop Meeting. The ACM was originally set up in the hopes of attracting money for expansion plans by consolidating all the economic power of the whole coop system. The utopian socialists' organizing efforts failed because of the contradictory political tendencies which had competing material interests in the coop movement, namely the Isolationists, Petty Bourgeois Escapists, Petty Capitalists, and Utopian Socialists.

"If in any process there are a number of contradictions, one of them must be the principal contradiction playing the leading and decisive role, while the rest occupy a secondary and subordinate position."

The primary reason why the coop unification effort failed is



because there wasn't ideological unity, the essential ingredient to organizational unity.

Still being motivated by the economic law of survival, the utopian socialists in their second effort to unify the coop system organized the PRB (Policy Review Board).

All historical evidences point to the fact that the utopian socialists knew that there was no hope of building ideological unity with their opposition. In addition, the coop movement had brought into its thrust an increased number of working class people who vehemently detested the hippiness nature of the stores.

It is by no means an accident that the utopian socialists organized the PRB around out of town coops. The out of town coops were the only unified political base of the utopian socialists, because their existence depended on the warehouse both in getting organized and for their source of food.

For anyone to think that the utopian socialists were on a power trip, you will, in fact, miss the dynamism of the coop movement. What the utopian socialists wanted the most was unification which would have produced political clarity for the coop movement. It was abundantly clear to them that the majority of inner city coops didn't want unification, nor did they want political clarity for the coop struggle. Apparently all they wanted was to "eat brown rice and do their thing."

The utopian socialists knew that political clarity could only come from an organized and unified body. One of the intents of the PRB was to help create political direction and clarity for the coop movement. If there is any major question concerning this statement of fact then the CO will welcome the opportunity to discuss or debate anything stated to the contrary.

There is a fundamental gross misconception running around in DANC and in the ACA of why the PRB was created. (That is, as the supreme ruling body of the coop system.) We want to speak very precisely and to the point on the two aspects of the PRB. But first we want to pause, to acknowledge the fact that the utopian socialists were very confused on forms of organization, but they were not confused about their intent. They were serious about their mission to change the world, and were continually frustrated by the disunity and escapism that characterized the majority of the Minneapolis coops. However, they did not know how to go about developing ideological unity.

The first aspect of the PRB. The PRB was a democratic centralist form of organization. The warehouse collective functioned as centralized leadership for the coop system. In relation to the centralized leadership, the PRB was mistaken to be the organizational base. For the utopian socialists to mistake the PRB as the organizational base was an indication of their lack of theoretical clarity on democratic centralism.

But their lack of understanding is secondary. Their primary source of organizational confusion is that there was an absence of ideological unity in their midst. It must be noted that ideological unity transcends political unity, because political unity only comes about out of necessity. Proletarian ideological unity depends upon Marxist-Leninist principles as the essential ingredients in maintaining oneness of commitment to a socialist workers revolution. On the other hand, political unity is not absolute. Political unity is always conditional depending on time, place and conditions. Political unity is based on alliances which are usually established out of expediency and necessity.



The kind of democratic centralism the utopian socialists were practicing was self-serving and self-oriented. Although democracy was put into practice in the PRB, it was not being practiced in the individual coop stores. This fact speaks to the absence of organizational unity. There is a factual reason why democracy wasn't practices at the base level of the coops. This was because there wasn't ideological unity between the leadership of the stores, petty bourgeois reactionaries, and the base -- the customers. Hence this was the shortcoming of the utopian socialist brand of democratic centralism.

The second aspect of the PRB. The PRB was set up to serve as a legal front in order to deal with the legal problems of the People's Warehouse, Inc. in its relationship to the whole coop system.

The PRB had a double function: 1. On account of the economic growth of the coop system the PRB served as a legal shield. This legal shield was only as strong and can only be as strong as the degree of political unity. 2. Not being able to build ideological unity, the utopian socialists succeeded in building political unity with its opposition. The material basis of this unity stems from the fact that all political tendencies had an invested interest in the coops, for whatever reason; and it is precisely this fact that compelled them to rally under the legal shield - the PRB.

Why did the PRB succeed in rallying the coop system whereas the All Coop Meeting failed? This was because the All Coop Meeting could only operate on ideological unity, which was impossible; while the PRB could offer a material basis for political unity, which was economic benefits and legal protection.

It was out of legal necessity that the PRB served as a unifying force.

Whenever there is an absence of ideological unity, political unity only comes about out of political necessity and when the material basis of this unity is removed, the internal struggle of opposites continues toward its ~~legal~~ <sup>logical</sup> course.

v

To review: The food question has always been a class question, not a health question. The food question was proven to be a class question in the inception of the first hippie coop store when the hippies organized and defeated the original plan of North Country Coop which was intended to be established on the order of a regular grocery store.

The impact of North Country's economic success was so phenomenal that it caused a radical change in the world outlook of the hippies. The external factor helped change the hippies self-orientation to social revolutionaries of a new movement, the coop movement.

As a result of not having embraced a revolutionary social theory and not being grounded in the working class, the hippies were led to adopt a false conception of themselves. They saw themselves as the vanguard of a new society. The material ~~force~~ <sup>form</sup> of their false conception of themselves resembles that of the utopian socialists.

Having taken the forefront in advancing the coop movement, the utopian socialists were entrusted, by the political and economic realities, with the task to expand, centralize and unify the coop movement.

Having met failure in their attempt to ideologically unify the coop movement in the All Coop Meeting, the utopian socialists out of economic necessity organized the PRB for two reasons: (1) to give shape, form and legal protection to the rapidly



expanding coop program and (2) as a form of organization to consolidate and strengthen political unity in the coop movement.

The existence of the PRB's dual purpose attests to the fact that the utopian socialists failed ideologically to unify the coop movement. Their failure doesn't negate the necessity or the inevitability of a legal form to protect the coop system. Nevertheless, the failure to unify the coop system ideologically made ideological struggle in coop expansion and development inevitable. Moreover, the material conditions which give rise to social movements will inevitably reflect the class ideology of those material conditions. The People's Warehouse is a case in point.

## VI

We will now examine aspects of the By-laws of Incorporation of the People's Warehouse which have relevance to our discussion on the PRB. First the Preamble.

"The People's Warehouse at the time of incorporation and at the time of the adoption of these bylaws is a living, functioning entity, which has come to be what it is through an organic process of growth, and has changed and adapted itself to the needs of its community as reason and circumstance have dictated. Thus there exists a common law -- a knowledge and a feeling in the hearts and minds of the people who are or have been associated with the People's Warehouse. This incorporation charter and these by-laws are only extensions and clarifications of this common law, they are in no way a replacement for it. Law exists only in the minds and hearts of the people -- any set of rules or laws written down and agreed upon can at best be only a rough approximation of real law; and is used only as a visual aid in the discussion of the ever changing situation."

We think that is self-explanatory.

"A. (1) b) The organization (coop store) must actively solicit the participation of all its members within the decision-making process."

As was pointed out, democracy was never practiced on the base level of the coop system, but rather instead it was being observed in the PRB.

There is only one historical reason why democracy wasn't



practiced on the base level - ideological disunity between the leadership of the stores and the base, the customers. In a few cases organizers from the coop movement went into neighborhood communities and actively organized around setting up coop stores. After financial support and physical labor was gained in setting up the stores, the administrative positions were help on to by whatever political tendency, petty bourgeois capitalists, anarchist, escapists, etc. was dominant in the process of setting up the store. Needless to say that these political tendencies had their own built-in self interests, thereby constituting opposition to the practice of democratic centralism.

In order to perpetuate their control of the coop stores, they erected the smokescreen of community control.

But "community control" was never defined as to what community was allowed to control - black, Indian, middle class whites, etc - until the Beanery workers defined their base of legitimacy - the hard core working class. Having not defined what community they were for, the petty bourgeois leadership of the coop stores made it very clear what community they were not for: "... the community which they have alienated, a community which is not composed of thier class, and a community which they have utter class contempt for -- this community is the working class."

It is of historical importance to note that before the PRB was organized, the concept of community control served as a protective cover for individual stores against the external legal forces of the state as well as for soliciting external support.

"(c) Any salaries shall be determined in a public democratic manner based on the principle, each according to one's needs."

This is a joke. No matter what class clique controlled the stores, it made personal use of profits generated by the store.



After all, since democracy wasn't practiced and since they were in control of the store, why did they have to go through a fake democratic motion to get what they already had?

"B) Representatives to the Board.

(1) Each member shall select, in a fair and democratic manner, two representatives to be on the Policy Review Board.

b) In the interest of eradicating bureaucratic centralism, each member is strongly urged to show good faith by selecting at least one representative who is not a salaried worker of the member organization to sit on the Policy Review Board."

We stated that the warehouse collective and the PRB practiced democratic centralism insofar as it was self-serving, self-perpetuating. We used the term democratic centralism to demonstrate that the concept was partially being practiced before the Coop Organization theoretically introduced it.

Without the fear of being misunderstood, we can now say that democratic centralism was used incorrectly. However, bureaucratic centralism is descriptive of the PRB's practice. Bureaucratic centralism was practiced in the class cliques who administered the stores and was carried up to the PRB. Contrary to bureaucratic centralism, democratic centralism must have an ideological basis of unity before it can properly be practiced.

In this regard there are only two forms of democracy, they are bourgeois and proletariat. Either you will practice democracy from the standpoint of working class ideologies which are: anti-male domination of women, anti-racism, anti-social oppression and anti-economic exploitation; or from the monopoly capitalist point of view which is pro male chauvinism, pro racism, pro social oppression and pro economic exploitation. The coops might have paid lip service to the correct ideology but in practice they were anti-working class. Without being unified around the working class ideologies,

how could the coops practice democratic centralism? The question all coop stores must ask is, in whose class interest does bureaucratic centralism serve and in whose class interest does democratic centralism serve? Without a doubt, one denotes social progress and the other constitutes a road block to social progress.

## VII

"Nevertheless, the failure to unify the coop movement ideologically precluded in the process of coop expansion and development that ideological struggle was inevitable."

The by-laws, the PRB, bureaucratic centralism, alliances of political unity among the various political tendencies were by no means a substitute for ideological unity in the coop system.

There were numerous manifestations that the coop system was beginning to stagnate because of the absence of ideological unity and theroretical guidance.

Some members of the CO made a concrete analysis of what was the missing ingredient in the coop movement and then proceeded systematically to build ideological unity with working class elements and petit bourgeois elements who pledged their allegiance to the working class struggle.

The CO has consistently built ideological unity through systematic studying <sup>and</sup> class practice. The CO has consistently armed progressives with the scientific tool of analyzing, the dialectical method. The strength of the CO lies in its members thinking dialectically, practicing criticism, discussion and self criticism, and most importantly, going out and organizaing the working masses.

## VIII

The CO knew on the first day before it started organizing that there were counter-revolutionaries strongly entrenched in the coop



system who strongly opposed selling cheap and nutritional foods of all kinds which would directly benefit the poor and working class people.

Thus far, in the process of the coop struggle, these counter-revolutionaries developed into right wingers and class enemies of the working class.

As an organization we will be the first to acknowledge our organizational mistakes and errors, but ideologically we have yet to hear a principled criticism from our opposition.

## IX

"To know your history and to act accordingly is to be revolutionary."

The CO has based its existence on the working class struggle in its fight to overthrow monopoly capitalism and to establish democracy under the socialist state of workers control and ownership of the means of production.

The CO has taken the position that the food question presently being discussed in the coops is a larger question which transcends the coops, Twin Cities, Minnesota and the United States. The food question is a class question. To illustrate this statement of fact we ask the following question: If you are an unemployed worker and your worker's insurance has run out and you don't have a job, how can you eat? If you have a family, or are part of a family of 4 to 6 members and if you have not gotten an increase in wages to help fight inflation and the high cost of living, does your dollar purchase the same amount of groceries that it did 4 months, 6 months or a year ago? Or if you are member of the Cargill family, do you have the choice whether to eat organic beef three times a day or white rice with black eye beans three times a day?

7 The CO still has before it the historical tasks of unifying the coop system and making it work to serve the working class and farmers struggles.

In carrying out its historical tasks, the CO wrote a history paper on the history of the Twin Cities coops, and based upon coop history wrote a proposal for restructuring the coop system. The CO also made an economic analysis of the coop in its paper called, "Economic Facts of Life vs. Coop Fantasies." In this paper the CO called "for the replacement of the present leadership (utopian socialists) with a leadership (CO) that is trained and fitted for the task of bringing the coop system to a new level of economic development with emphasis on employing more productive forces."

The following is a portion from that paper:

"By not having understood the misconception of non-profit, coop leadership has literally attempted to create a non-profit economic structure, the coops. As we said "non-profit is a legal term, it serves as a mask to divert profits into corporate fronts." All business ventures must turn a profit if they are going to survive financially by re-investing and continual expansion.

"Is profit a social evil? We can only answer this question from a class perspective; however, the question that gets to the heart of the matter is, how is profit used? The capitalists use profit to enrich their power and control over society in a very class cliquish and counter-productive way that is social oppression and economic exploitation. Therefore, by not having made a class analysis, or defining profit, many coop people have concluded that profit is a social evil. Profit is that portion of one's work which hasn't been paid for or to say unpaid labor. The following is an example of how the principle of profit works: a worker goes



to work for eight hours, out of the eight hours,  $2\frac{1}{2}$  hours are spent making her/his pay for the day,  $3\frac{1}{2}$  hours go into supporting the business cost of the employer. The last two hours are unpaid labor. The money produced from these two hours goes directly into the employer's pocket, this is profit. It is determined that the use of profit is always a class use, either it will be used to support the oppressive order of society or it will be used for the collective benefit of society.

"We are going a step further to show that coop leadership attempted to literally make non-profit a workable concept. It has been observed many times that whenever there occurred a sizeable build-up of money in the bank accounts the reaction has been to reduce the mark-up or in some other way discourage making money. There are cases where mark-ups have arbitrarily been established that didn't reflect any economic calculation.

"Idealism and business don't mix. There are many indications from coop leaders to discourage surplus. Needless to say, the coop system is built on the foundation of non-profit. As a result, the coops are going to collapse economically. Because for any business to survive in this capitalistic system, it must have as much ready-reserve capital as it possibly can. Moreover, the capitalist system innately goes through the cycle from an economic boom to inflation, recession and depression. Each time this cycle is repeated wealth becomes more concentrated in the hands of the monopoly capitalists. As a result large numbers of the petty bourgeoisie are forced to join the working class and small businesses are forced to go under financially because bank loans are next to impossible to obtain for investment and expansion. Therefore, by coop leadership discouraging surplus they automatically

discourage expansion and investment. "When investment declines, so do income and employment and hence also surplus itself." Consequently, the coop system is now on an economic downturn - the beginning of an economic collapse.

"Idealism and business don't mix. Overhead cost per unit fall as output rises. In the early days of the coop history this was the case, but as the system grew and developed the reverse has become reality. The output is falling in relation to overhead costs, because expenses are rising and warehouse output is not rising fast enough to keep up. There is no new investment and expansion consequently the overhead costs per unit is rising. Now it is becoming next to impossible to make the break-even point.

"Considering the possibility that if prices remain the same and if variable costs per unit are constant over the relevant range - profits per unit will rise, however, this will not save the economic collapse of the coops because the problem lies with the utopian socialist leadership. The coop system can be saved and even improve, but it will require big change in policy.

"We are calling for the replacement of the present leadership with a leadership that is trained and fitted for the task of bringing the coop system to a new level of economic development with emphasis on employing more productive forces."

To demonstrate how serious we were about fulfilling our historical tasks, the CO took over the People's Warehouse.

It is ironic to note that the PRB was set up to defend the coop system legally from the state agencies which are against social changes and now the PRB has become reactionary. Moreover the executive board of the PRB was organized as a political tool to suppress legitimate changes which are in the best interest



of advancing the coop movement.

The executive board, acting under the support of the PRB, manifested its class nature when it called upon the state, courts, corporations, i.e., Minnegasco, NSP, AT&T, to move against the CO during the warehouse occupation. Its decision to call upon the state to repress the CO indicates that they fully supported Rockefeller's decision to send state police forces into Attica. Knowing the true nature of a pig, many CO members could have gotten badly injured and killed. History will continue to condemn the executive board and the PRB members for their decision.

Now, many months after the warehouse takeover, the executive board is still planning legal action indirectly against the People's Warehouse and directly against the CO. The CO has proven by its practice that it is working in the interest of the working class struggle. In this respect, the warehouse collective was once made up of CO workers, but now they have been replaced by the majority of working class people. If the reactionaries make a legal move which will be detrimental to working class interest, then we will have no other choice but to respond in kind with a move which will be of equal detriment to the reactionaries.

During the warehouse takeover, the principal contradiction changed from CO vs. utopian socialists to petty bourgeois reactionaries vs. the CO.

The intensification of the contradiction between the CO and the petty bourgeois reactionaries led to the coop split. This split manifested itself in the creation of DANC. The PW was recently invited to take part in a public forum to discuss the differences between us and DANC. The following is taken from the PW's position paper which was read at the forum:

"Now we will proceed to answer the three questions this forum has put before us:

1. Why are there two warehouses?
2. What are the differences?
3. Why don't both sides list their grievances instead of character assassination?

"1. Based on the unity and struggle of opposites, which is a fundamental law of development, the two warehouses were a natural but temporary outgrowth of a two-line struggle in the coops. This two-line struggle is between the working class and the petty bourgeoisie over the question of leadership and control of the coops.

"2. The differences are political differences. The most distinct difference is the contradiction between saying and doing.

We all say we are opposed to monopoly capitalism, but the CO and the People's Warehouse have demonstrated their long-range commitment to the revolutionary struggle against monopoly capitalism.

" The coops will lose their revolutionary vitality and die if they cut themselves off from the source of revolutionary vitality, the working class. The CO has not only talked Marxism and Leninism, it has worked actively to transform the dominant class content of the coops from petty bourgeois to working class.

"The People's Warehouse and the other transformed coops have responded with deeds to the requests of working class people for the kind of food they eat and many other changes in the practices and atmosphere of the coops.

"The CO has organized itself out of the People's Warehouse and brought in new working class leadership and provided jobs for working class people.

"One of the real issues right now is the re-unification of the coops under correct and legitimate working class leadership.



Economic laws dictate that two warehouses can't survive in the coops and that we would be much stronger as a unified movement. The majority of people in the coops have accepted the essence of the new program for the coops, including popular food and allegiance to the working class in opposition to monopoly capitalism. The coops will emerge from the present struggle stronger than ever before, and unified on a higher level, because they will be based on the source of revolutionary life, the working class.

"3. Why don't both sides list their grievances instead of character assassination?

"Having said that the difference between us, DANC and PW, is of an ideological nature, to respond to the stated question without preface will be to disregard our political position.

"Members and supporters of DANC have clearly shown from their practices what class they will side with in order to protect their petty bourgeois class interest. Based on their selfish interest, the opposition to the People's Warehouse have called on the bourgeois legal system to repress the legitimate working class forces in the People's Warehouse. We all know that the bourgeois legal system was set up as a tool to suppress and repress all revolutionary forms of struggle. And yet DANC members are continuing to hold the threat of legal action over the People's Warehouse like a club.

"By DANC having used and using the bourgeois repressive tool, the legal system, to suppress defined working class interest, we clearly see DANC as a class enemy of the working class.

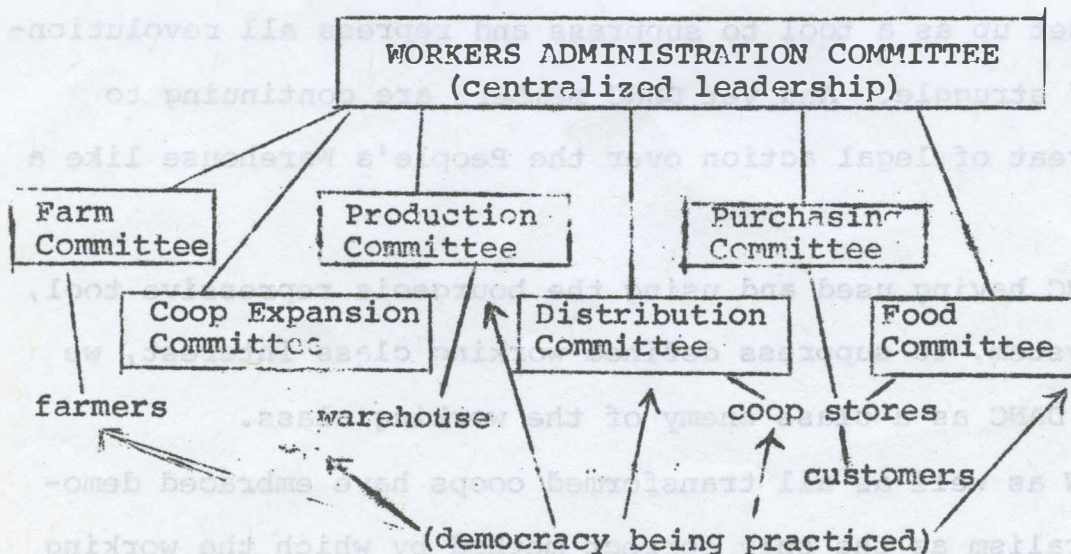
"The PW as well as all transformed coops have embraced democratic centralism as the only correct method by which the working class can resolve its internal contradictions without relying on the repressive tool of the legal system to settle its internal

differences.

"In contrast, DANC relies on the class enemy of the working class, the bourgeois legal system. In addition, their opportunistic leadership seeks to operate as individuals, without submitting to organizational discipline and criticism. This is a fundamental ideological contradiction."

In the CO's restructuring proposal, we proposed to bring about democratic centralism as follows:

"Democratic centralism can only be practiced in revolutionary organizations and communist parties. Democratic Centralism: Centralism is the collectivization of leadership; this is to say, 'quality takes precedence over number, thereby guaranteeing soundness and solidity to its organizational structure'. Democracy is the freedom of the body of an organization and its mass base to criticize policies and programs from a socialist point of view, 'starting from the desire for unity, distinguishing between right and wrong through criticism or struggle, and arriving at a new unity on a new basis' - new policies and programs."





In the days ahead, the CO will be working towards unifying the coop system ideologically, in order to institute democratic centralism. After democratic centralism is instituted, the CO would still have served its historical tasks and it would then disband or run a very high risk of being rejected by new forces which will represent forward motion - the future.