

*“A Remedy
Invented
by Labor”*



1919-1939

Steven J. Keillor

THE EARLY HISTORY of the Franklin Co-operative Creamery Association (FCCA) of Minneapolis provides the historian of the labor and co-operative movements with an interesting case study revealing the tensions and conflicting interests within both movements as well as those between the movements and a capitalistic, often monopolistic, economic order. And it is the case study of an extremely successful co-operative that by 1926 had become known as “the ‘show place’ in the Co-operative Movement” in the United States; “everybody from coast to coast showed deep interest in its activities.”¹ Tensions and conflicts are often associated with failing organizations, but these symptoms were also inherent in the unique and successful combination that was “the Franklin.”

Analyses of the movement in the United States have invariably classified co-operatives—usually into producers’ and consumers’ co-operatives, with the agricultural marketing co-ops being the classic case of the producers’ type and the Finnish-American retail stores in the Lake Superior region being the most numerous example of the consumers’ ventures. There are many vari-

ations on this basic classification scheme; farmers are also consumers of fertilizers and petroleum products, and their joint purchasing associations are examples of consumers’ co-operatives.² As a tactic in labor’s struggle against capital, workers have formed what could be called workers’ co-operatives, to distinguish them from agricultural producers’ co-ops.

The goals of these several forms of co-operative activity are somewhat antithetical. In producers’ co-operatives, members seek “to increase their margin of profit by producing improved commodities at lower costs and selling them at relatively higher prices.” They are organized and operated for the economic betterment of one group of producers only. By contrast, consumers’ co-operatives seek to lower the retail cost of goods in the interest of a broad group that usually cuts across occupational lines.³

In addition, the success of co-operative activity in advancing the interests of a producing group or of the consumer may be somewhat problematical. Labor historians have generally agreed that producers’ co-ops were utopian projects of little benefit and great harm to the labor movement. Describing co-operation as a “utopian panacea” foolishly adopted by the Knights of Labor, historian Philip Foner concluded that they “weakened the day-to-day struggles of the hard-pressed membership” of the Knights. Selig Perlman called the

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¹ Northern States’ Co-operative League (NSCL), *Second Year Book, 1926* (Minneapolis), 45. This article is based on a paper given at the 1988 Northern Great Plains History Conference in Eveleth. The title quotation is from *Minneapolis Co-operator*, June 15, 1923, p. 3.

² For an excellent discussion of such a classification scheme, see Roland S. Vaile, ed., *Consumers’ Cooperatives in the North Central States* (Minneapolis: University of Minnesota Press, 1941), 7–15.

³ Vaile, ed., *Consumers’ Cooperatives*, 7, 9.

co-operative workshop idea "a snare and a delusion," which fooled the worker only "until he learned by experience how hateful co-operators may be to one another."¹

THE FRANKLIN CO-OPERATIVE Creamery, ostensibly organized by consumers to obtain good milk at reasonable prices, was actually begun and run by members of Milk Wagon Drivers' Union, Local 471, in the interest of the workers. It was something of a hybrid, a cross between a producers' and a consumers' co-operative, as well as being part of both the labor and co-operative movements. Local 471, formed on September 24, 1912, made much progress in the next seven years in improving wages and working conditions for the drivers. The milkmen were working 12-hour days, seven days a week, without vacations, for only \$60 per month; they had to extend credit to customers at their own risk; they were not paid until 20 days after the monthly pay period ended. These conditions led some 30 drivers to organize. By Labor Day, 1919, the union had succeeded in almost doubling wages to \$110 a month and in securing an annual two-week paid vacation. Encouraged by this success and by a 1918 decision of the American Federation of Labor which gave Milk Wagon Drivers locals "jurisdiction over all employes working in and around Creameries and Milk Stations," Local 471 began to organize the inside workers at the creameries in Minneapolis.⁵

On Labor Day, 1919, Local 471 struck one creamery, and the other companies responded with a lockout. The headline in the proemployer *Minneapolis Journal* read "50,000 Families Go Without Milk as Drivers Quit." By contrast, the *Minneapolis Labor Review* saw the lockout as evidence of "One Big Union Of The Bosses"—a union that undercut the bosses' objection to Local 471's demand that it be allowed to organize the inside workers. The milkmen's other demands were for a six-day week ("A cow works seven days a week," remarked one employer), a \$35 per week wage, an 8-hour day, a closed shop, and time-and-a-half for overtime. Because of the importance of milk to children and infants, and because the strike/lockout cut off 90 percent of Minneapolis's milk supply, both sides tried to score propaganda points off the disruption. The *Journal* announced that families were without milk after "400 milk-wagon drivers did not make their customary rounds, due, they said, to a lockout." The union announced that it would attempt to deliver milk to families with babies or with sickness in the home. The employers threatened to halt home delivery permanently and to distribute only through retail outlets.⁶

One week after the strike/lockout began, it was over. A strike committee approved a tentative deal that called for a 6-day, 48-hour week, and the wage issue

was submitted to arbitration. The two sides failed to reach agreement on the union's right to organize the inside workers. Local 471 claimed victory and deliveries resumed.⁷

The milk drivers' strike of 1919 occurred during a period of great labor unrest, with over 3,500 strikes or lockouts involving over 4 million employees—including the major coal, steel, and railroad strikes of 1919. Bolshevism was a burning issue in America, and the wave of strikes aroused irrational fears of a Bolshevik uprising. Encouraged by events in Russia, the *Labor Review* took a decidedly pro-Bolshevist line. At the same time, the co-operative movement was appealing to Minneapolis labor groups for support. In early October, 1919, an organizer for the Cooperative Wholesale Society of America addressed the Minneapolis Trades and Labor Assembly (TLA), requesting backing for a new store in the Mill City. Articles on the "National Co-operative Manifesto" and the movement in general appeared in the *Labor Review*.⁸

Although it is unclear if this co-operative activity in local labor circles influenced their decision, the milk wagon drivers decided to start their own co-operative creamery. At a September 13 meeting called to consider problems with the arbitrated agreement, the union appointed a committee of five "to negotiate the purchase of a Creamery," specifically, the Standard Milk Company plant in northeast Minneapolis; however, their (united) employers bought this plant to frustrate their efforts. Undeterred, this committee and some union members committed to co-operation called a meeting for the first week of October, 1919. At this meeting co-operative principles were explained to the uninformed, a co-operative form decided upon, a producers' co-

¹ Philip S. Foner, *History of the Labor Movement in the United States* (New York: International Publishers Co., 1955), 2:76-77; Selig Perlman and Philip Taft, *History of Labor in the United States, 1896-1932* (Reprint ed., New York: Augustus M. Kelley, 1966), 4:3-4.

⁵ Milk Drivers and Dairy Employees Union Local 471, *The Status of Free Men* (Minneapolis: The Union, 1947), 3-4, 7-8; Edward Solem, "History of the Milk Wagon Drivers Union Local No. 471," *Minneapolis Labor Review* (Annual Labor Day Review), Aug. 29, 1919, p. 12.

⁶ *Minneapolis Journal*, Sept. 1, p. 1, Sept. 2, p. 20, Sept. 6, p. 1, Sept. 9, p. 16, all 1919; *Minneapolis Labor Review*, Sept. 5, 1919, p. 1-2; Local 471, *Status of Free Men*, 8-9.

⁷ *Minneapolis Journal* (hereafter *Journal*), Sept. 7, 8, 1919, both p. 1; *Minneapolis Labor Review*, Sept. 12, p. 1, Sept. 26, p. 1, 1919. According to the *Labor Review*, Sept. 26, the union won a closed shop for the drivers and the right of inside workers to join the union without retaliation.

⁸ Charles H. Hession and Hyman Sardy, *Ascent to Affluence: A History of American Economic Development* (Boston: Allyn and Bacon, 1969), 642; *Labor Review*, Oct. 10, p. 2, Oct. 17, p. 1, Dec. 12, p. 2, Dec. 19, p. 4, and Dec. 26, p. 2—all 1919.



A TYPICAL Franklin Creamery driver on his horse-drawn morning rounds about 1922

operative rejected, and a consumers' co-operative approved. Despite its organizational form, it was in fact a union co-operative in its origins. The union's committee of five "was elected the first board of directors, and the business agent of the Milk Wagon Drivers' Union assumed the responsibility of selling stock for the new organization."⁸

⁸ Local 471, *Status of Free Men*, 9-10; *Labor Review*, Jan. 20, 1922, p. 1; Harold Nordby and Carl N. Norlander to Minneapolis Trades & Labor Assembly (TLA), Feb. 11, 1920, Central Labor Union of Minneapolis and Hennepin County Papers (henceforth CLU Papers), Minnesota Historical Society (MHS), St. Paul; NSCL, *First Year Book, 1925* (Minneapolis), 40, and *Third Yearbook: The Cooperative League of the U. S. of America: A Survey of Consumer Cooperation in the United States* (Minneapolis: The League, 1936), 197; V. S. Alanne, *An Outstanding Cooperative Enterprise* (Minneapolis: [FCCA?], 1951), 5.

⁹ Nordby and Norlander to TLA, Feb. 11, 1920, and Samuel E. Fox, J. G. Soltis, and R. D. Cramer, "Report on Franklin Co-Operative Creamery"—both in CLU Papers; *Labor Review*, Feb. 13, p. 2, Feb. 20, p. 4, 1920.

INCORPORATED as the Franklin Co-operative Creamery Association, the fledgling organization's first moves were very much in keeping with its beginnings. In February, 1920, the FCCA asked the Minneapolis TLA for its official endorsement. The assembly appointed a committee to investigate and to report back on its findings. One week later the committee informed the TLA: "This movement for a Co-Operative Creamery was launched by the Milk Wagon Drivers Union and every effort will be made to keep the controlling stock within the organized labor movement." Though it was not stated in the bylaws, the committee emphasized a requirement that no shares could be sold without first being offered for sale to the board of directors: "This measure is to keep the stock of the above named creamery within the control of organized labor and block any attempt of an outside concern gaining control." The committee recommended endorsement; on February 20, the assembly unanimously concurred.⁹

Some provisions that were in the bylaws also ensured continued worker control. The bylaws stipulated

that only members of the association could buy stock and that the board had to approve the applications of all prospective members; one person could buy a maximum of only 10 shares. The bylaws created an education committee "to spread the knowledge of true Co-operation . . . and promote solidarity of the working class thru social and recreational activities." The last article stated, "When hiring outside help, preference shall be given to those belonging to recognized labor organizations."¹¹

Besides the TLA's endorsement, the Franklin also received the vigorous support of the *Labor Review*, which, in December, 1920, carried a front-page notice promoting purchase of stock in the new association. For the next three months, the *Labor Review* ran front-page muckraking articles blasting the Minneapolis "milk trust" for alleged price gouging, milk watering, and strike breaking. These articles helped to form a mythological view of the origins of the Franklin. In 1921 the *Labor Review* reported, "It was the children they had in mind when the co-operative creamery was established in order that the children might have one source of pure milk, and be protected against the scab, chemicalized milk which the non-union shop creameries dispense."¹²

A closer look at the Franklin's formation, however, dispels this myth and also forces a qualification of the statement that it "was launched by the Milk Wagon Drivers Union." Actually, it was a subgroup within the union that launched the FCCA. The original committee of five consisted of Harold I. Nordby, Carl N. Norlander, C. Rudolph Nelson, Anton Swanson, and Joseph Flor. The business agent, Edward Solem, worked

closely with them and must be counted among the originators of the co-operative creamery plan. Another seven men who attended the first annual meeting in January, 1920, were counted among the "original thirteen," the term of honor bestowed upon the Franklin's founders. Careful reading of the records suggests that there were more men involved. The following table was compiled from a number of sources, some of which specified ethnic background; for others, Scandinavian identification has been inferred from surnames.¹³

Of the 12 founders whose ethnic background can be identified or reasonably surmised, nine were of Scandinavian heritage. Four of the most influential founders grew up in Scandinavia and emigrated as young adults: Edward Solem, stock salesman and first manager; Harold Nordby, president and first plant superintendent; Carl Norlander, treasurer; and John Mattson, chief engineer and FCCA vice-president. Nordby and

¹¹ Franklin Co-operative Creamery Association, *By-Laws of Franklin Co-operative Creamery Association*, 2, 5, 8, CLU Papers; *Labor Review*, Feb. 27, 1920, p. 1.

¹² *Labor Review*, Dec. 3, 24, 31, 1920, Jan. 7, 14, Feb. 11, July 8, 1921, all p. 1.

¹³ For information for Table I and the paragraph following, see Alanne, *Outstanding Cooperative*, 6; Franklin Co-operative Creamery Association, *Year Book 1923* (Minneapolis, 1924), 3; *Minneapolis Co-operator*, Feb. 18, 1922, p. 1, Sept. 1, 1922, p. 4; *Davison's 1919 Minneapolis City Directory*, 173, 251, 263, 742, 1187, 1324, 1337, 1343-44, 1347, 1690, 1748, 1856; *Davison's 1920 Minneapolis City Directory*, 177, 262, 276, 687, 757, 808, 1304, 1336, 1461, 1475, 1483, 1824, 1872, 1938, 2057-58; *Davison's 1922 Minneapolis City Directory*, 178, 267, 282, 700, 770, 824, 1335, 1368, 1493, 1508, 1515, 1520, 1866, 1915, 1982, 2103.

TABLE I. Founders and Directors of the Franklin to 1923

Name	Ethnic Bkgd.	Employment		
		1919-1920	1922	
Gust Berglund	Scandinavian	Driver Modern Milk	V.Pres.	FCCA *
Ernest Anderson	Scandinavian	Driver Modern Milk	Foreman	FCCA
Joseph Flor	?	Driver Metro Milk	Driver	FCCA *
Emil Gustafson	Scandinavian	Driver Modern Milk	Driver	FCCA
Carl M. Magnuson	Scandinavian	Driver Modern Milk	Foreman	FCCA
C. Rudolph Nelson	Swedish	Foreman Modern Milk	Fleet Mgr.	FCCA *
Harold I. Nordby	Norwegian	UM Farm School?	Plant Supt.	FCCA *
Edward Solem	Norwegian	Bus. Agent Local 471	Manager	FCCA *
Anton Swanson	Scandinavian	Checker Modern Milk	Buttermaker	FCCA
Einar Walters	?	?	Driver	FCCA
Carl Norlander	Swedish	Driver Modern Milk	Shipping	FCCA *
Florian V. Nielsen	Scandinavian	Driver Modern Milk	Driver	FCCA
H. I. Bender	?	?	?	
John Mattson	Swedish	Driver Modern Milk	Engineer	FCCA *
Clifford Sherman	Yankee	Driver (Company?)	Station Mgr.	FCCA *
Herman Glader	?	Driver Metro Milk	Foreman	FCCA *

* signifies a member of the Board of Directors, 1920-1923

NINE of the original 13 founders of the FCCA: (front row) C. Magnuson, R. Nelson, H. Nordby, E. Solem; (back row) G. Berglund, E. Anderson, A. Swanson, E. Walters.



Norlander were on the union's committee of five that took the early initiatives, and Solem was the committee's advisor.¹⁴

Having quit his position as business agent of Local 471 to sell stock full time for the Franklin—often without pay—Edward Solem was the early driving force and the founder most influenced by a Scandinavian background. The FCCA newsletter reported, “He got some pretty good lessons in social economy in the early days of his life” in Norway before “his interest in social problems more than anything else made him depart for the United States” at the age of 29. Once in America a laborer in lumber camps, farms, factories, and on streetcars, Solem apparently was a Socialist who had some association with Minneapolis's Norwegian-language, Socialist newspaper, *Folkets Røst*. The FCCA advertised in *Folkets Røst*, whose editor gave the Franklin warm endorsements and added, “Comrade Edw. Solem is Boss there, and so everything is as it should be.”¹⁵ Solem may have been the only founder who was a Socialist, but the Franklin clearly had some roots in Scandinavian immigrant radicalism.

From this information it seems reasonable to infer that it was mainly those of Scandinavian background who were the “co-operative enthusiasts in the Union” who “would not give up the idea so easily.”¹⁶ And, because of the sweeping successes of the co-operative

movement in Scandinavia around the turn of the century, it was an ethnic background that would have predisposed them toward a favorable opinion of co-operative enterprises.

Another subgroup characteristic can be identified from Table I. Of the 12 founders whose place of employment can be ascertained, nine worked for the Modern Milk Company of Minneapolis during the years that the FCCA was formed. The Modern Milk Company had been one of the last employers to sign a contract with Local 471. It may have been especially anti-union. In 1922, *Minneapolis Co-operator*, the Franklin's monthly newsletter, singled out Modern Milk “in particular” for “doing everything possible and impossible to discredit the Co-operation.” Whatever the reason for it, the participation of so many Modern Milk employees in the FCCA's founding made for a core group who were presumably well acquainted with each other and thus well suited for co-operation. The Franklin was formed by what has been termed “a fortunate selection of industrious and mutually congenial co-operators,” a circumstance that minimized the possibilities for employee-shareholder dissension or dishonesty.¹⁷

DESPITE its legal status as a consumers' co-operative association, the FCCA was not the product of utopian co-operative enthusiasts, but of practical unionists: “The only solution for Organized Labor and its friends is to build and operate its own creamery” to provide secure work for union drivers.¹⁸ The Franklin's immediate, short-term problems resulted from its status as an offshoot of the labor movement, and its solutions to them showed its reliance on its friends in organized labor. Its long-term problems arose out of tensions inherent in a worker-controlled co-operative attempting to function as a consumers' co-operative.

The Citizen's Alliance, the Minneapolis employers' organization combating unions and the closed shop, immediately expressed its opposition to the FCCA. The *Labor Review* quoted the Alliance to the effect that the

¹⁴ *Minneapolis Co-operator*, Feb. 18, 1922, p. 1, Sept. 1, 1922, p. 4; FCCA, *Year Book, 1924-1925* (Minneapolis, 1925), 9.

¹⁵ NSCL, *First Year Book, 1925*, 40-41; *Minneapolis Co-operator*, Sept. 1, 1922, p. 4; *Folkets Røst*, Dec. 18, 1921, p. 1, April 9, 1921, p. 4, April 16, 1921, p. 3, 4. The FCCA advertisement in the April 16 issue read, in part, “Support the organized workers' business by buying from the COOPERATIVE enterprise. Also, by subscribing for shares.”

¹⁶ NSCL, *First Year Book*, 40.

¹⁷ Local 471, *Status of Free Men*, 7; *Minneapolis Co-operator*, July 9, 1922, p. 2; Perlman and Taft, *History of Labor*, 4:4.

¹⁸ Nordby and Norlander to TLA, Feb. 11, 1920, CLU Papers.

workers must be overpaid if they planned to go into business for themselves; "the Alliance really believes that a worker should always remain a slave," the newspaper commented. Perhaps at the urging of the Citizen's Alliance, the private dairy firms prepared to fight the workers' co-operative. In August, 1920, while the FCCA was still organizing for operations, these dairies hiked the price of milk by one cent a quart in an apparent attempt to accumulate a surplus fund with which to combat the union and the FCCA. On November 15, 1920, while the FCCA plant was under construction, they announced that in one month they would switch to nonunion shops. Their spokesman stated that the employers could then fire employees who were stockholders in the Franklin.¹⁴

Interpreting this last move as an attempt to stop the creamery before it could start operations, Local 471 the following day voted to "double their holdings in the co-operative." Two weeks before the nonunion shop policy was to take effect, the *Labor Review* ran a front-page notice promoting the purchase of stock in the co-operative. The labor movement reaped immediate benefits from its support for the FCCA. The hiring of two nonunion employees triggered a strike against the offending employer and a lockout by the other milk dealers. By the time the Franklin was up and running in March, 1921, the milk drivers at Metropolitan Milk Company were still locked out, yet "thanks to the Franklin Co-operative creamery, but few of the men were left on the picket line," reported the *Labor Review*. Those men were loyal to the co-operative. During a milk price war, the FCCA's employees unanimously voted to accept a \$10 per month wage cut; following a break-in at the FCCA's offices, the drivers agreed to handle cash transactions through their personal bank accounts to minimize the Franklin's vulnerability to theft. The *Labor Review* wrote enthusiastically

of the co-op's early success: "The Franklin Co-operative is a silencing answer to the cry of the exploiters that the workers cannot operate and manage industry efficiently and economically and for the benefit of the community."²⁰

¹⁴ *Labor Review*, Dec. 5, 1919, p. 1, Nov. 19, 1920, p. 1, Dec. 10, 1920, p. 1; *Journal*, Sept. 24, 1920, p. 20, Dec. 18, 19, 1920, both p. 1. Though it is unclear if the employers or the Alliance had a role in this, the State Securities Commission was at first hostile to the FCCA's request for a license to sell stock. At a hearing, the SSC expressed doubts about the workers' ability to run the proposed business. The FCCA was represented at the hearing by Minneapolis labor lawyer and Socialist, Thomas Latimer. See FCCA, *Year Book 1923*, 4; and State Securities Commission, *Minutes*, Book 2, p. 30, 98, 108, 117, 121, 183, 260, State Archives, MHS. For more on the Citizen's Alliance in this period, see William Millikan, "Maintaining 'Law and Order': The Minneapolis Citizen's Alliance in the 1920s," *Minnesota History* 51 (Summer, 1989): 219-234.

²⁰ *Labor Review*, Nov. 19, 1920, p. 1, Dec. 3, 1920, p. 1. The *Labor Review* followed this with several front-page articles attacking the milk dealers; see issues of Dec. 24, 31,

THE ORIGINAL creamery plant at 26th and Franklin as it looked about 1921



Franklin Creamery attempted to help the Minneapolis labor movement as a whole, and not just Local 471. When constructing a new plant at 21st Avenue North and Washington on the North Side, the FCCA board accepted the bid of the Union Construction Company (UCC), a two-month-old company owned by workers in the building trades. The construction of the new facility was used to tout the abilities of UCC workmen. When it was finished in October, 1922, manager Solem boasted, "This makes our plant the nearest 100 per cent union building of any similar institution in the world."²¹

The new plant was visible proof that the Franklin had solved the problems of start-up and opposition from private creameries. Its growth was almost phenomenal. When it began operations in March, 1921, it needed only 18 milk wagons; by the end of the year, it needed 71 to handle increased sales. The following table indicates the Franklin's growth, measured in July of three successive years.²²

TABLE II

	<u>Wagons</u>	<u>Employees</u>	<u>Bottles Distributed</u>	<u>Sales</u>
1921	46	120	968,495	\$ 86,849
1922	82	178	1,570,540	\$ 137,006
1923	146	381	3,234,959	\$ 286,095

1920, Jan. 7, 14, 1921. See also *Journal*, Dec. 18, 1920, p. 1; *Labor Review*, April 8, 1921, p. 2, Jan. 20, 1922, p. 1, 3; *Minneapolis Co-operator*, Feb. 18, p. 1; "Woman's Forum," June 15, 1923, p. 1, 3, clipping, Roll 8, Citizen's Alliance of Minneapolis Records, MHS.

²¹ *Labor Review*, Mar. 10, p. 1, Feb. 24, p. 1, Oct. 20, p. 1—all 1922; *Minneapolis Daily Star*, Jan. 6, 1922, clipping, Roll 8, Citizen's Alliance Records.

²² *Minneapolis Co-operator*, Sept. 14, 1923, p. 1.

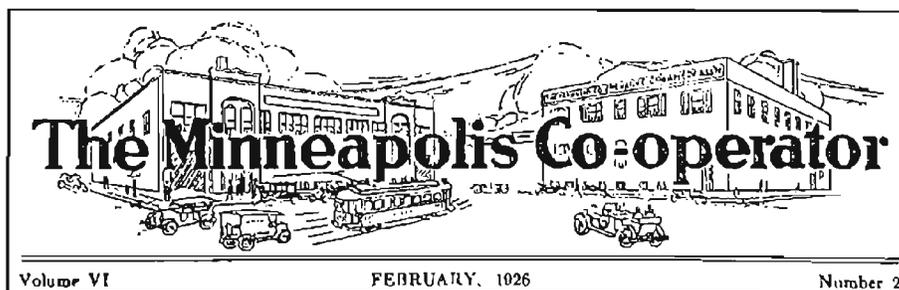
²³ *Labor Review*, Dec. 2, 9, 1921, both p. 1; Jan. 6, 1922, p. 1; *Journal*, Jan. 25, 1922, p. 10; William K. Oldham to Maynard Peterson, Dec. 6, 1921, CLU Papers. For Local 471's protest against the action of a TLA organizer in filing a lawsuit against Peterson, see Frank Lundeen to TLA, July 11, 1922, CLU Papers. See also correspondence from Local 471 to TLA, CLU Papers.

²⁴ *Minneapolis Co-operator*, Oct. 26, 1921, p. 2.

SUCCESS created new problems and aggravated some old ones. The Franklin could not isolate itself completely from divisions and differences within the labor movement. With its early support of the Bolshevik revolution, the Trades and Labor Assembly was considered by some as a radical group of socialists. Local 471 appears to have been a more conservative affiliate of the assembly. In late 1921, Local 471 supported a Presbyterian minister's claim to a seat as a fraternal delegate to the TLA and complained when his claim was rejected by the socialists. At the same time, Local 471's delegate to the assembly, Maynard Peterson, a Franklin employee, publicly charged "that the Minneapolis Trades and Labor Assembly is in control of radicals," called for revocation of its charter, and proposed the formation of a new labor body. The FCCA board had to condemn Peterson's action in order to avoid being drawn into the controversy.²³

Apart from specific episodes, the Franklin was also inevitably caught up in the arguments within the movement between radicals and conservatives. An early issue of *Minneapolis Co-operator* reported the conflicting advice that FCCA leaders received: "Some of our friends tell us we are Bolsheviks . . . Others say our ideas and methods are purely capitalistic, and that some day we will sell out to the Metropolitan or some other milk company, and therefore our efforts are not worthy of the attention of the class[-]conscious workers." There were similar differences of opinion among creamery workers. Some thought "management must be autocratic" whereas others "insist[ed] that we all don overalls and have a council of the workers in the industry run the business."²⁴

Completion of the North Side plant raised concerns that the Franklin was becoming too successful and was "turning capitalistic." Edward Solem replied that the worriers' "idea of a co-operative business is a struggling little thing in a filthy back street" that was good only for garnering sympathy. "The American people do not want any side street stuff," explained Solem, who added that co-operative organizations built labor unity whereas strikes destroyed it. The Franklin was not "going capitalistic in the sense our friends seem to think." The FCCA newsletter frequently printed articles that





THE FRANKLIN'S new plant, which opened late in 1922, was built at 2108 Washington Avenue North, Minneapolis.

linked the co-operative idea with the workers' ongoing struggle against their employers.²⁵

Finally, in November, 1926, FCCA president Harold Nordby sent a letter to the TLA's successor, the Minneapolis Central Labor Union (CLU), to counter "statements made to the effect that the Franklin Co-operative Creamery Association had forgotten its friends, the Trade Unionists." Nordby pointed out that the FCCA employed only members of Local 471 as well as union members in other craft jurisdictions and had always taken its printing work to union shops. Nordby asked for a reaffirmation of the former Trades and Labor Assembly's original endorsement. It was given by the CLU.²⁶

THE FRANKLIN'S proven success in running a union shop that set the standard for labor relations in the Minneapolis dairy industry meant that its problems with the labor movement were only short term. Its longer-term problems resulted from the conflicts inherent in operating a workers' co-operative in the form of a consumers' co-operative. With success, the Franklin association necessarily expanded greatly beyond the initial core group of Scandinavian-American drivers from the Modern Milk Company. By July, 1923, the FCCA

claimed 6,000 shareholding members and 381 employees delivering dairy products to 35,000 customers.²⁷ With expansion came increasing organizational complexity, a more hierarchical structure, and a greater differentiation in functions and in attitudes toward the association. Several subgroups developed: the employees, management—the directors and department heads—the farmers who supplied the FCCA with raw milk, the shareholders, and the consumers who purchased dairy products. Each group developed its own perspective on the association's policies, on its performance, and on the other groups.

Not surprisingly, the employees were generally quite satisfied with wages and working conditions at the Franklin. Around May 1, 1922, every FCCA employee was asked to write his or her response to the question "Why am I working at the Franklin Co-operative?" Though the answers may not have been

²⁵ *Minneapolis Co-operator*, June 15, 1923, p. 1, 2, Dec. 15, 1921, p. 4, and June 9, 1922, p. 20.

²⁶ Harold I. Nordby to Central Labor Union, Nov. 24, 1926, and attached "Report of CLU Resolution Committee," dated Dec. 1, 1926, CLU Papers.

²⁷ *Minneapolis Co-operator*, May 20, p. 2, Sept. 14, p. 1, both 1923.

anonymous and though the printed responses were selected by FCCA management, still, they showed an appreciation of both the FCCA's co-operative mission and its status as a union-controlled enterprise offering good wages and working conditions. Most respondents applauded the co-operative camaraderie: "There is a general atmosphere of good feeling and good fellowship pervading the entire association . . . the spirit of good-fellowship and comradeship prevailing among his fellow workmen [makes] work a pleasure instead of a drudgery."²⁸

Twenty Franklin employees were interviewed at length in 1927 about their views on the association, and the results were analyzed in the *Year Book* of the Northern States Co-operative League. Here, those interviewed were mainly long-time employees who had advanced to positions of responsibility. There was universal agreement "that the working conditions and wages at the Franklin Creamery are better than at other creameries in Minneapolis."²⁹ Despite the skewed sample, there is no reason to doubt that was the case.

Going beyond good wages, the association did

²⁸ *Minneapolis Co-operator*, July 9, 1922, p. 3-4.

²⁹ NSCL, *Third Year Book*, 1927, 77, 80-81.

³⁰ *Minneapolis Co-operator*, July 9, 1922, p. 2, Aug. 1, 1922, p. 3-4, Jan. 5, 1923, p. 3, Jan., 1925, p. 8; NSCL, *Third Yearbook of the C. L. U. S. A.*, 1936, 201; V. S. Alanne to Mpls. Central Labor Union, July 10, 1926, CLU Papers.

³¹ NSCL, *Third Year Book*, 1927, 78-79, 83, 85, 87.

³² NSCL, *Third Year Book*, 1927, 77-79, 88-89, 92-93.

Responses of directors and department heads are separately identified as such in the *Year Book*.

ONE of the Franklin's early ice-cream trucks helped to deliver over 100,000 gallons in 1923.



much to create camaraderie at the workplace. A "Goodfellow Club" met regularly at the creamery. The Franklin Co-operative Male Chorus ("Come and Hear Your Milkman Sing") and Band performed in the 600-seat auditorium that was part of the North Minneapolis plant. In 1936 the 35-voice chorus was made up "entirely of Franklin employees" and was, probably correctly, "believed to be the only Milkmen's chorus in this country." In conjunction with the CLU Educational Committee, the FCCA counterpart held evening classes during the winter months. There was an annual picnic with entertainment, a speaker, games, and a tug-of-war between the drivers and the inside workers. A Women's Co-operative Guild met monthly.³³ Some of these activities were also open to (nonemployee) shareholders, but given the degree of shareholder apathy the employees were probably the main participants.

Of course, many of the employees were also shareholders in the association, but their perspective on the FCCA differed significantly from that of the nonemployee shareholders, who were usually FCCA customers. At least in the 1927 interviews, the employees tended to see apathy, misinformation, and fault-finding among the nonemployee shareholders as the Franklin's "most serious weakness." Employees also felt that FCCA milk and ice cream prices were too low and that consumers did not really appreciate the good deal they were getting. It seemed "to be the consensus of opinion of these Franklin employees that a slight raise in the price of milk would be entirely justifiable."³⁴ That consensus would appear to contradict the essential goal of a consumers' co-operative, which was to keep retail prices as low as possible.

The interviewer included the directors, department heads, and plant superintendents in the category of Franklin employees, and their answers showed that a management perspective had arisen that differed from that of lower-level employees. This occurred in spite of the fact that all six directors were employees (which was typical throughout the Franklin's existence). The managers concurred with the employees' opinions about shareholder apathy and the need for a price hike, but they were much more hesitant about the desirability of employees owning shares in the Franklin. They thought share ownership might "make it difficult to maintain discipline," or might be seen by employees "as insurance against unemployment." A department head thought that "at times it seems to interfere with good discipline at our institution if the employees are also stockholders." The directors also took a less altruistic attitude toward the Franklin Nutritional Clinic, a free medical program for malnourished children run by the FCCA: "I am not absolutely convinced that we have received our money's worth . . . the clinic was intended to create more patronage for our association."³⁵

The Franklin's managers were clearly taking on some of the attitudes of corporate managers, despite the FCCA's status as a worker-controlled co-operative.

One plant superintendent felt that the major problems with product quality arose on the dairy farms themselves. Like the privately owned creameries, the Franklin received its milk supply from the Twin City Milk Producers Association (TCMPA), a producers' co-operative owned by dairy farmers located close to the metropolitan milk market. Although the TCMPA endorsed the Franklin back in 1920 and signed a "full supply agreement" with it, there is no evidence that the dairy farmers' co-operative gave any preferential treatment, or lower raw milk prices, to the workers' co-op. The Franklin boasted of its "very close and cordial" relations with TCMPA and with Land O' Lakes (from whom it purchased butter)—in contrast to the frequent "antagonism, suspicion and misunderstanding . . . between most farmers' marketing and urban consumer's organizations." Clearly this affinity was possible because it was not a true urban consumers' organization and, thus, apparently did not try to negotiate a lower raw milk price in order to reduce its retail milk prices. In 1927 a Franklin superintendent noted without complaint, "We are paying the highest market prices to the farmer for the raw milk." As the "largest milk distributor in the Northwest," the FCCA might have had some bargaining power with the TCMPA had it chosen to exercise it.²¹

Although in the beginning \$20,000 worth of FCCA stock was set aside for dairy farmers to purchase, it is unclear how many were shareholders in the Franklin. Most of the shareholders, however, were neither employees nor farmers, but urban consumers, supporters of co-operation, and investors. In 1928 two dozen non-employee shareholders were interviewed, and 19 filled

out a questionnaire concerning their views on the Franklin's policies and performance. A shareholder perspective had clearly developed, and it was primarily one of apathetic approval of the FCCA's progress. There were some complaints. Those who had purchased shares because they wanted to earn a safe and reasonable return on their investment tended to express greater dissatisfaction, especially with the rate of return and the FCCA's unwillingness to buy back their shares on request. They had been promised an 8 percent return by the stock salesmen, but the actual dividend rate had averaged little more than 5 percent; rather paternalistically, the FCCA management bought back shares only "from people whom we believed to be in such circumstances that they were entitled to this consideration."²²

Because of these complaints, a significant minority objected to the Franklin's policy of spending money on co-operative education. One said, "You should not pay any money on such things until at least the Creamery has paid 8% interest on the shares." Another flatly stated, "I do not think it is fair to spend stockholders' money in educating people." Financial complaints probably also contributed to a perception that "those

²¹ NSCL, *Third Year Book*, 1927, 81-82; Report on Franklin Co-Operative Creamery, [Feb., 1920], CLU Papers; Contract between Twin City Milk Producers Association and Franklin Co-operative Creamery, Jan. 10, 1921, Twin City Milk Producers Association Records, 1906-1957, MHS; NSCL, *Fourth Yearbook*, 1928, 89, 105. A TCMPA price hike in December, 1922, apparently applied to all Minneapolis creameries. See *Journal*, Dec. 2, p. 1, Dec. 6, p. 4, both 1922.

²² Fox, et al., "Report on Franklin Co-Operative Creamery," CLU Papers; NSCL, *Fourth Yearbook*, 1928, 94, 100-101, 103, 106; NSCL, *Third Yearbook of the C.L.U.S.A.*, 1936, 202-203.

GLASS-LINED milk tank trucks such as this were pioneered by the Franklin in 1924.



working there get what they want and the concern is run mostly for their benefit." Founder Solem complained about antiemployee attitudes among shareholders: "we sit in our stockholders' meetings, listening to complaints and arguments from members about a few paltry dollars deficit in the employees' lunch room."³⁵

Still, the interviews and questionnaires showed that most shareholders were satisfied with the Franklin's performance, and that the greatest problem was apathy and unwillingness to attend the shareholder meetings. To the dismay of the true co-operators, many shareholders did not perceive it to be their responsibility to participate in co-operative decision-making. One simply said, "I'm not in the creamery business." Association leaders tried repeatedly to increase shareholder attendance at the meetings, at one point scheduling an "Olde Tyme Dance" in an effort to draw people to their meeting.³⁶

Despite shareholder and consumer criticisms, the Franklin's early history suggests that co-operation could be a useful tactic for the labor movement. By organizing as a consumers' co-operative the milk drivers effectively enlisted public support for their cause. They expanded that cause beyond simple wages-and-

hours demands to include consumer concerns about milk quality and prices.

Finally, the Franklin's early history suggests that economies of scale may have helped to reconcile the conflicts inherent in a union-run consumers' co-operative. When the FCCA began operations, there were at least nine dairy distributors in Minneapolis; by 1934-35 the FCCA and one large private firm controlled over half of the city's milk supply. Fewer private companies, larger plants, and the resulting economies of scale made possible both higher wages and a reduced retail price for milk. Thus a workers' co-operative barely disguised as a consumers' co-op could succeed.

After a peak in 1924, the number of shareholders steadily declined to less than 4,000 by 1935. (This, however, was partly because the Franklin did not need a new infusion of capital and thus did not embark on any campaigns to sell new shares.) At the end of the 1930s the creamery reached the high point of employment, with 440 workers and 157 milk routes. In succeeding decades income fell, due "mainly to unstable prices with some loss of volume," and in October, 1959, the 3,500 shareholders voted to drop the word co-operative from the name, file incorporation papers with the state, and revise the bylaws. As one reporter put it, "Franklin Co-operative Creamery association, long described as 'the co-op that isn't,' isn't."³⁷

³⁵ NSCL, *Fourth Yearbook, 1928*, 102, 105; *Minneapolis Co-operator*, May 14, 1924, p. 4.

³⁶ NSCL, *Fourth Yearbook, 1928*, 104; *Minneapolis Co-operator*, Sept., 1925, p. 2, Aug.-Sept., 1927, p. 1-2, Oct., 1927, p. 3.

³⁷ *Minneapolis Sunday Tribune*, Feb. 28, 1960, business sec., p. 9, 11. The source for Table III is NSCL, *Third Yearbook of the C.L.U.S.A., 1936*, 202-203. The figure 6,000 for 1923 is in *Minneapolis Co-operator*, May 20, 1923, p. 2.

THE PICTURES on p. 263, 267, and 268 are from the FCCA *Year Books* for 1923 and 1924-25, p. 3, 13, and 35 respectively; those on p. 264 and 266 are from the Minneapolis Public Library history collection; all others are from the MHS audio-visual library.

TABLE III. Membership Decline and Rate of Return on Shares

Year	Patronage Refund**	Share Dividend Percentage	Dividends as % of Net Profit	Shareholders as of 12/31
1921 (9 mos.)	5%	2%	17%	*
1922	5%	4%	30%	*
1923	5%	6%	70%	*
1924	None	7%	58%	5,269
1925	"	7%	68%	5,112
1926	"	5%	85%	5,003
1927	"	5%	71%	4,769
1928	"	6%	59%	4,625
1929	"	6%	42%	4,474
1930	"	6%	50%	4,360
1931	"	5%	79%	4,248
1932	"	None	(Loss)	4,178
1933	"	None	(Loss)	4,116
1934	"	3%	73%	3,984
1935	"	3%	41%	3,921

* Membership totals not given for these years.

** Failure to pay this refund showed that the FCCA was not a true consumers' co-op.



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