FINNISH FOLKLORE AND SOCIAL CHANGE IN THE GREAT LAKES MINING REGION ORAL HISTORY PROJECT 1972-1978
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SUBJECT: History of the Pelkie Coop Store

SOURCE: John Polkala

COMMENTS:

I: When did you first start working at the Coop?

R: In Pelkie or in any other Coop?

I: In Pelkie.

R: Actually I came to the area in 1951. I came to Hancock as a area supervisor. I had all these cooperatives there...all over the Copper Country parts...under me then for a few years. I was stationed in Hancock at Northern Coop Offices, they had a office there.

I: So, at that time, Pelkie was under your jurisdiction.

R: Yes, and then I got this area program for...until 1953 I think it was...and I went Pelkie afore a came to me one...one time and they asked if I become manager...they didn't have a manager. They'd lost their manager and they asked if I'd become manager there...up there. Had quite a few problems in the area and had some conflict with our...with Central Wholesale House people too, that they were a little afaid of them. I felt that they were afraid of us showing off that how kind of a wholesale setup could be run...operated and ran...we operate at a very low mark-up and about three percent whereas they were running around seven percent. And we had all that conflicts. I finally told Pelkie that I'll come and manage it. Let somebody else operate the area program. Anyway, it didn't work out...the area program.then ended and then I stayed at Pelkie.

I: So you started there around what year?

R: '53 I think it must have been because I stayed there twenty years and I...let's see...1952 or '53.

I: Tell me a little bit about the whole organization of the Coop. The central headquarters of the Coop controlling Pelkie are where?

R: They don't control...Central doesn't...see at that time we had our wholesale house in...that was run by these cooperatives in Superior.

I: It sold to all the cooperatives in...

R: Sold to all the cooperatives in this whole three state area, Minnesota, Michigan, Wisconsin.

I: And that was in what years this was started?

R: Well, the wholesale house started in 1919 and then in about...ten years ago, then was merged with Midland Cooperative Wholesale and the actives.
I: And that was a different cooperative organization.

R: Different cooperative organization but now they had merged. They're now one because felt that these two wholesalers close together that it'd be better if they'd get large and more powerful if they're in one. So, Midland took all the assets and all the liabilities and everything of Central Club Wholesale. But the cooperatives owned these wholesales like the cooperatives like Pelkie owns part of Midland. And Midland doesn't control Pelkie, Pelkie controls Midland. (???) controls Midland, it's not a control top down, it's control from bottom up. Just like our membership in cooperatives control the Pelkie Coop. We have about 1,100 members, so they actually control the Coop, the manager or the...it's not a top down organization, from bottom up.

I: Does the manager then of the Pelkie Coop go to meetings at Midland and have a say in what's done.

R: No, that's area cooperative is then...there's a central...they meet twice a year, all the cooperatives in the Upper Peninsula for instance, it's called District 15. Midland has fifteen districts and each district has a representation in Midland, a board member. So, we have our District 15, so we meet twice a year, but then once a year we elect, we have a regular annual meeting and at that meeting then we...well at the very first meeting the District elected a board member. So I have been board member ever since we merged. I have been a Midland board member from this District in Minneapolis.

I: How many cooperatives are in District 15?

R: There are now something around 31 in District 15.

I: Is Pelkie one of the larger ones?

R: Pelkie is one of the larger ones, and Bruce Crossing and Rudyard are large ones in (???) marketing. So we have a pretty sizable organization.

I: However, the local Coops such as Pelkie must buy from Midland. Right?

R: Well, they needn't buy but it's not compulsory...they have no agreement but they'd be...just...well it'd be foolish not to buy because you own the place. It's just like you owned your own store and you don't buy from there well that'd be ridiculous.

I: How does Midland get goods? Where do they get them from?

R: They buy from different suppliers, the manufacturers, like any other wholesale.

I: I heard that Pelkie was one of the first cooperatives in the area. Is that true? It started in 1917. Were there other cooperatives in...

R: I think Hancock was before. Yes, Hancock was before because they used to...Hancock used to deliver by horses into the Pelkie area or Tapiola area years ago. Hancock was the earlier but Pelkie was one of the early ones.
I: How did the Coop start?

R: Wouldn't you want to know why?

I: Why and what were the reasons, who were the people involved?

R: Why was first...part of these people who are in Pelkie and Tapiola are the moved there were people that were blacklisted in the strike in the mines. After the strike they wouldn't take these people back to work. So that's one of the reasons they went on the farms...start farming in order to make a living, and logging and working in the woods. They were miners originally.

I: And they were blacklisted for union activities, right?

R: Well, some of them, maybe they were a little outspoken or a little bit liberal that maybe they took a stand on the wrong side in that strike so they just won't take them back in the mine.

I: And the different mines were organized so they passed the list along, and make sure that if a guy caused trouble in a mine over here, or if he stepped out of line at this mine that he couldn't get a job anywhere in any of the mines, right?

R: They couldn't go to Minnesota nor even as far as Montana or any of those silver mines or any...they couldn't get a job any place.

I: Oh, the miner...mining...

R: The mining companies were so informed about each employee, they inquired about any...especially if a man came from this area where they had that lot of that trouble, well the first question they'd put up is that...why did you leave from there. And, if they were blacklisted they wouldn't take them in.

I: Do you recall anyone talking about trying to get a job and not being able to?

R:

I: Can you tell me about...

R: I can't remember any particular names but in a story you hear so much from so many that I simply forget who the people...there were several there wasn't only one...several people.

I: Is there any area of Pelkie, any smaller region of Pelkie, in which many of the people left or did the whole area fill in...

R: Not the whole area but lot of the people moved here. There were, originally there were more French-Canadians moved into Pelkie. They were originally there and some Swedish people.

I: But, I mean at the time of the Copper Country strike around...
R: All of them were at the same time.

I: Is it in any particular region of the Pelkie area that they filled in or did they come in all around?

R: All around. Nothing matter at all...in the whole...they came into all these farm areas around Hancock and Houghton, probably Chassell.

I: So, it was not so much that they were seeking a farming way of life as that other alternatives of employment were simply barred to them because of their particular stance in the strike.

R: That's what really happened that they were forced into that type of livelihood. And being there and in their shopping they to independent merchants and they were trying to develop some farming and had some cows and especially in the feed area the merchants were bypassing the farmers those beginners...with prices so high that they couldn't even make a start. They had a rough time going. So, the farmers, the people got together and figured that there must be some other way that they can get their products in cheaper so they started buying feed in carload lots. They pooled so many orders and then ordered a carload of feed and then...

I: And the men arranged to get a complete carload.

R: Complete carload and then they'd have one of the farmers or some of the farmers get together and pay for it, you know, then distribute and each one got their share out when the car came in. And, naturally, that wasn't very well accepted by the merchants in that area.

I: Before they started this consumer purchasing, this group purchasing in order to get cheaper prices in bulk, where were they buying their food.

R: Independent merchants.

I: Okay, what were some of the independent merchants, where in the area?

R: In Pelkie...and in Tapiola.

I: What stores in Pelkie at that time? Was this Gauthier's Store? Was that one at the time or had Matt Ollila...

R: I don't think Matt Ollila was there yet. Anyway, the merchants put an awful fight. They weren't going to...they were trying to boycott the feed manufacturer...they weren't going to allow this that the farmers can buy direct in carload lots.

I: All of the independent merchants were going to stop buying from whoever was selling to the farmers?

R: Evidently the feed suppliers at that time didn't take heed and they just kept on selling. The farmers, when they got the feed like that they could do better some, and another thing that they had a problem was shipping their pulp wood. You know, any timber products they...when they shipped out
they didn't hardly get anything for their product because the independent merchant also sold their...bought and sold timber product.

I: The merchants would buy the pulp wood and then sell it again.

R: Yes, and they commission...or whatever...they just, well they don't know if they are commission or they just pay a small portion of that...what they got for it to the farmer...

I: Do you recall the merchants who were buying?

R: I don't remember from Pelkie, but I...in Covington...Hutala...he did all the buying; and the funny part of it too was that sometime the car would get lost entirely that the shipper got nothing...and shipper kept asking...asking "When is my return coming in". Finally Hutala said, "It got lost...car got lost...there is no record...we can't find it that the railroad must have lost it". And that's up there and those kind of things, but the biggest part were they didn't get nothing for their pulp. So, they started pooling their efforts into effort of getting better return on their pulp wood.

I: Do you know who it was in the Pelkie area who kind of got the original idea of starting it in here...the persons who came up with the idea of getting these joint purchases?

R: John Erikainen was one of the and Pelto was one of those original ones. Alfred Pelto's dead...Ed Pelto. Those two were, I think, the most important.

I: Okay, it started on the feed that was a problem...getting feed.

R: Then they...as they had this feed purchase...then it became a problem that one person or two people don't want to keep spending their time...they had to make a living too. So they couldn't spend their time for nothing...distributing this feed to all the others.

I: Who sort of got stuck with the job of distributing it at first?

R: I think Ed Pelto was and then John Erikainen. I don't know though, its...but Ed Pelto was involved. So they finally had to decide at some kind of place where they can take and...like a building or they could have somebody there and take charge and then could pay them something for this effort. But, wouldn't pay to have the feed alone so they started this cooperative...and other merchandise too, to sell for whoever spends his time and get some income.

What were some of the other things?

R: Well, they got into groceries then and started selling them...groceries and other needs...coffee and whatever that comes under groceries.

I: Clothes, flour and hardtack...

R: And in that, independent merchants put an awful fight to try to stop the wholesale house from selling to the cooperative, but they...there again, the wholesale houses evidently didn't stop selling because, I can't remember...there was some pressure put on by the people too, that the wholesale house kept on selling to the cooperative, so in that way they got started. But
originally was from feed and then they got into the others. Ed Pelto was the first manager.

I: Do you recall any people in Pelkie who opposed this...who were staunch opponents of this? Was there a group of people?

R: Just the merchants opposed.

I: The merchants in Pelkie?

R: In Pelkie and surrounding close by out in Tapiola, wherever they were.

I: Did they begin to protest and to call these people who started forming these cooperatives by names, such as communists or something like that? Did they use names to try to discredit them?

R: Oh, that came on a little later on that they started that angle then, that their, thats communistic for people to do that...what they're doing...buying together. So, socialistic and communistic...(???) a year later on real strong.

I: When did they start to use that to discredit them?

R: In the 1920's sometime...I can't remember the years, but later on there was some basis at that they could pick up that communistic...some of these people did start...I don't think the same people, but some of the communists that were active in Pelkie area, then they did support the cooperative so that gave a little basis to this merchants to really play that up; and naturally quite a few people were afraid of that communistic thing. They even refused to shop at the Coop for that reason.

I: Were there particular groups of people that seemed to refuse to shop at the Coop; for instance, was it the Appostolios (sp)...did they refuse to

R: I don't think there's any particular religious group. But some people are afraid more so than others about...maybe the merchants were in the same church with some people and they naturally every opportunity they bring this matter up and some of the people got scared that they're being brought into a communistic group.

I: Was Matt Ollila, at the time, a staunch opponent of this? It seems to me...that he being a merchant was hurt very much by the cooperative.

R: Yeh, I imagine, Matt being a very sharp man, very good talker...so I think he did lot of work using that same...although now he shops in the Coop.

I: Was Matt Rouna also an opponent of the Coop? Because I know he was an early merchant too, in fact, he and Matt Ollila were discrete...

R: I can't tell you about Rouna that being...I think he was a different type of man than Ollila.

I: And also, Matt Turunen, now he was more logger; but you supported the Coop from what I understand.
R: Yes he did

I: But, I have heard that Matt Ollila opposed it and called them communists inspired people because he was losing money because they were selling at cheaper prices. And also that he spoke about this in the church and that it spread throughout the church that the Coop was bad and many of the people thought that the early formation of the Coop was bad because of that.

R: Well there was, and in fact when I went to Pelkie first, I...kind of the first thing that I started hearing...I started asking people why they don't buy their feed there or why they don't shop there and said well they don't want to shop...that the Coop being communistic, you know...well that's something I don't know anything about, that as far as I'm concerned I'm not one and I'm sure that the organization isn't because if it were I wouldn't be here. So, that was pretty strong at that time.

And that was already in...

R:

I: And they were thinking like that then.

R: There were still some people that were, yeh.

I: They must have been older people at the time though who...

R: Older, yeh. But, anyway, that wasn't very many years when that thing died down complete. There's none of that...can't hear anything about communists any more.

I: But, there were local communists at the time, and I heard that in the early days they made a move to get control of the Coop.

R:

I: Can you tell me about that?

R: Yes...I was then in Covington, managing Covington and Watton cooperatives...1930 when I was a young man...I was first managing...first managing job and I went there. First annual meeting that we had, communists made a great effort for our board...before the annual meeting we spread our membership to every Coop member that we knew that wasn't communistic...that was strong for the cooperative. We had every board member get his wife get the membership.

I: And children too?

R: And children if they were old enough. There weren't very many old enough children at that, but those that were old enough.

I: How old did you have to be to have a share and have a vote.

R: I don't recall, but they had to be somewhat mature...I think around eighteen so they could vote. But, we did that before the annual meeting...we just
spread our membership as far as possible and some people even gave membership to people that...their neighbors that didn't have any membership at all...they gave the man and wife just free...their own shares to somebody else.

I: So that they would have additional votes on their side.

R: Yeh, so we...

I: Also, the communists were doing this too.

R: They couldn't do it there because we...there weren't enough in the board to be able to do that. We wouldn't do that to the communists. In some places they did.

I: I know, but some at the time were trying to spread their shares around secretly, right?

R: Oh yes they did, but they couldn't do that...they had to go through the boards. You can't...in a cooperative you can't give your share to a neighbor without first being accepted...the board has to accept that transfers.

I: Oh, if I have several shares I can't give them or sell them to a neighbor without the board's approval.

R: No, you can sell your share, but it doesn't mean anything before it's approved by the board and recorded that the board has approved the transfer to your neighbor.

I: And, that's written into the by-laws

R: Yes, so you can't...there's a protection there that you can't...somebody can't take control of the cooperative because the board controls that membership.

I: But then, who elects the board? The membership, right?

R: The membership. Membership elects the board. Then, when we had our first annual meeting, then well these communists made a great effort to get enough board members into the board to get control. They failed then they got so angry that they started saying international and walked out as a group of that meeting...and that's the last time they ever see them in a Coop. And we didn't either for years and years. A lot of them went to...moved to Russia at the time, they just...oh, dozens of them moved away from area entirely...moved to Europe...Russia.

I: Same thing in Pelkie?

R: Same thing in Pelkie...so

I: The story that I heard was that Ed Pelto got wind of the fact that the communists were trying to spread their shares around...so he quickly went and contacted many people and they then spread their shares around and they just out voted the communists. See, at the time the communists were trying to spread it around, I don't know if it was written into the Pelkie by-laws that the board has to approve a transfer of shares. Is it also written into the Pelkie by-laws?
R: I'm sure it was, but maybe the communists had enough membership in the board at that time in Pelkie to be able to do that.

I: Well, it was in order to increase their membership on the board that they were doing that. Evidently, they must have had enough at least to get their shares...the transfer of shares approved.

R: They must have had enough membership in the board that they gave...if I had some transfer to my neighbor, they wanted to do the same thing. And, the board approved all those transfers, evidently, if there was a three or so communist and maybe five others; but maybe they had to compromise enough so that those transfers would be approved. But, they couldn't transfer without the board's consent. That's the by-laws.

I: From what I understand, these people, well first of all, they weren't really communists in the sense that they weren't revolutionary...they weren't trying to overthrow the government by force, they were more socialists...

R: Liberal...

I: Yes, something like that. The word communist was applied to them by merchants who wanted people to dislike them so that they wouldn't support the Coop. But, they were more what they call socialists. From what I understand, they got along with the other people.

R: These...

I: The communists. To your knowledge, was there any split? Would the communist people visit the church people, etc., and be friends too?

R: Yes, as neighbors, yes. But, the communist people didn't go to church. That's one thing they didn't do; but as far as neighbors, if you had a communist neighbor, they worked together just the same as if they...that they didn't have any...of course, each one tried to...I happened to hear many times one arguing about church, another arguing about communist, you know. That happened a lot. They'd have these discussions and arguments about which was...which one should be doing...and I was relatively young then, and that was interesting to listen to all these old-timers argue about; and the...they used to come into the store sometimes and these communists started trying to sell their programs...I had to stop...I said that you can't do that in the store, I won't allow it.

I: This was when, in...

R: In Pelkie even and the same thing Covington.

I: You mean trying to literature?

R: Well, sell their programs, you know, just by discussion and argument. And it got pretty loud so I, finally I said, "You can do all the propaganda work you want elsewhere, but not in the store. I won't allow that".

I: So they did try to change people's minds in the store.

R: Oh sure...oh yeh.
I: And, from what I understand, they had a hall...used to call it Punicki... in Pelkie and the hall was called Punicki Hall and evidently they held dances there?

R: Oh yes, the communists were real active socially. They didn't...not being church people well they, you know young people - they were relatively young people and they had their own social affairs. They had plays and dances every week. Every weekend they had dances and plays and programs of various kinds. So that they were very active in that type of thing.

I: Did they use these occasions to try to change people's minds? To draw people in and change their minds at all?

R: Well, maybe...yes they did in a way that they had some of these socials they had speakers, you know, and they naturally were communist speakers. In that respect they'd try to turn people's minds, but didn't make any sense. Seems a lot of these people weren't...most of the people that went there were already of the same mind, so they were just talking to themselves, really.

I: Evidently, church people would not go to this.

R: They wouldn't go there.

I: What about the kids? Did the kids try to sneak out and go to a dance?

R: Kids wouldn't stay to no speaking engagement...they'd go to a dance. All the kids went there whether in the church or not. Was no propaganda there anymore.

I: Oh, at the dances, they were straight social things.

R: Yes, but there was an admission and that money that they got an admission, a lot of that money went to the communist parties.

I: The American communist party?

R: Yes...you see that's how they raised capital to carry their things along... and their ideas too...I don't know where they send it to Superior and from there to wherever it went to carry on these speaking programs or whatever they carried on...papers and leaflets and books.

I: One very interesting thing I found about the Coop since I've been there is its role not only as a provider of goods for people but it's sort of like a town center or a community center where people go there to buy something they bump into their neighbors, they bump into their friends. It's like a joke around Pelkie that when you go shopping you end up visiting in the Coop too; and for this reason I think the Coop is really important to the Community of Pelkie. When people come together like that in order to shop, they also bump into each other and visit; and people see more of each other for that reason. Elko lost its town center when their store closed down and their post office closed down, and it seemed after that the community sort of fell apart and it became isolated into different families rather than a whole community. Have you noticed that...that particular feature of the Pelkie Coop?
Yes, well when I first went to Pelkie, that store was so far down in the dumps that I felt really sad when I went there. I told...auditor came there that first year, I said, "Well I don't know if I'm going to stay very long, but I'll try it a little while and see how this thing is going"...because it was in bad shape. They couldn't buy any merchandise except they...everything came C.O.D. And I thought, man I don't know if I want to stay here too long. The first month's sales were only around $8,000 for all of it...feed, fertilizer, groceries and meats and all the things that they had...machinery. Well, I knew we couldn't make a living on $8,000 sales a month. I figured, well I'll stay for a little while and see how things are; but things started picking up a little bit, a little improvement and as far as they...but why I brought this up that it was pretty dead, you know. You know how you're in a store and people don't come in...you're there with your employees all day long and very few people straggle in and buy only a little this and a little that and it's very discouraging...hard to live with. But it wasn't much of a center then for people, then as it grew up bigger and bigger and start quite rapidly improving well then...then the center started getting like it should be. The people came in and they visited and they shopped...all their shopping whereas they used to come and pick up only few things to carry on until they went shop somewheres else. So then as it grew then, like Elo, and Coop...we were kind of feuding between for business, you know. Pesola was in Elo and we were there and especially in feed we had quite a battle, you know, just in advertising and in trying to sell. One day I stopped at Elo and I started talking with Ray Pesola and we talked and I felt...I found that he was a pretty nice guy so...then he said...he suddenly said, "Why don't you buy me out?" So I, well..."I'll talk to the board and see what the board will say". So I talked to the board and we went...and the board met with Ray and decided we'll merge, we'll buy Ray out and we did. Didn't take too long either...we got together on price and everything...we bought him out and then after...

I: When was this...did you buy him out?

R: Oh...Ray would know exactly...about ten...probably ten years ago.

I: 1963?

R: '63 or somewheres in that area.

I: That can be one of the things that we can check out when we see the typed transcript.

R: Yes, well I can check it out. And, well then I asked Ray...well asked him to come to work for us...why don't you come work for us. We had an opening in the machinery department. And he said "Okay". He came and boy I think that was the nicest thing we ever did...now...for him and for us. He really was happy that he got out up there because things weren't going to well for him and we had a rough time in Pelkie because there wasn't enough business for two...big enough, you know, things had to get bigger. Already at that stage you couldn't operate a small store anymore you had to get bigger and bigger. So, Ray had the machinery department...he's done real well there ever since and that's grown rapidly and our business...Ray brought all his business
the reason I brought this up like this is that Ray brought all his friends and relatives and all came to Pelkie. Our sales increased by over $100,000 that first year when we got together. So then, instead of being a kind of a central point for Elo and Pelkie, now everything concentrated in Pelkie...all that business and the people got friendly, Elo people and Ray's relatives and friends got friendly with Pelkie people so now Pelkie's kind of a central point for all that area. It went kind of round about way but that's...

I: I've noticed the whole community of Elo is kind of drawn into Pelkie now because people shop there and run into other people.

R: Yes.

I: Have you, during the course of managing, that I would think that at certain times you might run into conflicts between the need for your employees to work and get things done and also balancing that against the need to be polite to customers coming in and visit with them. It's courteous for employees to visit with customers, but it's kind of a problem...can't visit all day long too. Have you run into that problem?

R: Yes, I didn't mind...I had to try to use a little judgment there that I didn't mind people and employees visiting, but not at the check out. That's where I put my foot down. You can't visit at the check out. You can say a friendly hello and friendly thank you and those, but to visit when there are other people in line...you can't visit there but those that aren't at the checkout, they can visit, and I think it a good thing to visit...kind of a passing visit, not stand for hours or ever for long period of time, but passing visit, you know, with people. And I did lot of that myself...I like to visit with people especially Friday nights I got in the habit of doing nothing but carry out and visit with people because I felt that I want to know people and also at the same time I came to know problems that might have been problems at the check out, so I catch a lot of things that were wrong or weren't right. So, I did quite a bit of that...I still feel and always felt that manager should intermingle with people a lot...get to know the people and visit with people you hear things that you'd never here otherwise about what's happened wrong or what's happened to them or mistakes or problems that people have that you'd never hear if you didn't talk with them and visit with them. Even if you...lot of times I felt that it was best that I wouldn't spend my time in the office...only the very necessary time but, lot of time...more time I spend with people was more worthwhile than being in the office.

I: And for the business of the Coop too.

R: Business too.

I: I imagine that by getting to know the people and carrying out their groceries and visiting with them while doing this, it would bring people back, wouldn't it?

R: It did.

I: Did you find that was one of the...

R: That was one of the things that brought them back because when I first went to Pelkie none of that was done before...and I started carrying for...
especially at that time there's lot of these older women living at...older people...we didn't have the young shoppers that we've got today. So, some of the older women trying to carry these groceries out, you know, well I didn't like that so I started carrying and they felt at first a little ashamed, you know, to have somebody carry their stuff, these people were so used to carrying their own, but they were happy about it anyway, and finally I started hearing a lot of them say that, "Well this has never happened before...we've always carried our stuff out" you know that they have never had any service like that before. But, it sure paid off, you know, people just start coming regularly rather than once in a while. But they're regular shoppers. I think that was one of the things a lot of managers and store keepers forget too, that people like to have contact with owners and with managers. That they, I don't feel that I'm important...people felt that it was important to them that I talked to them. They felt that that was something special that they can talk to the manager. But, as far as myself, I didn't think that I was any more important than the clerk to the people.

I: That's how they saw it.

R: That's how they saw it.

I: And, evidently it would go a lot further if you carried out the groceries rather than some carry-out boy.

R: Oh sure.

I: You noticed it went a little further if you carried it out, right?

R: Oh sure. Oh I know that...that the people felt that they were really...you know they were treated right when the manager carried out. I got a lot of ribs and that from board members occasionally, you know they felt that it was below my dignity...should be below my dignity to carry groceries out for people. But I saw it from a different angle than the board members did. They had never been in the store...never been managing...they couldn't see it the way I could see it. The benefits from doing that.

I: Without mentioning names of individual board members for saying this, can you go into a little more detail into their complaint about you doing this.

R: I don't think there was anymore detail to it. Actually, the complaint was only from a few, not by the whole board. And, I don't want to mention names but there were a couple that always resented that, you know, but I even brought it up at a board meeting...I just explained...that as a general board, the board accepted. But, there were always these few that felt that I should be more productive work wise...I should find things to do rather than...in fact I have one employee always in the store that felt that when I was doing that and when I was in the office doing my office work...and I really pressed hard to get that done and get back into the store...well they felt that I should be doing some putting merchandise on the shelf and pricing and doing all that kind of work which I felt that that belonged to somebody else and I didn't have to do that. I think that carrying out was more important for me to spend my time and talking with people than spending my time just doing the things that anyone could do...that putting stuff on
the shelf...carrying merchandise on the shelf, stocking...

I: And they felt that you should do maybe more office work too, rather than...

R: No...they didn't feel that...they felt that office work was...in fact one of the employees always felt that there was too much time spent in the office...like they'd bring it up...he's just retired now, that employee, he was there...when I went there he was there already and he still felt the same way as I left, that there's too much time in the office...that I should be doing...maybe giving lumber out and giving feed out to people and all that which we have employees doing that. He always felt that a manager should be doing most of that work. Because always what the managers did in the early years when the thing was small, he did everything. He did all the managing and doing all the pricing and nothing went through without the manager being right there. But, as the thing got bigger, a manager just couldn't do that. He had to have people doing it...doing the different jobs...now...like in Pelkie, you can't...manager can't only...more or less overseer...he can't do hardly any of that physical work anymore. He's got to watch lumber department, you have a man there...service station...you have a man there, you have your Ray Pesola in machinery department taking charge of that and we have Ray Juntunen in the feed department, he's in charge of that. We've got a meat department manager...we have grocery department people and check outs and then there's office...we have credit union there. So, there's plenty of work...overseeing rather than doing the job.

I: And then this person was used to the way managers would operate when the store was smaller.

R: He was used to that. You know...when the, well manager he was there when store was small and manager did all that...all the years he resented that I wasn't spending my time doing that type of work. Sometimes I'd tell him that, well, "if you think that I shouldn't spend my time in the office, why don't you go in the office and do the work up there and I'll come and take your job" just for an instance, you know to show that it's easier. He said, "No sir...I'd never take that job". Well see, he didn't want that job, you know, he knew...but he still resented the fact that a lot of time was spent there. And today the office work is a lot of work because you have so much government work...lot of reports whereas years ago there weren't any reports...no income tax, no sales tax, no...well there must be half a dozen...

I: What do you mean by income tax?

R: Well you didn't see...well Coop was tax exempt years ago from income tax, you didn't have to file any income tax reports.

I: Because it was a non-profit...

R: Non-profit organization.

I: When did you start having to fill out income tax reports?
R: Well, when I went there it was still non-profit. But, around 1956...1956 we filled out our first income tax report, we voluntarily filled it out... because I could see that...see we closed the creamery...we had the creamery onto that.

I: 1956 the creamery was closed?

R: December 1956. So, that was the reason we were non-profit.

I: Well, what changes occurred at that time that sort of made you feel that you should fill out an income tax report?

R: The creamery was all farmer, naturally, really farm operation so that was... when we closed that well then we felt that we had very good chance of being tax exempt, non-profit Coop, so I told the board that we'd better fill out the income tax this year. Which we did and no sooner had we sent that in, maybe a month later, we got an income tax...Internal Revenue people came to the store asked me that...we sat around a little while there and talked the various things and then just like that he asked me, "why did you sent... why did you fill in income tax report?" Well, I had thought of that, that maybe they'd question that and so I answered just as fast, "well we closed our creamery and we felt that after a creamery...with all the farmers there shipping elsewhere, we felt that we aren't going to be tax exempt or non-profit anymore". So, having received that answer he started talking about all kinds of other things...he turned some books around, opened them a little while and said well, "well I won't spend any time here now, I'll come back after a couple weeks and after a couple weeks"...but he never did...we never heard anything since. But they were...he was a little, I think that they were thinking that we should have been filling that report all these years and we would have had to pay back taxes. But, my answer must have been satisfactory as we never heard anything after that.

I: I don't quite understand why the closing of the creamery would shift the Coop organization into profit-making status.

R: See, to be tax exempt or non-profit Coop, you have to have, at that time, you have to have ninety percent of the people that are involved in the cooperative farmers and producers of farm products.

I: Is that by law?

R: By law. That's the law that ???) Act...law...that's a Act in for these non-profit cooperatives.

I: Oh, when was that law passed?

R: Oh, gee that's a long time ago...that's...I couldn't remember...early 19 maybe 15 or something. It's many years ago.

I: Would you have a copy of that law?

R: No...I know the law but that's all because I run into that...I can...I don't know where you could get it even.
I: That's (???)...how do you spell that last name?

R: V-O-I-L-S-T-A-D...something like that. That was those senators or representatives at that time. That was a Farm Act under Farm-Cooperatives.

I: So, really what it meant was that there were less farmers involved with the Coop.

R: There would have been less farmers involved with the Coop, but we still had the membership of these farmers. But, we were just beginning to get to a point where we were getting a lot of these non-farmer...we were getting...making some profit and we were returning patron refunds to the non-farm people...quite a few non-farm people from Baraga and L'Anse and people that weren't farmers...we were giving them memberships to patron refund. And then, the quality of farmers that had been farmers were little farmers, they were gradually getting older and they were quitting farm, and they were just shoppers, they weren't farmers anymore. So I could see that we were getting so many other than...non-farms, that we probably dropped to about eighty percent or maybe seventy-five percent farmers at that time. So, it was best to go into tax paying Coop early enough so that you don't have to pay back tax...you try to slip by until they come and check, and then they catch you...maybe go back maybe five - six years.

I: Had other cooperatives that you had heard of been checked and caught in the bind of having to pay back taxes?

R: I hadn't checked that then.

I: Has it happened, to your knowledge, since then?

R: No...I suppose it could have, but I haven't heard of any. But I knew that Internal Revenue Service, that they let you coast along, you know...that I'd heard already, that you can coast along thinking you're immune to anything and that they never come and check, and suddenly - boom - you get caught if you're doing anything that isn't right. And, if they happen to check and you have been operating outside the law, well then you'd be paying so much taxes, maybe ruin you altogether. But, you catch your thing early enough and get on the right track, well then you feel safe...you don't feel jittery if some stranger come in.

I: At one time customers, or I should say members of the Coop were paid in cash as a rebate. Now, am I correct in my understanding of the rebate, that the profit that the Coop made, the local Coop made, that is, the money in addition to the expenses involved in running the Coop for overhead and salaries of employees, is to be turned back to the members in proportion to the amount that they spent in the Coop? Right?

R:

I: At one time it was in cash?

R:
I: When did this stop?

R: In...around 1957...something like '56...'57...but they did wrong at that time. The membership didn't do the right thing at that time when they repaid cash, and now I'll give you a reason why. If they had, instead of paying cash...and they pay interest on their capital at a rate of six percent...so people in the banks paid one percent interest on capital...and therefore the people wouldn't have taken their money out from the Coop. You couldn't take their shares out for any money because who would take their shares out if they got six percent interest on their capital...on their shares when they only got one percent in the bank? So, they refused to take their shares out so therefore they paid cash rebates to people and refunds instead of refund in fair redeemed shares. So, they should have redeemed older shares as they had capital to redeem and then...

I: When you say redeem shares do you mean buy?

R: Buy shares back from the older end...early enough...first invested. They should have taken those shares in and then pay back in shares capital to the new people again that are shopping today.

I: Why should they buy out the old shares?

R: Because...see some of the older people started dying off and then they wanted their shares...their heirs and survivors would want those shares out then.

I: The cash?

R: Cash...and if that happened around 1950's, they got into a bind. The people started wanting their shares out because at that time...that was before I was there...they started losing money and they couldn't pay any rebates nor could they pay interest because you can't pay interest on shares without...if you haven't got a profit. You can't pay out of a loss operation legally, that's against the law to pay interest on shares.

I: According to the by-laws of the Coop, the cooperative is supposed to pay six percent on a share?

R: At that time it wasn't a by-laws, it was just that...it was thing that they just voted to pay - six percent interest on shares. After I got there, then the (???) had all these people coming to me and wanting their shares...survivors and heirs and such. Well since they had made a loss and we were on C.O.D. basis, we didn't have funds to pay any of these out. But, if they had done the paying when they had all that money and instead of paying six percent interest they should have taken out those old shares and paid them out and given the new rebates in shares or patron refunds in shares and paid all older shares out. Because, at that time yet, people thought they'll never be old...the original members of the cooperative...they still were at the age where they felt that they never be old or die. So, they just...were just getting that six percent interest and refusing to take their shares out because they had that good income from them. But, when they had all that money and they had money in the bank and had everything paid up and money invested in banks, they should have taken those shares out like most good
did...they took their old shares out, redeemed them, then issued new shares to newer people so there would have been a current membership rather than now they have membership there, even today, that even right from the start some people still have money in capital...right from first early years of the cooperative...because the Coop hasn't been able to pay them off.

I: Well, what's wrong with this? I don't understand what's wrong with this.

R: Because these people are dead and the survivors are angry because they can't get their father's and mother's shares out and survivors have to pay their burial expenses and other expenses and they felt that they can use that share capital money then to reimburse their payment.

I: Oh, it was a bad thing then for the survivors?

R: For the survivors, primarily. But for the cooperative it would have been better if they had paid them out and kept that current membership. A lot of these members...it's meaningless to have members that are dead. You should be able to clear them out. I feel that they should be paid out and have current memberships that are living.

I: Does it create a problem for the running of the Coop? For voting and things like that?

R: Well, only thing, it's kind of a false number of members because you actually haven't got as many current members as the books would show. See, we have 11...12 hundred members showing in the books, but actually they are not living there. We really didn't make a survey how many are dead how many are living...really actual living members today. We should have done that. But, it's...some cooperatives, most cooperatives did pay out their old membership...they're current, their members are.

I: Rather than to give cash rebates all along, redeem the old...

R: Redeem the old and give...

I: Or, at least for the dead people.

R: Yes. Redeem at least the dead and the older people that say you got to be sixty-five - seventy years old...pay them out and give them their money they can use and spend it if they want to; and get newer younger blood into the Coop and keep it current.

I: Or, it could be transferred into some sort of a savings account with the credit union, right?

R: Anything, rather than having that kind of a membership...it's kind of a...like a cancer in there all the time...it bothers the manager and bothers survivors and creates ill will around...among the membership too.

I: Now, these rebates in the form...are now in the form of shares, right?

R: Many years now, we pay only...we pay twenty percent in cash, patron refund, and the rest goes on share capital...eighty percent in share capital.
I: Will these share capital things be redeemable, ever?

R: Can one redeem right now...

R: Not right now, no. You know, I'll have to explain a little something else that since...oh seven - eight years ago...this inflation started and then we expanded the cooperative...it was rather small...we expanded the cooperative to get to the size where it'll pay to keep it open. Small cooperatives or small business couldn't stand today's competition, so we had to keep adding lines and making it bigger and developing bigger sales like now our sales...when I left there was million, three hundred thousand. Well, that's already in the size that you can operate and pay employees wages, big enough wages and large enough wages so that you can keep your employees. Where if you're only around two hundred - three hundred thousand dollars a year you can't operate with a profit...you can't keep it open. So, we need a lot more capital...the bigger you get the more capital you need, so therefore, we're paying eighty percent in shares to keep that capital in the cooperative to be able to operate. And, we take...if this inflation doesn't stop we'll just keep on taking more capital to keep it going because you actually don't increase your inventories, you just have more capital tied up because of inflation. It takes more capital even if you have say hundred thousand dollar inventory today, it may be one hundred fifty thousand in two - three years and you still have no more merchandise, you just have fifty thousand dollars more which inflation took.

I: Well the prices will go up too about the same.

R: The prices go up but you don't make...you have to make...in order to cover that fifty thousand you should make fifty thousand dollar profit for even to cover the inflation. The selling prices doesn't help to bring that fifty thousand dollars back, you have to make a profit of fifty thousand. You see what I mean?

I: Not quite.

R: See, if I have hundred thousand dollar inventory, now today, and let's say that two years from now inflation went up so rapidly that it went to hundred fifty thousand, this inventory cost...say that I bought inventory then two years from now it cost me hundred fifty thousand, well I have to make fifty thousand dollar profit in these two years to cover this fifty thousand that I have to...

I: I see what you mean. That's the problem with holding a large inventory during time of inflation.

R: The larger inventory you hold and the higher the rate of inflation, the more you're hurt because that inventory, the bulk of the inventory is the same.

R: True. You still have the same amount of merchandise...you have so many pounds of coffee, you have so many pounds of everything, or so many cans or so many of this...exactly the same numbers and volume and amounts, you still have the
same amount only your cost is so much more. So that's what inflation does to a business. You need so much more capital...and if you don't make a profit in those two years...that fifty thousand...actually your finances are that much worse off and you might even be going under...you might even fold up because of that fifty thousand dollars. If you just ran even that two years, that didn't make any money, that'd be fifty thousand dollars in the hole, financially, I mean your money would be that much less...because you tied it up in inflation rather than merchandise. You see that now?

I: Yes. When do you think shares will be redeemable?

R: Well, entirely depends on what happens to inflation. If inflation continues to that point you can't even hope to pay...but if the inflation is going to be stopped and the Coop makes profit, well then it doesn't necessarily have to be very long when you start redeeming them. We could have done that already if it hadn't been for inflation in the last six-seven years. We've had inflation all those years, now. So every year that we made profit inflation took it. It went there rather than we could have redeemed shares, some of them.

I: I've heard grumblings and dissatisfaction over the fact that you cannot get cash back.

R: If people would understand inflation, they would know that to try to tell them and explain to them...it's pretty hard. You're sharp because you're educated and you have a sharp mind - you can see that when I explain. But, explain it to a person that never went to school, you can't explain it and show. They can't understand why what has inflation got to do with your money. Most people...there aren't too many people that can understand...there's no way that you can explain it to them that inflation took our money that that's where the money is.

I: Have people grumbled directly to you about this?

R: Oh sure

I: What do you try to tell them?

R: I just explain to them, and at membership meetings I've brought the matter up and they understand this part that why we can't redeem the whole shares and that should have been done years ago, you know, that some of the same people that grumble are real old now and they're the ones that are making the big noise and they were some of the leaders too that said you were kind of partly to blame for the whole thing because you paid interest on your capital and wouldn't have your shares redeemed because you were...when you should have been redeeming the whole shares then...and now you want us to redeem them when we have expanded and put our money into bigger operation in order to survive, where still...at least they have safety in the matter that your shares are worth money only thing that they're tied up at the moment. But, if we hadn't done what we did, you'd have lost entirely the whole amount, you wouldn't even be thinking of getting it back because they would have just gone under...the whole thing. But, at least today the shares are worth...a ten dollar share is still worth about fifteen - sixteen dollars in book value, only thing is it's not negotiable, you can't immediately cash it. But, at least the value is there.
I: And, it is the board that has the ultimate power to say whether or not they can be negotiable.

R: The board has the entire responsibility in that area, because the board is lawfully liable for the cooperative. If the board does something wrong... say that they went and redeemed twenty thousand dollars worth of share capital they voted to...well we'll pay that much out, some member that didn't get his shares out - that maybe the Coop failed without it or maybe the Coop would fail because of it - the board could be sued for the liability of the loss of the Coop as individual members. They'd have to...they could be sued and they'd be liable for the whole amount. That's how serious and how important that board's position is. They have much more liability than people would expect.

I: Okay, now what sort of powers does the board have?

R: In between the membership meeting they have...they can do anything except sell property and real estate in bigger amounts, they can sell smaller amounts. They can't sell the Coop, that's a membership liability. But, they can decide to buy additional property or additional this and that and they have complete charge over management, say myself when I was manager they could fire me and hire a new manager, they're completely in charge of the Coop between the membership meetings.

I: And, how long does a term on the board last?

R: Three years.

I: Three years...and so every now and then a position or two might be available.

R: Every year there...the board members are elected so that every year you have three or two new ones...or same ones.

I: And the membership votes on this.

R: Membership votes on it.

I: And only the membership who are present at the meeting vote on this, right?

R: Yes. You can't vote by proxy.

I: And there has to be a quorum.

R: Quorum, yes.

I: Would it not seem that the fact that there are a lot of non-living members that are on the official roles, that eventually it might be hard to get a quorum, because what is a quorum defined as?

R: Fifty, only...fifty members.

I: Fifty members. Just the absolute number fifty.
R: Absolute number.

I: Did you ever have problems getting a quorum at the meetings?

R: Not while I was there...we always had around a hundred or more.

I: Are board member positions...is there any small salary for them?

R: Yes, ten dollars a meeting for a regular board meeting and twelve or fifteen for president and secretary...they get more.

I: How often are the meetings?

R: Once a month, every month.

I: And where are they held generally?

R: At the cooperative in the office...the Coop office...the credit union office. I've always operated with the idea that you have to have a board meeting every month and a report to the board every month so that the board interest will stay up. If they aren't up-to-date on operations and results, they're interest fades and finally you don't have a board...nobody cares.

I: Among the people in Pelkie, who would you say, since your experience there, have been the real supporters of the Coop...the board members that really took an interest and worked to keep that thing up...the people that have contributed of their time and energy to make sure that that thing runs?

R: Well, present board members...I don't want to put in print, but some of the board members that have been in later years, they never supported a Coop before...before my time. They started when I was there and they've become interested since and they're real good members. But we had real good... Joe Maki at Post Office...you know George Maki...I think he's been real (???)...some of the good supporters then have been Toivo Mutila, you know him, he's one of the early ones and real good supporter and Art Mutila, they've always been with the Coop and Reuben Turpeinen, that's part of Mutila gang, and Waisanen brothers...they haven't been the board, but the board members then now...Henry Lespinen (sp) taken a good interest in...Charlie Hemmila, and then...did I mention Urho Wuori?

I: No you haven't

R: Uhro Wuori was, but he's retired now from Coop. I felt that he did a real good job...take a good interest in...and then Makela, Raymond Makela's been, I think he takes real good interest in now since he's been in the board and he supported the Coop even before then. Then...wish I could remember the names...but we have lot of good Coop people that never stop supporting...they've been right along with it but never took active part as far as board membership or ...

I: By shopping there...so it seems the people who really supported it were local people?
Local and then we have lot of people that shop from L'Anse and Baraga then that aren't...they're just good shoppers but they haven't necessarily...they haven't taken active part in meetings at all. They just shop...out of town people. Seems odd that they'd come all the way from L'Anse...we've counted quite a few times where we'd have about seventy families that bought...from L'Anse, steady every week.

What brings them in? I heard the meat prices bring them in, generally.

Meat, generally was one of the things and then sometimes I'd ask them and they'd say well they like to come there because they can get everything they want, they don't have to go around town and find parking place here and there, they can everything they want one place and they get through shopping they've done their shopping for a week. They need a little kitchen ware or everyday clothing or credit union, that helps because...one of the things that made the credit union grow too, that young people that are newly married...we gave them credit, say they wanted to buy furniture or they bought a home, they could get their money from there whereas the banks wouldn't give it because they had no collateral. The bank would ask what collateral have you...they had nothing see, no down payment or nothing. So, the credit union being kind of a...it's a cooperative too...well we felt that if the young couple they came from fairly good families and we knew that their background was good from the family point of view, well they had to have some kind of a start in life too, so we've lost no money on young people while I was there...young couples.

It's a good record.

We didn't lose any money on the young couples...never.

Have you ever been disturbed or outright mad at the fact that someone might come for a loan there and then shop somewhere else?

No, I felt that even if they took a loan...that if they got a credit union loan and still...if they didn't shop at the Coop, I didn't feel angry about it. They must have had a reason; but, I felt that if they did get a good service in the credit union that in time they'll shop, and they did.

It seemed to be a good investment in a customer, a future customer.

Yes, even if they didn't shop at the moment. Even when they got the loan they hadn't shopped, well they kept on coming for their payments and making their payments, well they'd shop a little bit and then they found out they got good service and got the right prices, well in time we did get them in to shop too. So, I felt the credit union and the store combination was the best thing in the world.

Because when someone comes in to pay their bill, they also shop a little. It brings in customers.

Oh yes, I feel that that's a good combination. You almost have to have...well, we really don't sell on credit, but say somebody wants credit, see, in the Coop, well we can't give you open credit but we have a credit union...we give you money and buy whatever you want with it...that money on a loan.
So, we have a credit union to get the money and then they can shop...say they buy a lawn mower or a small garden tractor or anything, they can take a loan and pay for it right there, if they so desire. We don't want to put that... Coop needs the money to buy merchandise so credit union has the money, so why not use that credit union money rather than have the Coop money tied up in accounts receivable.

I: Let's talk a little about credit and about the local people with credit without mentioning any names because it's sensitive; but, have you had to make any rough decisions on credit?

R: Oh yes.

I: Can you describe some of them...the dilemmas you've thought about and, I don't care about names, I just want to see how credit works at the Coop, just examples of things that have happened where you've made good judgment and describe cases where you've made poor judgment.

R: Well, I don't know what kind of judgment it would be, but like, for instance, we sell feed on credit in a way, because that's a large amount and you a... farmer buys maybe thousand dollars a month in feed but he can't pay it right away when we bring it down, so he pays on feed bill. Well, some farmers take a little advantage of that...their account might run up to three - four - five thousand dollars before they pay...start paying. Well then, it kind of cripples our operation because so much money tied up. No time at all you have seventy - eighty thousand dollars in your feed account, so some farmers have taken advantage of that and we have to really start pressing them hard for money because we just can't carry that kind of stuff.

I: Meanwhile, they're getting the interest in their banks or so forth, out of that money.

R: If they have money, but if they aren't, at least they aren't paying interest on that money. Actually, they're operating on our money because if they had to pay cash, they'd have to borrow that amount to pay. So, in the early years when we're building up our feed department well that was more of a problem because we tried to build it up and then now it's improved quite a bit from that. But, then there's misjudgment sometimes has happened in individuals that someone happened to be real...pretty good customers and paid pretty well and they suddenly their account went to a thousand dollars and the person got sickly and didn't work and went on relief and welfare and then you got stuck with that amount. And even if they were reliable people originally they just...when you go on welfare seems as if they lose their integrity for some reason and they start...even when they get healthier they're hard to collect from. Somehow they lose their poise and they don't pay their accounts. We have few of them that we have one awful time collect accounts like that. But fortunately we didn't have...we could have got in much worse than what did happen, if we had given open credit on everything like clothing groceries which we really didn't have. We don't have that type of open credit on them.

I: Isn't there just an open charge account now?
R: Not very much of that; at least there shouldn't be. It's primarily, if we have charges they go through building supply or machinery or feed. Those are the charge account; but, like building supplies and all those, they might go through charge account but then generally we have an agreement that then they'll take a loan from credit union and pay that charge right away after it delivers, or soon after it delivers. While the loan is being processed it stays on a charge, but then it's paid up. But, we have very little charge on open charge like on credit on groceries and stuff like that...very little.

I: I find that interesting you mentioning that when people go on welfare, they seem to lose their integrity and all sorts of things happen. Can you go into an example in a little more detail without mentioning names? That I'm interested in this as a...I'm interested in this. That's kind of important to a sociologist how that works as you've seen it from your position as the manager there.

R: Well, I could recall quite a few that they were pretty good people, that they were paying pretty well but, it seems that when they were on welfare for awhile and they got this money like that and they developed a...some kind of an attitude that they were in there permanently and they found ways and means of increasing their welfare somehow or someway and they refused to even work when they could because they would lose their welfare money. And same time then their credit, sometimes their welfare money would run out they'd take credit and you can't collect from those people then by force because they're unwell.

I: Why can't you?

R: Well, you can't use the welfare money...you can't use that for paying on account.

I: You can't garnishee...

R: Oh you can't garnishee and you can't even keep it...say you got their check you can't put it on account. They can't even legally pay their account with welfare money. That's not legal. If you give an account to a welfare customer, say that he's going to get his check in ten days, and you give him money or credit in that ten-day period, the customer legally doesn't have to pay that account because the welfare money can't be used to pay their account.

I: Why is that? I don't understand why.

R: That's the welfare's rulings

I: What's the original purpose of the welfare?

R: Well, I suppose that they're trying to protect...the welfare people feel this way, that the money that they give to the people that should be sufficient to carry from one period to the next. If they take ten-days advance already on that welfare, then they'll be short again the following period, so in time...then their credit is cut-off...they can't get any credit well then they'll go after welfare people...they're starving this ten of fifteen days that they have no money and no credit so the welfare people
are trying to force the merchants not to give any advance credit so that this money will be sufficient to carry the people through the period

I: And so now the policy of the persons on welfare, no credit, generally speaking.

R: You shouldn't...it has to be absolutely a very good person to give credit to them because if you do, you might lose it entirely.

I: When a person comes to you and wants credit, what do you look for in deciding?

R: Well, I'd know immediately...if I don't know the person at all...if I had never met the person or didn't know any of his background, I would say that we don't give credit at all. But, if its a person that comes in that lives in the community or has moved recently, well then we have to make an inquiry into his past if he moved in from another area or state.

I: What kind of things would you look for...into his past?

R: We'd want to find out if he...every person has some credit references from where they've lived before so we'd find out from banks or give it to our credit bureau. We have kind of a program with the credit bureau...we give them information from our area and they in turn give credit information when we ask of them. So they make these inquiries and then they call us back with the information about the person, if they moved from some other area.

I: And you can find out about a person, regardless of where he is or has been, what his credit history is.

R: Yes. We have some information that we can...use that as basis for say if they want credit from the credit union or someother type of credit.

I: Are there personal qualities viewed, also?

R: Locally we have these qualities...say I know that the person doesn't drink, know they're hard working...the person is hard-working person and they...well I don't mean that drinking some, but excessive drinking...that's really, if their excessive drinkers then you can be wary right away that I shouldn't give any...you know usually they aren't very good creditors if they're heavy drinkers, man and wife especially.

I: It seems to be the case that there are some heavy drinkers in the area

R: There are...yes.

I: Very sad cases, in fact.

R: Yes, but if they're very otherwise, you know, you can judge pretty well people that have real great desire to do a good job well they usually pay their bills too. But people that are running around parties and lot of beer drinking well their money never lasts, they never are able to pay their bills either. You don't have to go out too often to spend ten - fifteen dollars a night and try to pay your bills at the same time. How much money do you need if you go out, say with a party of four even, go
into a tavern for one evening and have some lunch and stuff and how long... how far does ten or fifteen dollars go?

I: It's gone in minutes.

R: Yes, so when you know that people are doing that well then you kind of think about their credit too that they aren't very likely able to pay their bills either.

I: When bills haven't been paid, is that often one of the reasons?

R: That's very often...very often.

I: How do you find out if a person does this sort of thing?

R: Well, being the manager you hear everything. People...you just talk, that's one of the reasons when you talk with people you get to know the gossip first thing in the morning what happened yesterday...you already...or even at night time what's happened you hear from people already...have you heard this or have you heard that. Manager gets to know so much that other people never hear.

I: Is it any people/employee or just the manager...because you're manager you hear more?

R: Because you're manager you hear more because they confide in manager more than in the other employees, people do. I don't know why.

I: You mean outside people?

R: Outside people.

I: Well they probably feel there's some things you should know.

R: So, manager really gets to know a lot more of what's going on than the regular employees do. Myself, many times they ask me that they want to tell me something...they ask me - let's go here let's go there, somewheres away from other people so they can...nobody else hears.

I: So, generally, it's not difficult to find out if a person is a bad credit risk in terms of excessive drinking and unreliable...

R: No, it's not difficult...

I: Just like that you can find out...if they're a local person.

R: If they're a local person but, like I said if it's an outsider then, you just can't give credit without knowing what their background...where they come from and what they've been doing before.

I: What other sorts of things do you look for in judging credit, in terms of... you mentioned a drinking problem, does a person have a drinking problem. Are there other things?
R: Oh yes, are they renting or do they have property in the community...that's another. If they're just renting like you're renting now and, on top of that, they're kind of foot loose that they aren't...no steady job or not doing anything steady and maybe doing little drinking, well that's not a very good risk because they can move. We lost money like that...they can move tomorrow without much trouble. They can pack their stuff in the car and go and never seem them again in the whole area. We've had a couple of those things happen...lost some money...lost some accounts. Lived in community and seemed to be doing alright, but they were just renting and they were working little odd jobs and then finally just one day, they pack up and go...go to Ohio and western states suddenly...never see them again.

I: So, you look to see whether or not they're a property owner because that's an indication they're going to be around and not take off on you.

R: Property you can't sell over night...you can't move over night off of personal property...you can move about but you still have your property at least. But, you're more unlikely to move permanently, but those that have no property can move permanently away from the area in no time at all.

I: What other sorts of things?

R: I don't know of anything.

I: Like, if I came to you and said that I want credit...

R: Well, if I didn't know you at all...you must be good oredi it risk just by looking...he's good looking man...

I: I mean, what makes a person a good looking man?

R: Well, you look like you're clean cut and look like you'd be good risk, but I wouldn't leave it at that...I'd still check because they're the ones I've lost money with. Because they were good talkers...very look like they'd be a good risk by looking...

I: Something about a person's appearance.

R: Appearance...and you take that as another person's value...you can't do that, you can't risk your credit just by appearance. You got to know their background just the same. Because, like I said, that you'd never give any credit to a person that looks like he's a poor risk by looking at him...

I: What does a poor risk look like?

R: Well sometimes, maybe he's kind of rugged looking, maybe he looks like he's been drinking or something like that and sometimes those people are the best risks when you start checking their background. It's just not by appearance...you can't give by appearance and a good talked...you can't give on that stuff, that's the worse thing.

I: What about honesty? Do you make some assessments about the person's honesty?

R: Well, I tell you about in that respect, a person that kind of hesitates about
asking for credit, is kind of afraid and can't hardly come out with asking and can't talk too well, well sometimes they're the ones that you can give credit to because seems like they hate to ask for it, but they have to and they're scared to death to ask for credit. That they're probably a safer person to give credit to than the one that's a slick talker.

I: There is, especially among the Finnish people that live up here, perhaps among Finnish people in general...I'm not sure about this, this absolute hatred of having to ask for credit, right?

R:

I: Have you noticed that?

R: Some just don't like credit, I mean they don't want to go into debt at all. They're the older generation, like myself, that my folks wouldn't risk credit and my wife and I, we never wanted credit. We didn't want to go into debt. We lived from hand to mouth just to not to have to go in debt...we didn't buy anything like we're always the last one to get radio, or last one to get a television or last one to get any improvements because we didn't borrow to buy these things. We wanted to get the money first

I: That's the same sort of thing out there, in Pelkie.

R:

I: Why is that? Why is this real dislike of credit?

R: Well, that's one of the Finnish peoples'...I think most of the Finnish people are that kind...the older ones. But, the present generation, they're all credit.

I: Think that that might have had something to do with the fact that when they bought the land, these people were very poor then, they had to get loans to buy the land?

R: They skimped and scraped to make a living and pay a loan.

I: Do you remember how these people used to skimp and scrape?

R: Oh...do I remember...I know because I lived through that. I've seen hundreds of people that they just lived from hand to mouth and they bought just coffee and sugar and just very very necessary things. I don't know that coffee was so necessary, but they...that's one of the things they had to have, and flour, and then they raised their crops, they picked their berries and did their canning at home and they lived on their home grown beef and pork and chickens and stuff like that...eggs. They had to live like that, otherwise they never would have survived. So, they got in the habit of trying to live like that, and when they once lived a lifetime like that, they never could get into credit because they couldn't get credit those early years, they just couldn't.

I: And when they did borrow from these companies, like the Hardy-Ryan Company and the Federal Land Bank, which was a company not at all associated with the Federal Government, it was just named that and it fooled a lot of people that they somehow thought that it was the government because it had that name,
from what I recall, these companies really charged high interest rates.

R: Oh yes, in those early years they had to pay, and took them...and then they had a long time to pay, but companies got their money many times over because of the interest rates. They had thirty...thirty-three years to pay on those loans when they bought their land and their farm land. Maybe that original borrowing of thousand dollars took them thirty years to pay.

I: I've heard that it's been around seven and eight percent interest.

R: Oh my dad even paid even seven percent

I: And that was back in when?

R: Oh, 1915,

I: About those times, right after the strike?

R:

I: And that was really something, in those days...

R: Seven percent, imagine that.

I: Well, that's what it is now.

R: Yeh, but then it was terrible...when your income was thirty dollars a month when you worked in woods, my dad worked in woods for thirty dollars a month, and that was top wages then income...and then you pay seven percent interest on anything you borrow.

I: And what would you say were the average size of the loans?

R: I bet it wasn't more than a thousand dollars.

I: Roughly around a thousand dollars?

R: I would say, at the most. Because anybody would borrow five thousand would be out of his mind, never could, you know you couldn't. Their income...no source of income would pay that. That was like borrowing fifty thousand today and maybe more...hundred thousand...to borrow five thousand. I should think that it'd be a thousand or less average.

I: And, so that would amount to, at seven percent, seventy dollars a year.

R: Seventy dollars a year, and when you get thirty dollars a month income, it'd take over two months to work to pay the interest.

I: Wait a second now, they didn't make thirty dollars a month year round. That was only at certain time that they were working in the woods.

R: Yes, well yes, winter time mostly...and then their farm income, whatever they got from the farm.

I: Okay, that winter months...they probably started sometime in September, right?
R: In the fall, yeh maybe...probably more likely September because they start
cutting and then they'd work through the winter and then when the break-up
came in the spring, you're through.

I: Okay, that's September, October, November, December, January, February, March.
March was generally the last month, right?

R: Yeh, there's a break-up then, that's about the end of the seven months, about
seven months.

I: Seven months at about thirty dollars a month, that's $210 a year.

R:

I: Okay, now from that the persons had to pay roughly from seventy dollars, maybe
a little less than that, in just the interest. That's just interest.

R: Interest, yeh.

I: There was also some expenses, there was taxes on the land too, right?

R: Of course, that was very small then.

I: What were taxes for a forty?

R: A forty...couple of dollars on a forty, but on your home it probably was
twenty dollars.

I: Most of them paid around twenty-five or thirty bucks?

R: That's about it. But on a forty of land maybe a dollar or two dollars a forty.

I: What were these forties out around Pelkie going for around that time?

R: You mean the whole forty to buy it?

I:

R: I couldn't say, but I should imagine they'd be about twenty - thirty dollars.

I: For forty acres.

R: It wasn't very much, but it was much then.

I: Well, they didn't make much money on the farming. It wasn't until the rail-
road came through there that it was possible to ship out cream. The railroad
came through Pelkie around nineteen hundred, in fact 1900.

R: Yeh, most of the money, they made butter and sold butter then in one pound, two
pound, three pound crocks to the stores, and the stores re-sold it.

I: What would they make on butter...get for a one pound crock of butter in those
days?
R: I can't remember. I sold a lot of it, but I can't remember anymore.

I: But, it wasn't much, huh?

R: Well, you can kind of figure out what it was...see, when I was...in 1920's a five gallon can of cream was around $1.25 for five gallons, and then eight gallon can of cream was around $1.75...$1.80. That's once a week, so that wasn't very much income from cream. And cattle, I was in Covington then when the depression started, we bought cattle for $4 a head...it didn't matter how big it was, could be thousand pounds, twelve-hundred pounds, whatever it was...whole cattle already slaughtered...we'd take them in the store and (???) would get it and pay $5 for it. They'd pile them up in their truck, you know, one on top of another. So, you can see what the income was on the farm.

I: Well, these sort of conditions really produced a thrift way of life.

R: Well, you just had to live with so little bit that today's people would say the it was impossible, you couldn't live like that. But, seemed that people had way of making living as long as there are raw materials or resources of some kind, they at least make a living. Like I said, most of the people lived on wild berries and farm products, you know, raised at home...chickens, eggs, and their own beef, venison and fish and stuff like that...

I: It was rough.

R: And bought coffee and sugar and flour

I: Did you grow up on a farm?

R:

I: Well, because of the fact that there wasn't that much money around at the time, this tradition of cooperating with neighbors developed...cooperation without passing money because there wasn't any money to be passed. Can you remember that?

R: Yes...local people did lot more of that when I was young than they do, even when I was managing already did lot of that. We even had bees to...for instance to build a Coop...I was in Minnesota Coop...then we build a branch store and we had bees to clean the ground where we put the store...women made lunch and men did all the work...cleaned the yard and did lot of the work, put the roof on, siding on...just together. A lot of these communist halls that they had that was done by people just working in a bee and they'd do most of the building and a lot of that material, hall material, was donated, so the cost of these halls was very small because of these bees. There used to be a lot of that...there still is some in some areas, but not near as much as there used to be. People are all too busy at home. They haven't got time to do the same things that we did years ago.

I: Yeh, they're too involved with other things.

R: Too many other involvements now.
I: What were some of the ways in which the neighbors used to help one another when you were young?

R: Well, there'd be...well, we had lots of these...like for thrashing and for...people didn't have their own...they couldn't thrash their own grain, but we had these thrashers that we bought for the whole community and then it went from house to house and we'd thrash all the people's grain from one house to the next...used to be steam engines used for power. I remember that they used to come to our house...that was the biggest day in our lives, thrasher came to our house...that was community owned thrashers.

I: When you were a kid.

R: When I was a kid, yes.

I: That was really something. How would it start...what would happen in the morning?

R: Well, we'd all get up early in the morning when we'd know that thrashers coming that day...we'd be waiting for that...looking down the road and finally we'd hear it, you know poof...poof...poof that engine would come. It was one of those fired by cords of wood. Each farmer then have to supply wood while it was in use at your place...then enough to get to the next farm. But, then the kids would want to be hanging around that thrasher as close as possible when they'd assemble it and put that long belt...maybe about fifty foot belt anyway, fifty foot from the thrasher to the engine, that wide belt...plus all that assembly and then when that first load of grain came in then they start putting...forking it into the thrasher. Why, I can remember that plain as day. So much excitement and then the women would have dinner outside for all the crew. But that thrasher was such great excitement to see that coming and operate...big noise and...

I: Big cloud of dust too?

R: Dust and all that.

I: Big straw piles for the kids to play in...

R: Big straw piles and the grain coming out of the shoot that was so exciting to watch that go into that grain and then dump it out into sacks...no they didn't dump it at that kind of shoot...there'd be a sacker then that would change from one shoot to the other...one was filling up and one was taking out and tied and then another sack put in and then switch to the other shoot.

I: Would one man change the sacks and then another man tie them?

R: No, there's one man there only...took care two shoots...you'd put two sacks then one sack be filling and then when that's full you switch the lever to the other shoot and then you took that full sack out and tied it and put another sack there; then meanwhile the grain was running into the other empty sack, then you'd keep switching back...one man could do that.
I: But someone else was carrying the sacks to the grainery, right?

R: He just put the sacks in a pile and then afterwards they brought the...took the sacks when the threshing was done. They didn't have such an enormous amount of grain that they couldn't just pile it up there.

I: What did the kids do?

R: We just watched...just watched all this.

I: I heard that the women would really put on a feast.

R: Oh yeh...they had to have...that was one of the things that everyone...all the women tried to do the best...give the best feed for the thrashers. I suppose it's just like competition in giving a party today. Who's going to feed the best.

I: Can you remember your mother getting worried and excited over having to cook such a big meal?

R: I can't remember that, just how excited, but I imagine they were. But, kids were more excited just thinking about and talking about that thrasher coming, waiting for that. I imagine we asked a million questions...when is it coming. And many things like that were done together and then they, naturally if there's some bigger project that one family couldn't do, others would help.

I: Such as...

R: Well, there was some building, like putting up barns or building their (???). You had to roof the barn with cedar shingles and you put a beam put that rope on...took quite a while to put every shingle on. You had many men on one side of roof putting up, and in no time at all you'd have the shingles on. Quite a bit of that was done, especially in barn raising that lot of that community effort. I imagine there's more things that I can't remember, say somebody got sick or hurt or couldn't do their job, that others they would help...that was one of the things that was done.

I: What about, well I'm back to the thrasher, you said it was a steam-driven thrasher. Later on a tractor-driven thrasher came, right?

R: Yeh, but I away from home then already. Steam was the last kind I remember at home.

I: Do you know when that started coming around?

R: Steam engine?

I: Yeh

R: It was before, already before I remember. So that must have been around before my time, really.

I: What about this...
R: My home was in Wisconsin, Brentwood (sp), Wisconsin.

I: This early tradition of helping without accepting money, what was thought of a neighbor who, when a man would say, "what do I owe you" he'd say some amount of money in those days?

R: I can't remember anything like that. I mean, he probably wouldn't of been thought of very nicely. I can't remember anything, of course I left home... up to that point we had the steam engine thrasher... I left home at eighteen. I graduated from high school when I left.

I: Let's get back to the Coop, now. When was that Pelkie creamery started?

R: In 1930's... early thirties.

I: During the depression?

R: Yeh, somewhere in there. Yeh, in 1930's because I read the minutes where they were... they still had the minutes in the Coop there... as they were progressing in the building... was in the early thirties. I wasn't there when they started that, so by memory I know it was early thirties.

I: Who dreamed up that... the Pelkie creamery?

R: The Pelkie board... had Ed Pelto there and the board at that time and John Erikainen, he was in the board, I remember him.

I: What were some of the problems of the creamery? It finally collapsed. What were some of the problems they ran into?

R: Well, it seemed to me that when I got there, when I went to Pelkie, those problems were already there. The government, state and government got pretty tough on the buildings and on their equipment. You had to get stainless steel equipment into a place and that was relatively high priced stuff to get, stainless steel this or stainless steel that. Then the building itself, you had a wooden building, and we... just to show what happened, we painted that inside and out real well and couple weeks later... that wasn't satisfactory. The building wasn't approved. You had to get windowsills that they should have been stainless steel windowsills or something that you could wash easily... they should be slanting down. And, many things in the building, they weren't approved anymore. So, we had that problem. So we say, what can we do so it'll pass. Well, we got to do this and that... we did that, but it got so finally nothing would be satisfactory... we just... with that building we just couldn't do anything. We were selling milk... bottle of milk from there... then that bottled milk section... they just wouldn't approve... so the whole creamery building they always found something that had to be done. It became expensive and we couldn't see how we continue that. Finally, we asked the board... and then we had a union problem. Union had gotten in before I got there and then you were paying dollar an hour wages at the time...

I: Which was in

R: 1950 something... early 51 - 52 - 53 already they were paying that and you still... that was kind of a going rate, you know.
I: Dollar an hour, at that time?

R: Yes, considered pretty fair to the regular employees...and others, you know the manager got more.

I: In the Coop, you mean, it was roughly dollar an hour.

R: Well, not in the Coop, but in the creamery part, I'm talking about creamery. Coop was even less than that. But, union then started asking for two dollars an hour which was way high...suddenly one hundred percent, just twice as much.

I: This was when now...what year.

R: In 1955, something like that, '55, and well, we just couldn't do it with all these state troubles and federal - they were getting real tough on your cheese, they inspected that and if they found anything wrong, any little thing, then there was lot of expense to correct it and just seemed like they were just trying to cause...I don't what if a program to cut down on creameries or what, but seemed like there were just a lot of pressure.

I: Did it seem as though they were out to get you?

R: It seemed that way, that they just wouldn't allow our type of creamery operate, that's all there is to it.

I: Was there any political deal involved, like were other creameries worried about the competition or the potential competition from the Pelkie creamery and did they advocate certain restrictions?

R: On Pelkie?

I: In general...restrictions that they could meet but they knew that someone else could not meet?

R: Well, I wouldn't know that, but seemed that the inspectors were real...real arrogant, that they didn't operate like inspector should that you can kind of get along with them; but they just gave endless amount of trouble, and they were demanding so much that we just felt that we couldn't meet them...and they...in fact I brought it up to the inspector that well, "Why did we do all these things? Now we went and did and we put all these things that you asked for. Can we go a year or two then, will that be satisfactory?" "We can't promise that." They don't promise, they said "we can't guarantee nothing".

I: Who put down what conditions ought to be maintained?

R: You mean who was telling us?

I: The inspectors?

R: I don't know...was it their own or was it somebody else that was telling them.
I: State government?

R: State and federal...we had both, federal and state inspectors

I: Which ones were the toughest?

R: The federal, and that was a man by the name of Smith, and he was pretty arrogant man. I don't know...rumors then which I wouldn't be able to prove or anything, but rumors that he was...had a big ownership in creamery in Marquette. And he was trying to do this...for that reason he was rough on the Coop quality...but that was just something that we...I never even attempted to prove.

I: That was hearsay.

R: Hearsay...but, anyway, he was really rough.

I: What about the state inspector?

R: The state inspector had to go along with him because the federal inspector was above the state inspector.

I: States had to comply with federal laws...

R: Yeh...so, state inspector still lives in L'Anse and I still meet him once in awhile and we get along alright, but was pretty rough there...they even fined us $25 for something that wasn't just right then I put an ad in the paper claiming that we were okay on that, and boy they get angry about that. They came tearing into the place...they say "why did you do that"...you know they even cussed then; and I say, "well I felt that we are okay". I mean, they couldn't do anything about it. I can advertise anything I want...I said that "our milk is approved and I know that it's clean and as far as we're concerned the bacteria count is okay and everything, there should be no reason why customers shouldn't be...there's no danger...nothing dangerous about our product." I put an ad and boy did they come flying, really mad.

I: Could some money have been made off that deal if it weren't for the state and federal inspectors...I mean when you started selling butter, cheese and milk? Could some money have been made from that outfit?

R: From...for instance, who could make money?

I: The Pelkie Coop.

R: No, we...the union...we couldn't come out on it anymore. We were just about running even the way it was...the competition were real tough and we were running pretty close and we were accounts receivable on milk. People couldn't pay their milk bills very well...we had a lot of money tied up in accounts receivable and everything was going pretty tough with these inspectors and then the union started pressing us for more money and they were going to go on strike and we said, "well, if you're going to go on strike, we're going to close because we aren't going to pay that money, we can't, we're going to lose too much money". So they did go on strike, so we closed the creamery,
right away, the next day they went on strike we started selling off every-
thing...we closed and sold our cheese and closed the operation. And those 
employees never had a job since.

I: How many employees were there?

R: Up to ten employees at times, depending on the season.

I: I did hear, however, that that was a rough job. It was hot in there and
stinky in there.

R: Those cheese factories were stinky and hot. Of course those years...of course
today's modern plants have...they can do more with ventilation than we could
do there. We would have had to build a new plant and we couldn't afford that,
so we promoted...then told the farmers to ship Dollar Bay, they had a new
plant there...we were kind of promoting Dollar Bay, but some of the farmers...
then Bruce Crossing creamery came and tried to get some of the milk although
that's an awful long distance, so they got some of the milk and Bruce Crossing
was angry at me for promoting Dollar Bay, but it didn't make any sense for
me to promote to Bruce Crossing, they had an old type plant like we had.
Dollar Bay had a brand new plant and nice facilities and more likely to...closer by.

I: The creamery was under the control of the Coop.

R: 

I: But, I heard that afterwards it was transferred into private hands, private
ownership. A group of people evidently bought out the Coop's interest in
it.

R: No. Nope, the creamery was completely...that was part of the Coop and it
was, anything that came in came into the Coop funds.

I: So, the creamery from the very beginning was part of the Coop.

R: Yes.

I: And at no time it was transferred into private hands.

R: No, no not that particular one.

I: Okay. What are the wages like tor a Coop employee, a clerk?

R: 

I: Years ago you said it was, well at that time it was in the '50's you said it
was less than a dollar.

R: Well, when I went to Pelkie in 1950's it was...salaries were...clerks were
around fifty to sixty-five dollars a month and...

I: That's for 120 hours a month...160 hours a month...
R: Well, no...

I: Forty hours a week?

R: Ah...that was more than forty hours a week then. They were working more than forty hours a week then. Forty-five maybe...even up to fifty.

I: Between forty-five and fifty hours.

R:

I: Okay, in the 60's roughly what were the wages?

R: Well then gradually we raised little at a time as we were able to keep on increasing wages...well went to 80 cents, 85 cents, dollar, dollar and a quarter.

I: When was it a dollar, a dollar and a quarter?

R: Oh, a few years later, then we raised it about a nickel or a dime an hour every year...every spring around February. Now I don't know what it is...the minimum is $1.65 an hour now.

I: For a person who just starts?

R: Yeh, then up to around $2.00 and then we have some real high wages in men...the managers then like in the feed department and down in the basement and building supply department and meat department, they all get good wages. And in general, the wages are all relatively in line with other wages around the country.

I: And the same with the gas station manager...

R: Gas station manager.

I: So the managers of these sub areas of the store, building supply, basement, feed mill and gas station get generally better.

R: Better wages, yeh.

I: Who determines who gets a job there? Let's say there's an opening and there are a lot of applicants...

R: Manager.

I: How does one apply for a job?

R: Well, for clerk's job the manager hires and also the manager hires all the employees...the branch managers and all that. But, generally if it's a branch manager, like a...well for instance if you hire a...get a feed department man or machinery department man, building supply man, manager first hires or picks the man and decides how much to pay him...then generally are brought up to the board that I hired so and so, just for
approval of the board.

I: The board has to approve it?

R: They don't have to approve it, but it's up to the manager. Only one that the board hires is the general manager. It's different now, in early years the board hired everybody, even the clerk. But when I went there I said I can't live with that, I can't control the clerks if the board hires them.

I: Was that a problem?

R: The problem...

I: The fact that the manager really has no authority over his employees because of the fact that he had no say?

R: Why sure...that was a big problem. It wasn't much of a problem if you had only three employees...two employees or so, but when you start getting lot of employees that becomes a problem. So, I can't live with that. The board hired the employees, the minute you have some problem with them, boy the employee says that you can't do nothing with...fire me...the board hires and fires me. So, board changed that policy then the manager does all the hiring and firing.

I: And that was changed then.

R: That was changed...that wasn't necessarily a...

I: Around '53, when you first came in?

R: Yes, soon after that...I wanted to get that control...because very few Coops that had that kind of a policy anymore...that was years that the board would hire and fire. I know early years every board did that, but that was... got into all kinds of local politics and conflicts and stuff, you know, the board member who would favor their own relatives or friends or stuff like that got a lot of friction from that, but if the manager hires, well, you don't get involved with that kind of stuff then.

I: Unless the manager happens to live there.

R: Not if he's a local man, but there are too many local men managing mostly

I: Why is that?

R: Well, very few managers want to manage in their own communities because you have so many older people always consider you a kid, they know you because you were so and so, you were some kind of...maybe you were a little wild kid when you were going to school and all that...real good fellow that maybe some people didn't like you...you as a kid, and to older people you still are a kid, you know, when you get to be in your own community. But, get outside to another community, you're grown up, you're different kind of a person. You must have found that out.
I: Oh yeh. Also, did any local managers try to manage the Coop?

R: In Pelkie, for instance?

I: Yes

R: Only one that was local was Rod (sp) Kamarainem, but he couldn't do that.

I: Did he run into problems?

R: He was temporary manager...he ran into problems, but he just couldn't do it, whether local problems or whatever it is, he just couldn't do it.

I: No...I'm interested in the local problems that he would have as being a member of the community and the manager. Do you recall any?

R: I can't say that...I don't know if he had any local problems...he had other problems but maybe he just wasn't the manager type.

I: Have you ever been glad that you don't live in Pelkie while you were the manager?

R: No...I would have just as well liked to have lived there, but there wasn't a place to live or I would have moved there immediately except there was no place to live except there was that old store upstairs which no person that likes to live in some kind of a fairly nice quarters would have even considered at all, and I wouldn't consider. And then having been there a few years and there was nothing available at all then we had to buy this place.

I: I was thinking more in terms that if you lived there then you might get tied up in local problems much more and get tangled up in situations where...that you would escape by simply being here.

R: Well, I wouldn't have been hurt. I've lived in areas...different Coops, I lived right there with the Coop...I refuse to take partisan parts in any local argument or local affairs that became, say religious wise or any other wise that became a problem while I used to take sides, and I always refused to take sides in politics. I've never...I'm a democrat I admit, but I refused to get into an argument or discussions into politics in the Coop.

I: Did you ever get in to tangles hiring people when maybe you hired one and others thought you should have hired another?

R: No, not directly. There maybe had been a little criticism on the part of the employee that didn't get hired, but as far as community wise I didn't. I tried to choose people that I felt that they're going to contribute to the Coop as far as bringing additional business...I thought about that a long time before I hired a person...a new person in the Coop. I wanted to know before hand if that person is going to bring more business or if it's going to be a problem well then I wouldn't hire.

I: What do you mean, bringing more business?
R: Well, say that their families and their friends haven't been too...very good Coop people or didn't support or patronize the Coop, well I felt that this person would very likely bring friends with her or with him and we'd get additional business gradually more and more from this hiring of this person.

I: Why did you feel that if you were to hire a person that you'd get additional business?

R: Well, I talked with this person long time or these people that I hired. I got to know them well and I could judge that well, this person will be a asset to us that they're friendly, they talk enough and they'd be likely to turn and be the type of person that will talk with their friends and ask them why don't you shop at the Coop.

I: Do you or have you expected your employees to try and go out and get more business?

R: Indirectly.

I: Not directly?

R: No.

I: Well how do you mean indirectly?

R: Well, that I talked in a way that the employee would gradually get the idea that there's a reason why people should shop in a Coop...at our cooperative.

I: What kinds of things would you like an employee to say to his friends about the reasons why they ought to shop at the Coop?

R: Well, just say that well, I felt that we were giving good service, our prices were right, we had good merchandise and we are a community enterprise just like a school or anything else that's owned by the community. That people that live in this area, they should shop and the employee should try to talk to these other people these same things that why they should shop at the Coop. That they're building their own community and their own property values rise if they keep this community alive and keep this cooperative alive and get it bigger, and the bigger and the stronger that it gets, the more valuable their property becomes too. If there's a lively community and well known community, people will live there more and move there more, like the Pelkie area has gradually been getting larger and more people moving in and it's well known throughout the area, Pelkie Coop. Even by hunters, they have to come there to see what Pelkie Coop looks like, they've heard about it in Detroit or Lansing or Pontiac, anywhere they come from they want to see that store. They've heard that that's an unusual cooperative...everything there.

I: Because of the fact that there's everything?

R: Because of the fact that there's everything there.

I: I know when I was on the radio, I was on the radio on WMFL, and Bob Olsen
was, no at this time it was that Kathy Lasslo was interviewing me and I used the occasion to describe the Coop in very favorable terms as a modern general store. Kind of like the old time general store in which it a hang-out for people to get together to see one another, but modern in the sense that there is modern merchandise in it. And it is unique in that way, isn't it?

R: It is.

I: We were speaking about how you would encourage, indirectly that is, the employees to get business for the Coop, and you were talking about how you do this. Can you go on from there and we were talking about the reasons why a person living in Pelkie ought to support the Pelkie Coop. You mentioned, the last thing you said was property values.

R: Well, I talked to some of the people themselves also like...like Jokipii, for instance, Ralph really knows the value of the cooperative there because there wouldn't be a post office there if Pelkie hadn't grown to such a point that it's really kind of a central point for activity. For instance, some years back we owned a potato warehouse in the back there, an old potato warehouse that really didn't use, so the farmers started a cooperative cattle marketing association.

I: Yeh, when did this start?

R: Oh, must be early 1960's, early part 1960's. They wanted to buy a place in Pelkie and we sold that building and that property there to the association for a thousand dollars.

I: So, this isn't under the Coop, this livestock market.

R: It's a cooperative livestock, but it's separate from the cooperative. And we sold that to the farmers, and my thinking was that...I asked the board if we couldn't sell it to them at a low price so that they could get this marketing into Pelkie because that would be additional volume of business coming to Pelkie and the money from these cattle...when the farmers bring their cattle in well they'll spend money in Pelkie. And, it proved out real good since...that's the only shipping association in this area. People ship from Ontonagon County, well all from Ontonagon, from Mass and Covington, Watton, Keweenaw Point and Hancock, Houghton, Pelkie, so it proved out real good. Sometimes they had a weekly income...money coming in...up six thousand dollars in one week that was paid out for cattle in Pelkie. And we did lot of cashing of those checks too. When the farmers got their checks they could buy maybe machinery or buy their groceries, or what not. That proved a real good thing. Of course, that changed in the last year now that farmers are shipping, that still is their shipping point there, but the cattle don't stop there. They just load up there and then the cattle are sold in Wisconsin at an auction every week and then the farmers get their check from Wisconsin direct to the farms.

I: But right now it just sort of a location.

R: It's still open every week and an assembly point for cattle...still a good thing in Pelkie.
I: Does the farmer go there and sell?

R: No, the trucker they call...that warehouse...the farmers call that warehouse man that they have cattle for sale and the warehouse man instructs the trucker to go to these farms and pick up these cattle and then they assemble at Pelkie and then the truck goes to Wisconsin, to Bondwell (sp), Wisconsin to the auction and the cattle are sold there.

I: So, how far away is that?

R: Something over a hundred miles...hundred fifty miles or so.

I: But at first, when this started, you said around '62 or something, the cattle were sold there and people got their checks right then and there, right?

R: Got there checks right then and there

I: Okay, now has the recent change hurt the Coop?

R: No...no it hasn't

I: Well, if the farmers don't have their checks right there...

R: Lot of these farmers didn't generally...some of these farmers or quite a few didn't...well I'd say a lot of them didn't come and get their checks. The trucker took the check when he brought the cattle in and brought them to the farmers. But, we had that general contact with farmers that Pelkie was the central point...and still is. It still is attracting them; but, we did get a lot of those checks earlier but now you don't get the checks at the Coop but farmers still get the checks it's still Pelkie Cooper Cattle Shipping Association, well Pelkie Cooperative Cattle Shipping Association. So it's still...Pelkie is still the central point for the association.

I: What advantages do the farmers get from this? Why was it that there was felt to be a need for this kind of association?

R: Because they didn't...they got...they sold their cattle to a...there were these cattle what they call "cattle jockeys" that come and buy and the farmer would try to make a deal with them, with the buyer, to try to get the most out of the cattle; and, if you were a poor dealer, you didn't get hardly anything for your cattle. A farmer was very poor at dickering, well he...and especially some of these maybe widow ladies were running a farm anymore, and they had less chance of getting the price for the cattle; and in general the farmer got much less price than they should have got...

I: Why was it, though...what advantages did the jockey have at that time the way the situation was set up?

R: Because the farmers had to get rid of so many cattle every year. What else chance did they have...they had to sell to the buyers, they had no one else. They had to sell to these jockeys and they certainly didn't get enough for the cattle and the farmers found out in a hurry when they started shipping on their own...through their own association and then they truck Green Bay or Milwaukee...truck their cattle and then they found out they really had been cheated a lot. So, that association started going real well.
I: So what that did was eliminate the middle man...eliminated the jockey, right?

R: Especially the type of jockey that was just in there to get an awful lot of money out of the farm. They got to be rich in no time.

I: Okay, then I'm correct that in the early 50's when this started, buyers didn't come to that one area...right here in the Coop...they didn't come there, did they.

R: No

I: People brought their cattle there.

R: People brought their cattle and then the association hired one trucker to truck from farther point like from Keweenaw Point and these Hancock area farmers and Houghton canal farmers and all...they were trucked by these truckers to the association and they would wait there and then the check written and then the trucker brought the checks back to the farms. And then the same...the big trucker that had the big truck then he hauled those cattle from Pelkie to the slaughter house. But then that changed in the last years too now, then there's a better method came about then that they...just an assembly point now and then the cattle are still loaded the same way onto a truck and brought to Bondwell and then they're sold at an auction which brings a better return to the farmers than what they got even at their own sales house in Pelkie. But now they're auctioned, so, at the cooperative auction house in Bondwell, Wisconsin cooperative.

I: And it gets the cow from the barn to the point of sale quicker too, doesn't it?

R: Yeh, quicker too and then there are many buyers at that Bondwell...that's a tremendously big sale outlet...that's a big center...central point for auctioning.

I: So, there's more competition between the buyers...

R: Then the buyers are competing against each other...if there's a good product then they...then the farmer that has the best product gets the best price because in Pelkie the buyer wasn't as shrewd as he, I mean he wasn't as an expert as Bondwell buyers are and sellers, so that sometimes the man that had the best product didn't get the price that he should have gotten. Now the farmer that has the product gets according to value that he's got for sale. So, it's improved...that's the cooperative method of trying to get the most out of the product and get the best deal in buying and best deal in selling in the cooperative manner...the farmer gets everything that he has coming and the buyer pays only what he has to pay, I mean to take expenses out and then get the...anything overcharged will get back to the customer in one form or another. One thing, that before I forget, the Pelkie Coop now furnishes...the people have saved so much money that they have about half million dollars invested in properties and inventories that belongs to the people in the community which, if it had been independent or a chain, people would have no investment at all...that type of money saved. Imagine that...in those years they have about half million dollars invested in properties.
in net values, not gross values...net values.

I: That's really something.

R: That's a lot of money for a small community...that the people have saved by having their own cooperative.

I: Speaking more about the advantages of the Coop to the community...can you think of anymore?

R: Well, there are many things that could be with it yet besides just owning the property and saving that money that they've had, as the Coop has grown bigger and gets stronger you can adapt it to many community activities too. In fact, in our Pelkie Coop, for instance we're part of the community in that we contribute to churches, so much a year...every year each church gets so much as a direct contribution and we are impartial in that we give every church that's within our trading area we give them equal amounts no matter what church it is as long as it's part of our community. So we are impartial as far as religion or another politics are concerned.

I: Also, many of the community organizations and clubs use the facilities of the Coop for an instant charge account...anyone from Ottawa Sportsman's Club, for instance, can walk into the Coop and charge up something...I'm sure anyone from the 4H or even the skating rink or something for the fair, it's charged up without even a second thought. There's sort of a well known agreement that there's always a standing account.

R: Well, the boys and the young people's groups, the 4H groups, they come in there and charge without any...and then any local activities, say that there's a bakery sale or another activity like that, is always open to the youth or the high school, to any organization, young or old. Just, merely ask for time so that there wouldn't be any conflict...nothing that would conflict with other organizations...would be separate times...because that was always free.

I: Bake sales, for instance, people will put up a table there and sell them right at the store. Does the store get any portion of this?

R: Oh no, no...that's a free...they can use our...they always were able to use our facilities for any activity that was not for individual profit but was for community good, you know.

I: For things bought for the purpose of a community good, are they...is there any discount given?

R: Well, yes...we gave, say, young group of people, say 4H they had some activity that they need to make a little money, well we'd always try to make a discount on items if they resell something they'd make a profit. So, most of the time we try to as much as we could for any worthwhile activity in the area.

I: Well, by having a bake sale right in the Coop, that means that the Coop is not going to sell any bakery.
R: Well, not as much, naturally. But, as long as it was for community good, well we didn't look at it from the profit point of view at all.

I: What about selling the materials for pasties and that for...the meat and things like that...would they be discounted if it's 4H Club or VFW or something like that?

R: You mean that we selling the pasties?

I: No, you selling the meat and things to make the pasties and that.

R: Well, we'd give the best price we could, you know, to the ones that bought that'd tell you it was for a community activity. But, there again...sometimes they sold as many as 100, 150, 200 pasties, that naturally cut into our other sales. People take pasties for dinner or say half a dozen pasties well that would be less sales in the store; but, there again, no need for us to look at our sales and our profit because we aren't really in the business for profit, we're just in the business to service the community and all this is part of the community activity, like selling pasties.

I: Well you do make a profit, though.

R: We do make a profit, but it's an impossible thing to operate where either you lose or you make...you can't run even...there's no such thing as being able to...

I: Okay, what's done with the profit?

R: Well it goes...one form or another it goes back to the people. Say if we made twenty thousand dollars, say that we have that...give that...we give some kind of certificate to people that contributed towards that twenty thousand to show that they had that much invested in the cooperative...

I: That's only among the members?

R: Only among the members...well non-members too. Even if you aren't a member, if you shop you get the same thing back as a member, in same proportion. The non-member or member, they aren't discriminated against just because you aren't a member you get the same thing. So, that profit either it stays...either it's invested in more inventory, more property or paying your liabilities like we had liabilities...you got to pay them too. You have to make some profit to pay the liabilities. And then if your liabilities are all paid up and we had no more need to expand, say which is unlikely that you never really stop growing if the community grows, so you keep on expanding. But, say that you had too much money you'd naturally pay out...redeem some investment of members...

I: That has been done.

R: That has been done...every year we redeem some shares but not as fast as we should like to.

I: But, generally, the profit is used to do that as opposed to giving it back in cash now.
R: We don't give back very little in cash. We don't like to. Before Coop was real strong, then you can repay more in cash, but I don't really think will ever go back to paying in cash, but for the present will try to redeem the older shares to the point where it's real current. The capital will be current...will turn around real fast.

I: Then of the profit...all the liabilities are paid, bills, costs, salaries, everything are paid...of the profit what percentage of it is given to redeeming old shares would you say, generally speaking? About what portion of it?

R: Well, say that we don't need it in our operation, we'd pay all of it

I: To redeeming old shares?

R: Redeeming old shares.

I: Then none out to rebates to current customers, of the cash.

R: No, no I don't think that's the proper thing to do. I think that we...we pay that twenty percent in cash like that's for our present day customer. But I think there'd be the best to pay redeem the whole shares until...we don't want to redeem all the shares of all the people, I mean the people that are presently alive and are young yet. We'd want to leave at least one share so the membership would be left in. That'd be the proper ways to try to get those shares it's revolve quite rapidly so there'd be no complaint in (???) staying too long.

I: Now speaking, not from your own point of view, but from the employees in the Coop, would you say that the employees at the Coop are disappointed when people living in Pelkie don't shop at the Coop? From what you've seen as manager.

R: Well, some employees...the way it comes out sometimes that some customer's in and they bitch about something or you hear employee say that when they go out, "why should she or he bitch that they don't even shop here". So, that type of thing you hear quite often...so you can see that the employees are kind of...they know who shop and who don't when it comes to a point like that. Say the customer criticize the employee for some reason or about something and the customer goes out and you can hear the employee say, "why should he bitch...he doesn't even shop here".

I: Do they not look to kindly upon people who do not support the Coop, yet who live in Pelkie...people who, for instance, might go to Houghton or L'Anse for their shopping?

R: Well, they don't directly, I don't think show it, but some look unkindly...I mean they feel unkindly towards those people. Why shouldn't they support the community. Talking about cooperative in...another area...you know the biggest and the worst thing in the community is a chain store...to have a chain store in a community. A chain store contributes less to a community than anything in the world. They don't participate in community activities. They drain the community like a leach...continually
they pull out money from the community. Every profit that they make goes out of the community. It goes to stockholders of the chain in wherever they are, New York, Chicago, wherever their stockholders are... and they just... it's kind of usually only so many stockholders and they're the ones that take all the profits slowly and the money out of the community slowly but surely out of the community. Independent local operator is a much better deal in the community than a chain.

I: And that goes either whether the guy... whether it be a private operation or more of a Coop operation even though there's not that much of a difference.

R: Yeh, Coop or private for a community is much better deal to the community to people who'd see it than a chain.

I: Sure, it sucks out the money and doesn't put it back in.

R: Yeh, local owner and local people they live in the community, they contribute to the community and they contribute at least whatever they make they add more property to themselves, whereas chain usually rents a place... they don't even own a place, they rent and then start pulling capital out and money out of the community, slowly but surely... everything goes out, nothing stays in. And if you know... if you ever had an occasion to go to a chain store trying to get money from them for a local affair is like pulling teeth because the manager has no right to give only very little on his own and then he's got to go through the channels to get more contributions.

I: What kind of contributions does the Pelkie Coop give... you mentioned the church's activities?

R: Well any activity in the area all the way from L'Anse to Baraga... say you have a big doings well... county fairs... Pelkie Coop contributes to all those activities.

I: Money?

R: Money.

I: Just plain cold cash to...

R: Yeh... and Pelkie Coop people are involved, our board of directors are involved and participate in all kinds of activities where a chain store's board of directors wouldn't know less about L'Anse than the man in the moon.

I: Yeh, they'd be in New York or Chicago

R:

I: What kinds of causes does the Coop contribute money to... more specifically fund raising things?

R: Almost anything that comes along. Like I said again, any well meaning or something community...
I: I mean, what kinds of things come around?

R: Well, for instance, if there's a...there's been a lot of centennials, there've been...well we have county fair every year, contribute to the county fair... Baraga has had these some kind of centennials now several years in a row we contributed to that around $50 to everyone. L'Anse has had some centennials and various activities we contributed and then many other things around that help people, I can't think...

I: Things with the school?

R: Well, school activities. I know it's quite a substantial amount that we give away every year.

I: Like about how much, would you say?

R: Oh, it must be going into the thousands.

I: Okay, now looking at the Coop, what kinds of goods...where does the Coop do its best business? Go by the categories of goods that it sells and kind of estimate to me the average annual volume for recent years.

R: What do we sell the most of, or in what department?

I: Yeh, both, like in the lumber warehouse there...is that an important source of income for the Coop?

R: Very good.

I: The most important?

R: No, I wouldn't say that's most important, but it's a nice part of our operation.

I: About how much does that contribute?

R: In sales?

I: Annually in sales, roughly.

R: Something over hundred thousand.

I: What kinds of things are sold a lot from that department?

R: Almost anything that's being sold in lumber, we have to sell lumber, windows, doors, insulation, plywood, paneling, anything that you'd want...sewer tile plumbing, toilets, electrical equipment, wiring, anything in electrical and anything in plumbing.

I: Cement equipment?

R: Cement, more cement, so...

I: Nuts and bolts, plaster, everything required for building?
R: Everything.

I: And, all this stuff is purchased through the Midland Wholesale Warehouse.

R: Not all the lumber...not everything in the lumber department. Midland doesn't...isn't involved in wholesaling lumber or plywood or paneling or anything like that.

I: Where does...

R: We buy direct from Heinz Lumber Company or...

I: Heinz Lumber Company?

R: Heinz...

I: Where is that located?

R: That's throughout the United States...that's western ownership but they have warehouses all over the U.S. and then...now I understand he's got a new connection with Georgia...got somebody big big outfit, lumber company plywood and everything else and anything in lumber or wood products, can't recall the name. Anyway we buy direct so Midland can't very well be involved...no use for our cooperatives to be a middle man just to add more profit to somebody...so as long as we're buying direct from Heinz which is a direct manufacturer and is their own lumber plants and their own plywood manufacturing, well it'd be foolish to put a middle man in between, so it'd be better that we get it direct to the store from them.

I: Are there no local sources available for this...to meet your lumber needs?

R: No...you mean wholesalers?

I: Yes

R: No

I: Or can't you just buy from regular lumber companies?

R: Lumber dealer like Hamar (sp)?

I: 

R: Would be foolish for us to do that because they'd only take a profit...the middle man wherever he buys at the same price as they do from Heinz.

I: Oh, I see

R: We're the same kind of dealer as Hamar & (??)...I mean we sell finished lumber and we buy at the same price. We buy a carload lot, we buy the same car they do, you know, the same way, same price, same wholesale and get it delivered here for the same as Hamar does.
I: What portion of the stuff sold to that building supply warehouse would you say is purchased from Midland?

R: What percentage?

I: Yeh

R: I would guess...close to sixty-five - seventy percent.

I: And the rest is then from independent sources scattered all over the place.

R: Yes

I: Okay, now let's go up to the machinery...downstairs department. What kind of operations...services are available there...services that are sold?

R: We sell repair service, tractor repair primarily, not cars; tractor and small engine and parts...I think we're the only good parts service for machinery in the whole Upper Peninsula at this stage for farm machinery like tractors and anything farm machinery.

I: Do people come from all around?

R: We get people from as far as near Marquette and Ontonagon, Mass, Ewin (sp).

I: To buy parts?

R: To buy parts...can't get them anywhere else.

I: And you also get people from all around for the building supply warehouse.

R: Quite a distance away.

I: What portion of parts and equipment and everything for the machinery department is purchased through Midland?

R: Midland supplies lawn mowers, garden tillers, garden tractors up to 16 hp...17 - 18 hp, you know the ones I'm talking about, anything in hardware, like tools, hatchets, axes, well anything in farm, haying tools and that line...everything excepting big tractors like we've bought Massey-Harris (sp) and then we buy from (???) tractors and combines and bigger machinery they're bought direct from the companies. But Midland supplies all the rest...practically everything, and then all the parts, machinery parts comes from these farm tractor manufacturers, like we buy John Deere, we carry John Deere parts and Massey-Harris and Ford, real good parts inventory in Ford.

I: You buy directly from the factory, right?

R: Buy direct from the factory.

I: What percentage then or portion of the equipment sold including parts in the machinery section is through Midland would you say is through Midland, on the average? Just an estimate.
R: You mean machinery...

I: Everything sold from there.

R: That's the only place that would be...I would say that fifty percent.

I: Roughly fifty percent of the sales volume is through Midland.

R: Yeh, because Midland wouldn't be able to supply the other.

I: What kinds of things, I forgot to ask you, does Midland supply in the building supply warehouse? You said that they did not supply the lumber, but what kinds of things do they supply? You said they supply roughly sixty-five to seventy percent.

R: Plumbing, everything in plumbing...they supply electrical wiring and then anything in smaller adhesives and stuff like that, but primarily plumbing and electrical come from Midland.

I: What about insulations and stuff...

R: They come Heinz too.

I: And the cement and that sort of stuff?

R: Cement comes from cement manufacturer...from U.S. Steel or Alstrom from Green Bay.

I: What about the nails and bolts and that, is that through Midland?

R: Oh, that's through Midland...nails too.

I: Now, in the grocery section, not the meat section, just the grocery section, what portion of that, would you say, comes through Midland?

R: All of it. But that comes...that's indirectly, you see, the grocery comes from Twin Ports Grocery Company in Superior. Well Twin Ports is partly owned by Midland and that's where independent grocers and cooperatives work together, see just like...if you own a store, you could be a part of Twin Ports. So there are, Coop...Midland has an ownership in Twin Ports and then these independent grocers have a part ownership in that Twin Ports. And Twin Ports has a board of directors that's composed of Midland and these independent grocers...they have elected their board members.

I: So virtually all groceries come through there.

R: Everything comes...and meats too

I: And they're just a gigantic wholesaler, right?

R: It's one of the biggest around this area...it's around fifty million a year operation. It's real big...you see it you wouldn't believe it. Runs about two blocks just straight down...tremendous...it loads twenty trucks at one time.
I: Okay, so the groceries and the meats and that's all

R: And even the (???) come through Twin Ports. (???) Twin Ports or anything they sell to stores.

I: Why is it that the country store seems to be able to sell meat at such reasonable prices? I've heard people say, "that's the real good buy at Pelkie". Why is that?

R: Well, one thing that we buy better than lot of these independents, for instance through Twin Ports...it's kind of...it's real well organized for wholesale house they...lot of that meat comes direct from the West and never even unloaded at Twin Ports

End of Part III

I: We were talking about the reasons why Pelkie offers such reasonable meat prices.

R: And then we don't add on such big a profit as some do, see. General practice with meat is to make a twenty-five to thirty percent gross margin on meat...we don't get that.

I: What do you operate on, generally?

R: Well, our highest would be fifteen percent over our cost.

I: What about groceries?

R: Average around fifteen percent.

I: And, what about on parts and stuff sold in the machinery department?

R: Well, it depends on the size. On some of the parts you get as much as forty percent...small parts...small engine parts stuff like that; and some parts that move rapidly there's a much lower mark-up; but then something that's real slow moving you have to put a much bigger mark-up on. And especially the type that's slow moving and the type that might not move at all. You might have to just give it back to the company at a loss of about twenty percent. You return some parts, but you don't get your money back.

I: What's the mark-up for lumber, would you say?

R: The highest you can expect for lumber is twenty to thirty percent. Some even less than that.

I: And, the mark-up on electrical stuff.

R: That varies so much too...wiring you don't get very much, but then you have smaller things...switches and stuff that you get bigger mark-up...twenty-five to thirty-five percent...depending on...
I: What's wiring around?

R: That could be from fifteen to twenty percent

I: On plumbing stuff?

R: Plumbing would be...there again you have such a variation that you've got to run at...run at from twenty to thirty-five percent...inbetween, depending on what you have...what type of merchandise. Some are slow moving and you got to vary your percentage according to how the stuff moves and what might not sell very well at all.

I: What about sheet rock and insulation

R: You have less profit...fifteen percent...maybe sometimes you get twenty if you had a good buy and mark those up, you might get more, isn't too high.

I: Are all meats, roughly, at that percentage that you said, or are some meats...

R: Fresh meats primarily...well I'm...well all meats practically run around fifteen percent. That averages out...on some items you get up to twenty-five percent.

I: What items are those?

R: Well say, sausage items that you have to cut up, slice, and maybe cheese, bottle stuff and packaged cheese, stuff like that.

I: Now, in the gas station area, you sell stuff there...sell a lot of tires. That's about all the parts you sell there, right?

R: Well, little parts like points, belts.

I: I had forgotten to ask you what's the average annual volume of the machinery department, sales wise?

R: Been running between 150 to 200 thousand a year.

I: Oh, that's the big one, isn't it?

R: The big one.

I: What's the average annual volume of groceries, not counting meats...or do you generally count meats in there?

R: Probably, the groceries and meats together would be something over 250 thousand.

I: And, the sales volume and profit from the selling of parts and tires in the gas station...

R: Including everything...I'd know more like that.

I: Okay, how about including everything.
R: About 60 thousand a year.

I: The gas is purchased through Midland, right?

R: Yes...and tires.

I: Almost everything for the gas station goes through Midland, right?

R: Yes, Midland has its own refinery and owns a lot of oil wells directly.

I: And then you have a clothing department including shoes, etc. What sort of sales do you get there?

R: Between fifty and sixty thousand.

I: Does any of that stuff come through Midland?

R: Most of it.

I: What percentage would come through Midland?

R: I'd say ninety percent.

I: And the total sales volume, again for the whole operation

R: A million three hundred thousand.

I: Has been at Pelkie?

R: Yes, that was last year.

I: And total salaries generally amount to how much?

R: Well, when I left there last year it was around 125 thousand.

I: What about operating expenses...overhead?

R: Well, it's hard to say.

I: Heating, electric, building repair, etc.

R: Well, overall expenses including the salaries are around fourteen percent, including everything.

I: What problems do you think that Coop is going to face in the future or is facing now?

R: They have to get more volume yet...I don't know if they can live with this, but they should get...take a hundred thousand dollars more sales volume they could make a really nice profit which could revert back to redeem shares, something like that. But, presently they at least got big enough so they can survive where there are a lot of Coops around here that have closed up in the last years for lack of volume. Lack of volume means... only thing it means that you can't pay enough salaries to employ the people.
You have to be big enough to pay the going salaries to good people that you'd like to have in our...otherwise they won't stay with you.

I: That's a problem, for instance, in the gas station, right?

R: That's one of the big problems there.

I: What has been paid for the men there?

R: Well, they've been paid enough, but then they show a loss too...they paid...the last man got about, something over $3.00 an hour for...including the fringe benefits. So that wasn't too bad for gas station man, but then they show a loss too.

I: The station operated at a loss?

R: Yes...but biggest problem there is that it's hard to get a man there that's willing to put enough hours in even on a commission basis...they could make good money if you got a man that would be ambitious enough to stay there for long hours and be a good salesman. Could make a real good salary, but there aren't too many of them...that type of people. If one would get a man that would, say, put in ten to twelve hours a day rather than just eight hours then could make maybe seven - eight hundred dollars a month salary which wouldn't be bad, but would be quite long hours. You can't get fellows like that anymore. People today, well if they were in their own gas stations they would put that much hours in and make that much money and that'd be almost like being in their own because if they were working on commission; but lot of them just want that hourly wage, they want to work eight hours and get so much an hour and that's all. They work that eight hours and they want to close up.

I: What do you think the key is to getting more sales volume? Say they should try to get a larger sales volume, what areas do you think need more?

R: The only way you can really get it is promotional work, by promoting and the information to people that they can get a better deal if they just support it. Seems like sometimes the manager gets to the point where manager seems like he puts too much effort into something that he shouldn't be and does less in promoting and trying to work in that area.

I: How have you tried to promote the Coop, by the various advertising strategies and that that you...?

R: Well, in order to get started I did all this, I was telling you about, mimeograph work...I made out every week an ad and then did all the printing and then in that you could talk to people too...written messages of different kinds and you could tie in your Coop much closer to people than now it became so expensive to send out mailings that you can't...couldn't afford to carry that dog gone thing. The postal service was a costly...they kept on raising that rate of sending out mailers that it became prohibitive...the cost. So, we had to go back. We started radio advertising but that isn't the same anymore although we done a rather good job, we can't get that local
touch there...it's more...people don't have that same feeling about that...they really miss that flier that we sent out every week...that bulletin.

I: I remember that...that had a homey touch to it...it wasn't printed up in the bright spangled commercial lettering...it was sort of sometimes hand written and people would look at that and...

R: That's what they'd come in with when they came to the store. People had that with them when they came to shop. They shop from that flier that we sent out.

I: And, on that flier you would have the sales and the bargains of the day, right?

R: Yes

I: For each week, rather.

R: For every

I: Well, you said that that wouldn't cost very much for you to put it out.

R: Wouldn't cost much to print it...only the paper cost and my time

I: How many would you send out?

R: Around fifteen hundred a week. But, if we could get radio to have the same feeling, but our people don't all listen to the same radio either. Sometimes they get mad at one radio station and they won't listen to that.

I: Yes, that's happened a lot with the WMPL station.

R: So, they go to another station and then you don't get that effect that you would have. Flier would go to the house no matter what.

I: What was the mailing cost?

R: Well, was thirty dollars a year...was just for the permit but then the mailing cost was only about forty dollars...it kept on rising and went on and on...it went to sixty-five a week and then it went higher than that and finally it became such a cost that we felt that we had to discontinue that. You know when you.

I: The board of directors decided that?

R: I decided

I: What was the cost when you decided to discontinue it?

R: It was getting close to seventy dollars a week for that and then your paper and your paper amounted to around ten dollars and then we counted one girl's time for a day...so it counted around fifteen dollars. So, it came close to ninety dollars a week.

I: Plus the ink, so roughly around a hundred dollars just to knock that out.
R: Yeh.

I: Alright, that's four hundred dollars a month.

R: So, it became... I felt that and we did some radio advertising already and became...our advertising budget was getting out of hand. So we had to do something, so we cut that out...cut that flier out. We had the WMFL advertising ever since and we had TV advertising area wide which we...I didn't care for much, but the others closer to the stations do...Marquette they wanted to carry that then...for us it was expense because we didn't get the effect that they had and besides it cost us the most because we're the biggest store...biggest account and they charge according to your sales, charged each cooperative on that basis...the bigger the store...

I: Radio?

R: On television. So, we paid the bigger share of that television. I tried to discontinue that, but the other cooperatives weren't for it and that put me on the spot because I was in Midland board and the biggest store and well if I had said that we aren't going to advertise, then they're going to get mad at me because they'd think I'm not much a Coop man when I forced them to go out of television advertising by discontinuing ours. Why if we had cut ours of well they couldn't carry the load anymore. So we carried until this year...last year then we quit...all of them quit then. TV station fortunately put the rate so high suddenly that everyone wanted to quit.

I: Another department that we didn't talk about was the feed department. Now, what percentage of the feed that is sold there comes through the Midland warehouse?

R: I don't know, now today, but before I left it could have been around fifty percent because we bought...most of the oats came from outside...local or else outside and the corn which together is the...corn is a substantial amount of our sales. So Midland wouldn't hardly be fifty percent at the time, but this last year they got corn through Midland so it could be a little higher now...

I: A little over fifty percent?

R: Over that.

I: Ranging sixty percent...

R: See Midland just wasn't in the corn selling area at all. I guess they made some changes that they got into corn.

I: What sort of sales volume would that bring into the Coop...the feed station there?

R: Very close to two hundred thousand a year.

I: Oh, that big?
R: That's big.

I: Well then, ranking the different departments, I forgot as you mentioned them as to the highest, which one...name the department according to the amount they brought in...how important they were to the Coop.

R: Groceries and meats and clothing items, that's the biggest...that would be two hundred fifty thousand...feed around two hundred thousand...and machinery range from hundred fifty to two hundred thousand, then...and lumber department about hundred thousand...service station around sixty thousand...then we had our branch stores that makes that one million three hundred thousand...you know we have Tapiola and Nissula as branch stores...they're part of...

I: Of the Pelkie Coop.

R: They're part of the Pelkie Coop...but they're branches. So I haven't included them in the sales at all.

I: The manager of the Pelkie Coop, however, it the manager of the stores in Tapiola and Nissula.

R: Yes, over them.

I: He can hire the people there?

R: He can hire, but the...but he does have to have the recommend of the board to hire someone.

I: At the different Coops?

R: At Tapiola and Nissula.

I: Why is that?

R: Well, cause they're kind of separate branches...I don't know if it's necessary with that, but that's how...board hasn't acted on who's going to be hired but the managers...the general manager hires them but I wanted always to present them first to the board before I made final decision on them.

I: Well that's right because it wouldn't be necessary for you to really hire them in so far as...you don't have direct control over them anyway. There's some sort of a local boss in each one of these stores, isn't there?

R: Well, I was really the boss over them...

I: I know, but you had someone in charge of each one of these stores.

R: Yeh...like Emil is in charge of Tapiola and Ervin Paulsen in Nissula...they're almost completely in charge...I'd never interfer as long as they were coming out alright, why should I. I mean, they're doing a good job I'd never...except in Tapiola's case, we did have to interfer to the point that we had to cut some of their departments because they were running
excessive inventories and not enough sales, so we cut them out of feed and most of the heavy hardware and lumber and stuff like that. They couldn't carry them...those inventories in every store, so we have to cut them out.

I: Which sub-sections of feed bring in what amount...how much do they make off oats, how much on corn and off other sorts of things that are sold? Could you roughly estimate it?

R: It's hard to say. See we get these and we make a mix out of it to the farmers. They all combine into one sale. Say when you make a mix for a farmer, you take so much oats, so much corn, so much soy bean meal, so much salt and so much a concentrate, say proteins, so all of those are in one mix and then that's a sale when you sell it to the farmer...that's a sale with all that ingredients in that sale.

I: So, it all thoroughly mixed.

R: It's all mixed in our mixer see we have one five ton mixer and one two ton mixer...we can mix those kind of batches at one time.

I: You mix them then in the feed mill

R: In the feed mill there...we grind and grind these into one...grind the oats and corn and these go into a mixer and then we dump in the concentrates and salts and other things that go into that mixture and they all go into that...blend into one grain. So, therefore it's hard to say of what you sell the most. You can by knowing what you bought...like corn is the biggest item because you buy...well almost a truck load coming in every other day.

I: And then the farmers around here produce corn.

R: None of them produce any corn whereas lot of the farmers have their own oats for the whole year. They don't buy any oats...we pick up their oats and mix it...the whole thing with our corn...grind and mix them. And, by the way, that's the only...that was the only bulk feed mill in the whole Upper Peninsula for quite a few years. We were the first ones in Michigan...Upper Peninsula to have a bulk delivery to farms.

I: About how far does your delivery truck go?

R: Comes to as far as Chassell and then we go as far as Mass and that's surrounding area.

I: That's a radius of how many miles?

R: Twenty-five to thirty miles. We could handle some of the other area, but then we'd have to get a bigger truck then...if we go farther out then we have to have a bigger truck to bring a couple of farmers' feed at the same time so...to compensate for the distance. Wouldn't pay to bring a small load to a very distant point. When they start filling their bulk tanks and start taking bulk...when you once got them started in bulk they'd never change to sack hand (???)
I: But, it was hard to make that change?

R: Hard to make although we showed them and they really saved $5 a ton on their feed. Just cause something new, was hard...some of the farmers just wouldn't, and we have still some real good farmers just won't change.

I: I know some farmers who still handle their feed in sacks. Farmers have a reputation of being difficult to change.

R: Some of them are just...can't believe it that they'll take a $500 to $600 a year loss and still won't change.

I: Is it that they don't believe that they're taking a loss?

R: They don't believe...one thing too that some of the farmers have such an ingrown feeling that if they give us a chance to mix their feed that they'll be cheated on their product...they're going to feed a poor quality feed. They become so untrusting in their lifetime that they won't trust anybody...only themselves. For instance, we have no motive to cheat people in quality. What sense does it make for me to try to cheat farmer in any way, because my income doesn't change one bit, bigger or smaller, if I cheat. So, if I tell a farmer that I'm going to put so and so feed and you'll get that kind of feed in your delivery, and it'll be so then because I have no reason to change it. If I would be profiteering on that, I could in time say that well...think that well I better make a little poorer so I can make a bigger profit.

I: Have the farmers always been this suspicious?

R: Lots of them have, but some that believe in the cooperative...if they trust the Coop they get to know...but when you get new people that have never dealt with the cooperative, they're the ones that are hard to change. They've always had to fight cheating.

I: Have the farmers been cheated a lot?

R: They have been cheated.

I: You mentioned the "cattle jockey".

R: He really beat the farmers a lot. That's how they're millionaires...all those jockeys.

I: And also, the farmers have been hit pretty hard in the sale of machinery.

R: In machinery and in feed they really were in early years. We have a cooperative in Rock, Michigan, and I was manager there...we were selling for instance, selling feed at dollar - dollar and a quarter a hundred pounds and then went to Republic to visit some friends, and farmers paying two and a half dollars for the same feed...a hundred. They didn't have a Coop. Twice as much and more.
I: Do you recall in the early days in this area when you came here, the Finnish expression, (???)?

R: (???) yeh, that meant American. Anything that's English, well they call... that's English they call (???).

I: Was that term used when you had to refer to someone that you had to be suspicious of or someone that you couldn't trust in the early days?

R: Oh...I can't remember that; but if you, for instance, a youngster went to someone who wasn't a Finn or only spoke English, our folks used to be suspicious, say "why do you have to go with that (???)...can't you find somebody else". That I heard quite a few times..."why do you have to run around with that (???)?"

I: Well, what was it about the (???)?

R: I suppose these Finns didn't understand English so they didn't trust anyone that didn't speak Finnish...I can't see any other reason why there would be any suspicion.

I: I think, though, that a lot of the swindlers at the time were (???).

R: Oh sure because they're the ones that were in business...there weren't any Finns in business at all...early years...they're all Jewish...English speaking.

I: There were a lot of peddlers that used to go through the countryside years ago.

R: Carried their merchandise on their back. Yeh, we used to get them...sometimes stop in the store for lunch. They used bags that must have weighed two hundred pounds...I don't know how they carried them. They just had them... they were way up high and big bags, but they did carry them.

I: And, that was on foot, wasn't it?

R: On foot, yeh. Went from camp to camp, house to house. They stopped a lot at lumber camps. Went to the house and they came in...walked in hardly asking if they could come in then they open their bag and spread out all their merchandise on the floor.

I: You mean you didn't have a chance to say whether you wanted them in or not?

R: No.

I: Or, in those days were people kind of glad to see these peddlers?

R: Sometimes they were kind of glad too...women needed something...they hardly ever got out of their home anyway, lot of these country people they didn't... where would they go on horseback? They couldn't go on horseback or else
they were in camp.

I: Horses were being used?

R: Horses were being used...they weren't available to women either.

I: This brings up another subject. I heard that in those early days it was mainly the women that did the shopping at the Coop. Have you found this to be true? You mentioned earlier about the women...when you were carrying out groceries that it was for women.

R: I think that's probably true...the women did a lot of shopping...then you go way back, man and woman came together because they came usually with a team of horses.

I: Would you say that even today it seems to be the women around there that do most of the grocery shopping?

R: I think so. I think more women shop than men, by far.

I: The meats?

R: The meats...and many families the women do the grocery shopping, and then the man does the meat buying...many, many times.

I: That seems to be the general pattern?

R: Not the general pattern, but in many families that's done. I think that still...generally the women buy the meats too, but I've seen many families where the man...women do all the grocery shopping and then the man...she asks the man, "why don't you get your meat now". He does the meat buying, I don't know why.

I: Maybe in the earlier years he knew more about meat because he did the slaughtering.

R: Maybe, maybe...I don't know.

I: It seems to me that a lot of times when a man and woman come to Pelkie, the woman will go in the store and do the shopping and the man will sometimes get left out in the car...sitting in the car.

R: Yeh.

I: Is it, maybe a bit of a basic shyness?

R: Maybe...

I: Have you noticed that?

R: Well, I know the time when we first got into self-service...I don't know if you remember that time...if you remember that far back...that's about forty years ago. First started getting...we got the carts into the store
and we had self-service...we weren't going to wait on people like we did then; and I had to work with men like mad and women too to get them to take a cart. Women got into push that cart quicker, but men would say, "I'm not going to start pushing that baby cart"...they weren't about to do that.

I: Oh, they felt as though the cart was like a baby cart...they were embarrassed.

R: Yeh, they were embarrassed to start pushing that. They'd go around carrying the merchandise...they'd have their arms full and I'd go up there with the cart and I'd say, "let's put them dog gone things in the cart...that you'll drop something and you'll break, you know, a jar or something...let's put them in there." I'd take their stuff and put it in a cart and I'd say, "you push that cart...there's nothing to that". They'd feel kind of embarrassed and they'd start pushing it down a little...when they once got the first time, the next time they'd pick up that cart. But the first time, lot of them you just had to work with to get them to push it.

I: Because they sort of thought of it as a baby carriage and that was woman's work.

R: They were really embarrassed. Well, women weren't too happy at first...they were kind of nervous too about pushing that cart because they were so...they had been trained not to touch any merchandise on the shelves up to that point. They had to stand behind the counter and wait for the stuff to be brought to them, you know. The clerk brought everything to the counter. The customer would give you the order...you'd write it down...then the clerk would go and carry that stuff in the order that you'd given to bring them back on the counter and then when everything was ready, well then the customer would pay. She'd never go away from that counter...just wait 'til it's all brought there.

I: From what you'd see, do the women generally run the finances?

R: Well, it's not a general thing, but I've seen where...I think most of the women pay for their stuff; but I've seen where some families, where the man...the woman was shopping and the man would go around right behind the woman and she'd pick up something and she was going to put into the cart...even these late years, the man would say, "we don't need that, we don't need that," and get right after...and that was kind of madening, you know, woman would...she was buying stuff for the family to eat, and it was something that he felt was a little too much money, so he'd say "we don't need that" and she'd have to put it back.

I: Did it usually seem to be that way too...that it would be the women who would be doing it and the man who would be saying "we don't need that"?

R: Yeh.

I: I know that in my own family it seems to be the case where my mother might want something and my dad will really try to squelch on it.

R: Yeh...but one family in particular...or two families in particular in Pelkie
where the man did that and the women would sneak stuff...after the man would be somewhere after she'd be through shopping and they weren't ready to go... and she'd go and get something and whisper to a clerk, "put it in the bag where my husband won't see it". She'd take stuff that he wouldn't know about.

I: When people come for credit, is it generally the man or the woman that you talk to?

R: Well, it depends on which...sometimes the...I don't know if there's anything general like that...sometimes would be the woman who would come and sometimes the man. Depends on which is the bravest one of the family...you know some families the woman is the one that does that type of thing and sometimes only the man does it. I don't think there's any general rule on that.

I: You really notice the reluctance in the fact that people really hated to ask for credit.

R: I don't think it's as touchy today as I say it was in earlier years...I don't think so.

I: Have you noticed this tendency for utmost honesty and consciousness in paying it back...try to pay it back as quickly as possible every cent as if it was a major matter of honor to pay that back. Have you noticed that?

R: There are some people, yeh. Some people, say you deliver an item to their house and next day they're there and they say, "gee, I was so worried about that bill" and it was only one day...next day they're there to pay it... "I want to pay that item that was brought to me yesterday".

I: Why do you think they have this anxiety over paying it right away?

R: Well, some are so fussy about their credit...they just don't want to have anyone feel that they aren't going to pay...they really have almost a phobia that it has to be paid right away otherwise they lose their credit. People will think that they won't pay.

I: Wonder why they have such fear of losing their credit, do you know?

R: I don't know. There aren't too many, but there are some like that.

I: I mean that I've noticed that and it seems odd to me...maybe it's the fact that it's a community store and the word might get out quicker than if it were a store in another town, a loan company in another town.

R: No, I think these are the people that pay every place. They just don't want to have...I know of one single man that's here...Douglas Soams...I don't know if you know him...from Houghton Canal...real good farmer, he's a bachelor, nice young man...relatively young man around thirty something, and we bring him a load of...sometimes brought him a load of oats...he's got a real big herd of cattle, dairy cattle...and he'd come in about a week and he'd "I just couldn't get down here and I have this load of oats to pay and I should have been here before" and he'd make a little bit
story and he's the kind too that it seems he feels badly if he can't pay it right away the same minute that it's brought. He's real conscientious about paying.

I: Another thing, people might feel embarrassed to have people think that they might be unable to pay. Do you think that that might be a part of it?

R: Well, it could be...but sometimes the person that comes in and says, "I would have paid it but I didn't have the money at that time"...well there's nothing wrong with that if you can't pay it at the time...you know that if you had any problem like that just let me know and say that you haven't got the money at the moment well, it doesn't matter if we know...if you just tell us your problem well, like some people will dodge you for...say that they can't pay in a month or two...they start kind of dodging and won't even talk to you.

I: You've noticed that? People will come in the store and will avoid you?

R: Yeh, they won't even come into the store then for awhile until they get paid...they get that paid. And those people also, well I say, "you wouldn't have had to worry about this bill...why didn't you let me know...only thing I really feel good if I know that you have a problem, that you're thinking of paying it in so and so time, but that's the only thing I'd like to know and then you don't have to worry about it and I don't have to worry about it". But people are funny that they're afraid to tell you that well they haven't got the money. There's no shame about that, if you don't have it at the moment, you can always say that well, "I meant to pay it so and so but I didn't get the money that I expected or I hadn't got it, so it'll be two-three months before I pay". Well that doesn't hurt if you know that they're going to pay. But when they start running around and dodging you...see you coming on the street they go on the other side of the street...look away.

I: It might have something to do with shame because I have noticed that there's an incredible reluctance and fear over mentioning how much money you make. I've never run across this sort of a phobia, as you say, about mentioning how much money you make. I found this out in my early survey work going around, I tended to think sociologist (???) money you make to try to figure out how an area works. You don't do that around there. Now, why would you think that there would be such a major reluctance...surely you...

R: I've run into that sure; but I don't know, I never had a feeling that no one should know what I make or how much I did make.

I: I know, but asking other people...from your experience, why do you think asking these other people...

R: I don't know if I really had that type of experience so much because most of the time I've been in stores we have credit unions too in stores where I've been and in the process of getting people loans well you have to ask how much their income is...it's on the blank and you fill it in...well
most of the time they put their income down and there's no...there isn't that...you don't get involved in their reluctance then so much as you went they felt that maybe you're going to distribute that information to somebody else, you know, somewheres where it shouldn't go wherein the credit union they felt that well it's safe here, you know, that confidential information. I don't know if that was...

I: That might be. I forgot to discuss the credit union aspect. You wouldn't speak of it in terms of sales volume but certainly in terms of interest in that the Credit Union does make money for the Coop...

R: That's a separate Coop too, by the way.

I: Oh, the Credit Union? Just like the livestock association.

R: Yes, a separate board of directors than the Pelkie Coop, except they're renting space in Pelkie Coop.

I: Is that run by local people or...

R: Well we have...usually the...well Pat Michaelson was the treasurer...he was manager of that credit union and he got paid separately for that and now, I don't know if Koski's now, who's managing that now; but, that's entirely a separate organization although it's right in the Pelkie Coop office.

I: Yes but it's a cooperative?

R: It's a cooperative, yes.

I: How does that work?

R: Just exactly the same as the cooperative, any...well not exactly the same, it's...any profits that are made are paid back in dividends on the money that's invested...or deposited in the credit union. For instance, if you have a thousand dollars in the credit union on deposit and they pay five percent, you get that...end of year you get five percent on your deposit.

I: What kind of percent have they been paying?

R: Well, last year they paid five percent. But then, the first two thousand of that...say that you have two thousand dollars...up to two thousand dollars you got insurance, life insurance of two thousand dollars for free besides that...say that you...in case of death that two thousand would be four thousand to the survivors or whoever they may be.

I: It doubles then?

R: It doubles up to two thousand but then there's no insurance from there on except the federal insurance. So, you have that which amounts to quite a
bit...think that amounts to quite a bit...I think about almost one percent of the interest too.

I: What categories of loans are there? What kinds of loans?

R: Anything in the way of small...you can take for any purpose in any amount...you can buy you car, you can buy...we've loaned out to buy house trailers and small homes...almost anything, tractors, clothing, groceries.

I: So, any size loan?

R: Up to...credit union can't loan more than ten percent of their assets to anyone loan. But at first we couldn't loan very big loan because our assets weren't very large, but as you grew...now it would probably loan up to $30,000 on any one loan. But, the credit union has been kind of steering away from big loans...the biggest was about $8,000 and they're steering away from real estate loans because that involves quite a bit of study and extra work to make appraisal of values usually hire an appraiser otherwise the bank examiners don't really approve a loan like that if you don't have an appraisal value listed on your loan application and loan.

I: Well, what does the bank have to do with it? Why must they...

R: That's the bank examiner...that's the state examiner...it's under state law see, banking law. So, they audit our books every year, the state...they charge so much per audit.

I: What are most of the loans given for, would you say? What purpose?

R: Well, for general...many people for taxes and a lot of car loans, lot of trailer homes, lot of tractor loans, snowmobile loans really were...that was quite a thing there for awhile, oh every day we had several of them, that's some years back, and I think that's the general thing...almost everything.

I: What percent interest is there on a loan?

R: One percent a month.

I: Twelve percent a year?

R: Twelve percent a year.

I: For all loans?

R: All loans no matter what.

I: What sort of time periods are there?

R: Most of them were two years...may have been a few four year loans. three and four years...cars three to four years...new cars.

I: What are snowmobiles, generally?
R: Mostly try to be a year... because those don't last... snowmobiles aren't worth much after a year or two.

I: Roughly, how much does the credit union loan out a year?

R: There again, I'd have a report somewhere.

I: You said their assets were around $300,000, right?

R: Yeh, we generally... well most of the... they must be around $300,000. We usually loan nearly all of it out, in fact we have everything out... we either loan... if we don't have it locally out we... and we... say we get a real big deposits in a weekend, we didn't have loans for them right away, we'd send them to the Central Credit Union in lower Michigan and they pay interest on it right away only when it gets there and then if we need the money within a week... week later, we call that money but we get interest for those five days... six days or whatever it is. So, we don't keep that on hand at all because it doesn't do any good to have many thousand dollars on hand... it doesn't bring anything in. This Central Credit Union League they handle all that stuff like that. Any extra monies you have you send it down there and you get interest on it.

I: Is it merely for local people who are in it?

R: Primarily... we have people from Chassell and some from Hancock.

I: What are the advantages to a person to join the credit union? For instance, you can get a higher rate of interest at a bank, right?

R: Well, you don't really if you count like five percent plus investment... I mean you have insurance on that loan, life insurance. And now I understand they're going to pay six percent interest on your deposit now this coming year... or this year. Well, banks aren't really paying more... they'll pay seven percent on what is now... on certificate loans of four and a half or five years. You have to invest your money for five years before you get that seven percent. But, normally they pay five percent and five and a half percent... the most six percent on two and a half year certificates. But, on your deposits, that isn't necessarily the idea that you have to paid a lot of money on your deposit except that those that have an investment they should get a fair return, but the idea is to develop a community banking system where people in that community can put their extra money in, and they can borrow money when they need it... back and forth without paying any excessive interest on their money... on their loans I mean.

I: And having any interest they do pay go to their neighbors.

R: It stays in the community. All the monies just circling around the community. When you say one percent a month, that sounded a lot...

I: Compare this again with the banking chain... just as you did the Coop with the chain store.

R: Well, same thing applies. In banking it starts to get like a chain. The money is gradually drawn out of the community and keeps on going up to the
stockholders. And it's not spread out as thinly as in a community like a credit union spreads it out in the community where in the bank they don't... it just goes to a few bank owners and there are only so many, maybe like in any bank, you know, there maybe dozen or two dozen owners that own that whole bank. And from the profits that they make, that goes back in dividends to these stockholders and it's a very closed-shop operation. You can't go and buy ownership in a bank.

I: It's not like a corporation?

R: You can't go and buy, in any of these banks, you can't...say I wanted to buy stock in this bank, you just aren't going to get it like that; whereas a credit union you can go anytime and say I want to be a part of this credit union and they'll immediately say that sure they'll take it in.

I: That credit union's doing quite well, isn't it?

R: Real well, all over the country.

I: You mean cooperative credit union?

R:

I: That's a good concept. It keeps, as you say, money in the community rather than putting it in the pockets of a few owners of a bank who might not even live anywhere around the place.

R: It's almost crazy when you think about it because the biggest credit union is in the bank...in a corporation bank. Bank employees have their own credit union...can you think of anything like that?

I: Says something about it right there.

R: Just goes to show that what people really...when people are smart they do things to help themselves. So, I have little idea, I have little investment in the bank...they happened to sell because they wanted to spread out some...at one time they had, you know wanted to get their bank branch store into Baraga...they wanted to get to influencing getting that bank there, so I got little investment in the bank and I know how it operates. I'm one of those stockholders in small amount that gets some of that people's money that they make a profit, I get it back.

I: Superior National Bank?

R:

I: But, there are very few stockholders.

R: Very few...but I got a small...just a small bit of it.

I: Let's speak for a moment about competition from L'Anse and Baraga. The way Pelkie stands in terms of competing with other retailers in Baraga and L'Anse. Who is Pelkie's biggest competitor? Commercial competitor...
in the feed and machinery business, there is none.

R: We don't have hardly any at all that is meaningful. In grocery and meat line, it would be Quality Food.

I: In L'Anse. Do they regard you as their competitor too?

R: I think so.

I: Not so much in Houghton, or is there...do you have competitors in Houghton?

R: No...that wouldn't be...except from on Tapiola end, but I don't think that that would be very great anyway.

I: But, for the Coop in Pelkie then, the choice is for the most part on groceries. Is it Quality?

R: Quality most.

I: Or to the Pelkie Coop? There's some to the A & P in L'Anse. They generally have a reputation for having high prices anyway, don't they?

R: The A & P isn't very good competitor. You'll...Baraga IGA has some... is some competition, but I think Quality is the biggest in L'Anse...largest competitor.

I: Now, in gasoline, you have two gasoline stations right there in Pelkie.

R: And, neither one is really doing too well.

I: There should only be one.

R: Should be one.

I: And it always should be that way too.

R: And, well, they'd be only one could do a really good job. One of the reasons gasoline stations in Pelkie don't do to well either that too many farm people have their own gas at home. They fill their cars from their own tanks so that they aren't...these farm people don't buy very much gas from stations...retail stations. Very rarely. If the farm people couldn't use their own gas from their own tanks, well then there'd be a lot more business in Pelkie too...stations. For instance, if you were farming you'd have your bulk tank and every time you'd go on a trip you'd fill your car tank from there.

I: It's a lot cheaper in fact you don't even have to be a farmer to have a bulk tank. Not anymore, right?

R: No, you wouldn't have to be. It's cheaper, somewhat, but not too much when you have evaporation and everything counted in, but farm people
wouldn't even be using their tank if they weren't doing some...little bit... they can get some of that gas that really should go in a tractor. They get some of that gas tractor rate into their car which is substantially cheaper because they get their refund on their gas...on your tractor gas you get a federal tax refund for farm use.

I: And what is considered farm use? They stretch a little.

R: You can stretch it a little bit. Who's going to...I mean how can...you can't control that a hundred percent. I don't say it's a great deal, but I know that there isn't a single farmer that doesn't take advantage of that little advantage they have.

I: Have you ever tried to buy Ralph out? Or talked to him about that?

R: No, we never could do that. I mean, I think he just wants to have a place to putter.

End of Part IV

I: Just when we did quit, we were talking about competition. We'll go back there...we noticed that there's another gas station in Pelkie...the private Mobile station owned by Ralph Ketola and we were talking about how one gas station could do a lot better and you mentioned that at one time you did ask Ralph to come and work for you.

R: Yes, I did ask him once, but he refused because his legs weren't too good and he said he probably couldn't do the job as well as he'd like to and he felt that maybe he wouldn't be able to continue very long on that job. He didn't know at that time whereas his legs probably improved since that time, I don't know. But, at that time he felt that he couldn't.

I: Also, the competition has never/intense to the point where hard feelings have developed.

R: No, not at all. In fact, all my life I felt that I don't want to be in competition in a manner that there'd be ill will. Every place I've been I've been on good terms with my competitors...independent competitors. We have been together at the same doings and same parties and got along real well in our relations and then what competition we had was in the field of business...that was just a friendly competition that's all. I've never liked this mean competition.

I: I knew that...I'd heard that the Coop gas station when under the control of Gordon Jokipiit that they'd borrow each other's tools and also send each other customers and Ralph would say, "I'm too busy for that, go down and see Gordie"; and sometimes Gordie would be too busy for it and he'd say, "go to see Ralph", and the customer would say, "he just sent me down here". And, it was almost as if, without thinking, they had assumeded that they were really working together trying to fix people's cars and get things going...that there was work to be done and they were almost more on a team than as competitors because they would loan each other tools and send each other customers.
R: Yeh, I don't think Ralph has been the kind of...he's just fighting for business either and we never want to hurt him because we could have hurt him if we really had to do it, I mean if we wanted to do it. We could have just priced him out of business, but we never did because he's nice guy.

I: Wouldn't have been hard for you to price him out of business, would it?

R: No, we could have done that, but we never did...never tried it...never made any attempt.

I: I don't think that would have been a good thing to do even if you had from a business point of view because people know Ralph.

R: Oh yes...they would have probably know that we were pricing him out either if we had done it.

I: Oh you could have done it without people knowing it?

R: Yes, it could have been done; but I never would have felt good about it either, so we never tried it.

I: But, if it would have been done and people would have found out about it...

R: That'd of been a different story.

I: ...then they never would have shopped at the Coop again, or bought gas or anything.

R: No, no that's true.

I: I know, well there is this policy of if you do buy groceries at the Coop, you do get gasoline cheaper.

R: Yes, if you get a ticket and then you get some...that's just a promotion that lot of other businesses do, you know, it's not necessarily that we're trying to...we're just trying to develop that gas business and gas station like that; but that's not a...that's just an image that we have...not trying to hurt Ralph on that.

I: But, it does induce people to buy more gas there, right?

R: Well, primarily people that wouldn't buy gas at all in Pelkie...they'd be primarily people that'd go back to L'Anse or Baraga and buy from those stations. They're the ones that...those that shop and live in Pelkie they buy...still buy from Ralph or us which ever it happens to be; but these people that I know of, I can almost name every person that bought on those tickets, they bought...they would have bought in town anyway...in cities...they wouldn't have bought it in Pelkie at all.

I: So, that was a devise to get the people who came to the Coop to shop also get gasoline there.

R: They'd get gas a little cheaper, so they could afford to come to Pelkie
from L'Anse because they'd get maybe four - five cents a gallon cheaper than they would have got in L'Anse. So, if they bought ten gallons that'd be fifty cents...just about pay for their trip to come in.

I: Does that sell a lot more gasoline?

R: Quite a bit more.

I: Because I know, we were talking earlier about how the people around there are really thrift minded, that anything like that is a sure-fire way to get...

R: But, like I say, most of the people around Pelkie...right around there...farmers...they buy from their own tank anyway, so doesn't...we can't get their business with those tickets anyway...have to be mostly from outside.

I: Another thing about the gas station that I've noticed, it's a hang-out, not only for kids, but for older men.

R: Yeh, I suppose there's some of that, depending on who's at the station too.

I: That's one thing that's hurt the sales at Pelkie a lot, there's been a turnover of the manager at the gas station.

R: Yeh.

I: When Gordie was there, people from all around knew him and would come there to visit there...they'd buy their gasoline there partially so that they could visit with Gordie.

R: Same time.

I: Have some coffee or a bottle of pop with him and visit; but when these new people, especially when you got a young boy from Elo there and now just recently a guy from Tapiola, he's gone...now you've got a young kid there, well you've lost business at that because you don't havethat personality in there that people will go to just to see. They haven't seen him in a while, you know?

R: Yeh, there's that continuity that should be there all the time in personnel.

I: Whereas, people go to Ralph's, there's Ralph.

R: Yeh, he's always there.

I: He's always there and, you know, "how's the weather, Ralph"..."how you doing"...people want to see how Ralph is doing and so they go there. I think he sells more gas than the Coop gas station.

R: Oh, I'm sure he does because he's got some longer hours...evening hours then too...that helps too.

I: Just from watching there, there seems to be more cars that pull in there.
R: Oh sure, I know he does.

I: And, it's not a matter of price, it's a matter of it's Ralph's and people like him.

R: That's where we could price him out of gas, if we really...because we buy gasoline cheaper than he does...if we wanted to, but we never did try. See we buy gas in a semi...in a load into our tank there that we have no little trucks distributing like Ralph does...small truck comes in.

I: Gets from Kinnunen in Baraga.

R: Yeh, where we get ours at wholesale...Midland wholesale price directly into our big tank...ten thousand gallon tank; so we get a substantial price difference than Ralph's and we could really make it tough, but we never wanted to do that.

I: Well, Midland would be in a pretty good position now with the gas prices climbing to get a lot of business, wouldn't they? Because of the fact that they have their own oil wells and all the refineries and that, they could do alright in competition, couldn't they now?

R: Well, if they can get enough oil to keep the refinery going at full blast, but that's been a real...see we don't have quite enough wells to fill our own, I mean well say it would be ten years ago we would have had enough. But, that refinery is much bigger than it was before. Now in the oil shortage, we don't get...we had...some of oil's supplied by outside suppliers. Suddenly that was cut off because of the...big companies cut off all their oil deliveries all except to their own refineries.

I: Do you think this is a move to eliminate competition?

R: Midland is one of the few independents that have their own wells, too...that they can't completely, you know, eliminate them whereas a lot of independents, they're really shut off...nothing...even their stations by the hundreds...

I: Are closing...

R: Have closed already...not closing, but they're closed because these Standard Oil and Texaco are closing...they're all those big companies, Gulf...they just simply insist that we have no more for you...nothing.

I: They want a total monopoly on it.

R: And our present administration has kind of let it happen too...I mean.

I: Sure, because they give big campaign contributions.

R: What are you going to do? Why do you give a million dollars to a campaign? Why would you just give...to be a nice kind hearted guy and give a million dollars to campaign or you can keep it, I don't want nothing back.
I: Hmmm, mm...

R: That's... just keep that....

I: Yeh, I know how that works.

R: Yeh well, that's exactly what happened. Well, for instance, now in Midland we have... in fertilizer we have a real good thing in cooperatives. We have... cooperatives sell about forty percent of all fertilizer in the United States. That's a lot. That's almost half of all the fertilizer sold.

I: Why is this?

R: Because fertilizer was originally... farmers are the ones that needed fertilizer... you know the consumer... like city people didn't need it. Today a lot of non-farmers use fertilizer too because of gardening... there's lot of this gardening going on now in America... United States, well Midland and many of these wholesale farm organizations... farm wholesalers... went together and they've been buying and getting their own fertilizer plants like we have two big plants in Florida... one plant we bought from a big independent oil company that they couldn't... that they had the big manufacturing plant... fertilizer plant, but they couldn't sell the... they didn't have any distribution. Coops had the distribution, so they... there's a kind of depression in fertilizer about five years ago so this plant was at a big borrowing on that... from a big insurance company. And that big insurance company started pressing them for money and they were forced to sell, so the Coops bought these big plant... that was a hundred million dollar plant and they got it for forty million at that time approximately. And from then on they've been building some new plants in Louisiana and then we have fifty percent ownership in pot ash plant in Canada... one of the biggest... then our distribution is to the farmers and farmers have lot of cooperatives... big ones... so we still haven't got enough plants to take care of all the farm sales that we have, you know farm cooperatives that we couldn't supply all of them. And now, our (???) would have sold their plants to the Coop... we have a central Sea of Industries that's the central point for all our cooperatives... they do all the fertilizer manufacturing and handling of that to all the wholesale houses throughout the United States. Well now, Sea of Industries would have bought our corn, our corn to sell, but the Justice Department interfered just a few months ago and said they won't allow that... that's getting into controlling of fertilizer industry and that would be against consumers... I mean consumers might be hurt by it. But, that's a relief to a statement by the Justice Department because farmers own these plants... farmers consume the fertilizer they're the ones that are buying the plant for themselves and they're the ones that get the profit. Nobody gets hurt... no consumer there that would be hurt no matter what price they charge for the fertilizer... farmers still get that over-charge back... there's no where in the world where the consumer would get hurt because there aren't any consumers like food or anything.

I: Very few people buy it for gardens... that percentage is so small that...

R: That'd be just ridiculously small and wouldn't hurt anyone and Coops
haven't been selling to these city...the small consumers at all. It's all been going direct from their plants to their own cooperatives...farms, but as far as hurting American consumers, that's ridiculous. It doesn't make sense that the Justice Department won't let that go through...they won't let that deal go through.

I: What do you think the real reason is?

R: Real reason...politics...because there are some big corporations...other corporations that are fighting that, see. They don't want the cooperatives to get any bigger in that field...fertilizer field. Whereas they would if they bought our crops...they would have a bigger share of that fertilizer market. But the point here...another thing that really happened now, if it hadn't been for the cooperative fertilizer distribution system, American farmers would be in an awful poor situation. See, there was a ceiling price on fertilizer. Well, the independent...all the big corporations sold their...started selling all their fertilizer to Europe and foreign countries where there wasn't and ceiling and they're making from twenty to twenty-five dollars a ton more for their product...by selling there; and American farmer has been really shorted on fertilizer. Some areas hardly got any fertilizer at all because of this...these companies selling their fertilizer all out of United States for a profit. Now, if there wasn't a cooperative, what would have happened to these farmers? They would have been really in bad shape because these companies would have done the same thing and these farmers...these farmer users would have been out of fertilizer altogether, for all practical purposes. That's what I can't understand about free enterprise...if it's free enterprise, why don't they take care of their own people first...but when it's free enterprise...then they should regard their own country, own people, own farmers and forget the farmer and sell it to the European people because they because they make a profit.

I: That's what free enterprise means

R: Means that more profit.

I: No restrictions...profit is the only game...no restrictions as to whom you're going to help...whoever pays the most, gets it.

R: Yes, even if it hurts our own country and our own economy.

I: Right, that's what free enterprise means...otherwise you have to have governmental control and that's communism and socialism and sin, you know, that's what they say.

R: That's what it is...immediately when you start helping your own people and own country, that's socialism. I mean it, that's socialism. You can't help your own people but you can go to help...well you aren't helping you're hurting the foreign...they aren't too rich either and here you're overcharging them twenty dollars and thirty dollars a ton for fertilizer.

I: Let's get back to the Coop now. I was asking you what the difference
was between the cooperative and the corporation.

R: Only difference is...well we are a corporation, you see, in Michigan, because Michigan doesn't have a cooperative law. But as a corporation their...it's put together just like a corporation. In cooperatives we generally have more members, you know, members or owners I should say in order to make clear, cooperatives have more owners like in Pelkie now, we have so many owners.

I: About how many owners do you have, roughly?

R: About twelve hundred.

I: Okay.

R: But, in cooperatives when you're in business, the difference is that the profits in that business are paid back in the form of rebates on...refunds on your use at that cooperative...on your purchase.

I: To the extent that you are consumer supporting that cooperative.

R: Supporting and using that cooperative's services...you get your refunds back in the same proportion.

I: In this case in the form of twenty percent cash and the rest in increased shares at the going price of the shares.

R: Investment in the Coop.

I: Right.

R: Whereas in the private-type corporation, the profits are paid back in dividends on investment that you have in the corporation.

I: The amount of money you sink in...not whether or not you consume.

R: Not if...no matter if you're entirely removed...you have no connection. You might live out in Europe.

I: So, in a cooperative...a cooperative really does guarantee against absentee ownership.

R: You can't have absentee ownership that will be reaping any or pulling out any money from the community. You can't...

I: Because in order to get money back you've got to be in there buying.

R: You've got to be out there supporting that cooperative.

I: One other thing, what about votes...does a person's say, the extent to which his opinion has force, depend upon the number of shares he has?

R: You can have, like Pelkie has no limit to the amount of shares you have,
you can have $2,000, whatever you have or $10. But, the $10 owner has one vote, $2,000 owner has one vote. You can have $10,000 or you don't vote on investment, you vote on your membership. You're only one person.

I: There's equality in political power inside.

R: Inside because the poor man is just as strong in voting as that rich man.

I: You mentioned that Michigan does not have a cooperative law.

R: We have to entirely operate under corporation

I: Does that sort of put the Coop under certain disadvantages?

R: Well, it would be better if we did have a real cooperative law, but we have hardly disadvantages but it would be nice to have a separate law.

I: What advantages do you not get because of the fact that you operate a cooperative in Michigan as compared to the advantages you'd get if you did operate it in a state where there is what you call a cooperative law?

R: Well, I couldn't...I can't specifically start explaining now what would be the benefits...you know in cooperative law, the cooperative could work on improving their position if they were...had a separate law, for one thing...that they could start lobbying for certain changes in the law that would...that would help to, for instance paying reap (?) fund or many other fields that they could...they could try to work into it. But, in the corporate law you can't because you're just a very small part of that corporation law so you can't really lobby for any changes. Only way you could is like Minnesota has a cooperative law. You can try to improve that law to the benefit of cooperatives.

I: One thing, looking at this I remember that I forgot to discuss appliances and appliance sales. Now, what kinds of appliances do you sell there? Stoves, refrigerators, what else...hot water heaters?

R: Everything in appliances...freezers, any kind of freezers...well we can handle...handle Frigidare line and that's...we have everything in appliances that you can possibly think of.

I: Okay...does this come through Midland?

R: Through Midland.

I: Do all of your appliances come through Midland?

R: Yes.

I: Do you buy any outside of Midland?

R: No.

I: What sort of sales do you get annually from
Boy, I couldn't tell you. That's part of the hardware sold... hardware...

You mean hardware and machinery?

No, just hardware... that's the tools and the.

Okay, what about the hardware section? Then it's the hardware section that we didn't discuss.

What about the hardware section in terms of sales?

Little over seventeen thousand for four months.

So, it'd be roughly three times that.

Fifty some thousand.

Fifty-one thousand, roughly.

Yeh, but it could be close to sixty thousand because the better months are through June... through July... so August and September... could be fifty-five thousand or so.

In hardware?

What seasonal fluctuations really hit the Coop? When are your good months?

Well, in July and August...

Because you have the lumber sells then because people are building.

July, August and September I think are.

What else...

Fertilizer, haying tools and baler twine, binder twine, and then tourists are in July and August real heavy.

Are you familiar enough with prices of farming equipment to give me a rough breakdown on the cost? What do tractors run?

Today, I don't know... that's changed so much and that's through Ray.

I'd have to see Ray Pesola about that.

Yes. They've changed so much now in the last year... gee I couldn't begin to know now.

In terms of your hiring policies, going back to that, you said you'd generally look for a person who would probably bring in business. That would mean then that you'd probably pick a person whose friends did not
at the time shop at the Coop rather than pick friends or supporters of the Coop, right?

R: Not always like that either just nothing like that...directly like that could be that this person shopped at the Coop, but a lot of his or her friends did not shop...another thing that this particular person might be a very...type of person that does lot of community activity work and takes part in lot of community activities.

I: Is that the kind of person you like?

R: That's the kind of people I like.

I: But why?

R: Because, they're the ones that would make a lot of friends in their community activities they can bring lot of goodwill to the Coop. For instance...

I: Give me some examples of people who bring goodwill to the Coop in this way.

R: Well, you can take, for instance, 4H leader in the community. If he does a good...4H leader and outside of Coop he works with young people, well when they need something in the way of picnic supplies or some other activities supplies, well he'd suggest the co-operative, wouldn't he, first thing and in working with young people the co-operative would enter the picture a lot. And, take any other person that's in any other community activity, say a church person that sees...

I: Name in this case specific individuals seeing we are talking about something that's very good about people, you know...not something hush hush like credit...okay among 4H leaders?

R: Well, there's Ray Eilola, for instance.

I: Ray and Fanny...

R: Yeh, Fanny..

I: Eilola

R: Yeh...and take a board member..

I: But, are those employees?

R: Well, Ray was an employee of our creamery for many years...

I: And, you hired him because you.

R: Well, he was hired before, but those kind of people that I like to have anyway. Just...you might not have any now that are any leaders except
in...you know...like board members take...outside of employees take board members for instance, now. We have Art Kujansuu...he was in the board...school superintendent; we had Joe Maki still now, he's in the ASC Office, he's the chairman of the ASC Board, he's in all kinds of activities in the church, he does an awful lot of good for the community; we had Bernard Tepa, he's in the board and he was an employee, he's in quite a few...he was in the school board and other activities, he did a good job and still does...he's not in the board or anything...he's been sickly; and then I don't want to name any other names although I have one person that wasn't particularly...directly involved except in church, but this person really did an excellent job of bringing in people because she's the type of person that she's involved in so many things that brought in lot of business and then Ray Pesola, he's not involved except in...well he's been real active in sports and he's been promoting and manager of Little League quite a bit...a lot.

I: I'm asking these questions because I'm interested from a sociological point of view how this strategy does in fact bring people...that's why I'm asking for examples and names in particular because this is a good thing to be mentioned for, it's not hush. For instance, how does Art Kujansuu, him being the Superintendent of the school district, how does that...do you feel that his involvement in that activity helps the Coop or whatever other activities he's involved in? How does he help the Coop?

R: Well, merely him being in the board brings prestige and then when it comes to...evidently there's discussions at...there's no evidently it's for sure...surely there's going to be discussions about cooperatives since he was president...president of the board for many years. Well, it must come up quite a bit well he can always explain his position why he's president of the Coop and why...and not alone did he impress it but another end...he kind of liked to be his own republic anyway. He kind of liked to be in the board because that brought him prestige too. And then...

I: I don't quite understand what you just said though, before that...bringing it up in discussions...you mean in discussions outside...

R: Outside of his work, you know, he's part of Lions Club, he's part of different groups of hunters...they have hunters...they have hunting camp groups, fishing groups and he goes to meetings various places, he's now on the district board even in our Midland District Board and so he gets to know quite a bit about cooperatives and that he's questioned quite a bit, I'm sure by people that don't know anything about cooperatives. So, he can bring quite a bit of good will towards cooperatives too.

I: By virtue of the fact that he's in all these situations he spreads good will to the cooperative in those different situations?

R: Yeh, yeh...

I: Like in the Lions Club he's liable to, when a discussion of the cooperative
comes up, spread good will there?

R: Well, he sure can...I mean, I don't think he'll at least he won't be talking badly about it...the cooperative.

I: No, not being a member of the board.

R: No...no...so...

I: Okay, then another person.

R: Like Joe Maki, for instance. Well he's in ASC Board, he gets...and then he's in various other things.

I: Okay, being on that A...what is it A...S....

R: It's that...

I: Soil Conservation Board, I know what you mean.

R: And, he's just merely that he's in there...the board meets every month at least, maybe often...and Coops come...get into discussion on that, well we've got very close to farmers through that ASC Board, too.

I: In what way?

R: For instance, when they need...crisis on...they need to get the going prices on seeds and fertilizer and all these farm products and I've always, when I was there, I always gave them our prices and they give allocations like these ponds and stuff...they need to...farmer puts a pond the farmer gets so much from the government for putting a pond in and they have to put certain amount of seed in there, fertilizer, the ASC Office naturally would kind of say that "well we got these prices from the Pelkie Coop" because these were the prices we gave and we were practically the only sole supplier in that area in the first place.

I: And, the sales coming from that path amount to a good..

R: Oh sure, anything like that really helps because a lot of farmers go there...lot of contact with farmers...contact all the time with farmers from their headquarters. Even other board members that we have there I always tried to see, if possible, I had no...I should have no influence in electing the board; but I surely can talk to the board that they should try to get people in...when they nominate they get people in that are active in other things that they're the ones that will do a good job in the board too. That they should be the type of people that they participate in community activities. A person that never participates in anything, they aren't going to be good board members either.

I: Are there other ways that Joe helps other than through his membership of the ASC or whatever it is?

R: Well in...I don't know in...he has...of course he's got meetings
elsewhere besides there and he's in the Post Office...works parttime

I: How does that help the Coop?

R: Well, they always get discussions...there's always a little spare time there to talk with people who come in to get the mail and get stamps and stuff and...

I: It's a good place for the Coop to be part of because it's a discussion center.

R: And when these board members like Joe is in the board, well he's well known and they know he's a board member...it certainly helps well it must be a pretty good place because Joe is even in the board in that store.

I: You mentioned Bernard Tepsa then.

R: Bernard used to be in the school board but since he's been sickly hasn't been part of anything hardly. But...

I: But, how about membership in the school board...how does that help the Coop?

R: Well, merely to be a school board member there again brings that to people's mind that well he gets to be known that he's in the store board and then these board members, most of time when they...when it's been a successful cooperative, they like to say that, "well I'm on the Felkie Coop Board" and I just suspect that there's going to be some discussion on what's going on and how are things going...so they can surely help, you know.

I: Now, this is the sort of thing I was talking about. Are there other members that you can name and speak about in terms...see what I'm seeing is the connections of the Coop board throughout the community and, in a sense, this shows how the Coop is a part of the community very specifically. What other members are there?

R: Well, we have Makela, he's one.

I: How does his outside position in the community help the Coop?

R: Well, he's well known too. He's a well-liked man around in the community and he's a mail carrier now. And then, I think he's the type of person that people like to talk with, you know, talk to.

I: Because he sees a lot of people, being a mail carrier...he runs into more people than many people would.

R: Yes, and then I'm sure that he gets into lot of discussion about being a Coop board member too. He'd be questioned too, because people do ask questions or board members too.
Oh, such as...

If they have a little problem and they ask the board, "what should I do" or "why is this happening" or "why is this done"...

Or any bitching or complaining...

Board members hear it.

And then they bring up in turn to the...

To the board if it's important but if it's...lot of times they're thing that the board members don't bring up if it's unimportant, just say the individual is a chronic or something, you know, you have to take them as they come and then separate them...

The chronic complainers are well known, aren't they?

Yeh, take the weeds out of the grain

And, this is one of the responsibilities of a Coop board member to hear the complaints and to bring the complaints to the attention of the total board when they meet, right?

Only if it's not big enough, we bring it to the manager's attention... if it's just a minor thing; but, if it's a real big complaint that the manager can't handle, then that goes to the board.

Are there any others that you can name that have been or are now members that...

Jim Allen was on the board for awhile. He being the principal at the School...through that knowing a lot of people, spread good will for the Coop.

And, did a lot of good for the community, in Tapiola area.

Yes, very very highly respected man out there for his work with the children and mainly for that, I suppose.

The whole community...he's done a tremendous amount of work for the community and the school and the system and children...they're a lot of college graduates indebted to Jim Allen just tremendously in that they never could have gone to college without his assistance and help.

Financially...his help?

Well, information as to finance, just informed how to get themselves through college. Jim has more ways of getting through college than... once, I came to know this when I talked to him about our son, he was... and we talked about different cost...boy it cost a lot of money to put kids through school, and I talked about our son being...that takes money
every month, have to send so much darn money down there for him, you know, was going to the University of Michigan, and Jim said that, "why do you pay...you don't have to pay anything...there's plenty of money around that you have to go after that money and let them get there money from various sources". I said, "where, where can he get the money"? And, he gave me a name at Michigan Tech, somebody there, I don't recall anymore...that contact this man and there's no problem...well our son then got the last year's money from...through that source. We didn't...that year he got through quite reasonably. But, Jim said he never paid a cent for his kids to go.

I: So then through helping so many people in so many different ways in that area and him being a board member too, that helps the Coop a lot.

R: It did help a lot and still does...that once he'd been on the board that...you know you kind of retain that kind of feeling towards that organization.

I: Right, in fact part of the indebtedness and gratitude the people feel toward him is in a certain way spread to the Coop by his being a member.

R: Yes, I'm sure.

I: Okay, who else has been a board member that you...

R: Off hand, well we have...at one time we had a board member that was a member of the hospital board in L'Anse, Heinonen, he was in the board for awhile and then he didn't want it anymore, that meant being in the board...he got going to Detroit to some job then for awhile...for a few years and came back. He was a good man. We have a lot of other good members, Toivo Mutkala was one of our better members. He was for ever making propaganda for the cooperative or doing propaganda.

I: Because he runs into so many people.

R: So many people...

I: He's on the road a lot.

R: And talking a lot...talks with people a lot.

I: Maybe he's sort of another exceptionally kindly person who has a lot of friends.

R: Oh, he's got a lot of friends.

I: Any others?

R: Oh then, Charlie Hemmila, wouldn't probably...he's a big talker and visits a lot so if he does any talking...if he does talk good about the cooperative, certainly he must be doing a good job for the Coop.

I: That's right.
R: And...

I: Turunen...was he?

R: Turunen is the type of person...very little community activity. He does... he's more of a independent sort of a person. He's never been in the board. He's been primarily in his own business and minds his own business and very little community activity.

I: He's pretty well swamped by what he's in.

R: He's pretty well swamped anyway, but I mean he's not the type to participate.

I: Any others?

I: Has Ralph Jokipi?i?

R: Ralph has never been in the board. I think his job is the kind that he shouldn't be connected with any business, at least I gather that.

I: He would rather not be because of his job?

R: I think that his job is the kind that he shouldn't be...I just got the feeling that...

I: Why would you think that?

R: Well, if I recall that he said that.

I: By law, do you mean?

R: By law or else for some practical reasons...I don't know why, but he shouldn't be connected with any business. He can't even work for any business on spare time. None of those postal employees can take an outside job in any business.

I: If they're full time employees?

R: If they're full time employees.

I: I wonder why that would be.

R: I don't know...that's what I...at least that's.

I: That must be a law or something, right?

R: Either a law or something there...I'm sure that that's the case that they can't take a job, you know.

I: That's...I don't understand that...and you mentioned the Turpeinen brothers.

R: Well, primarily the Reuben Turpeinen family.

I: Is this the one now toward Limestone?
R: Yes. They've been with the Coop ever since I went there and they stuck right through thick and thin they've been with it.

I: This is out toward the Waisanen brothers.

R: Yes, near the Waisanen brothers.

I: Okay, now how does Reuben's position outside the Coop help the Coop?

R: Well, they're good talking family. They do a lot of...he's never been in the board...he's not the kind to be in the board...he's been just a good shopper and they have been good shoppers; and they haven't shopped because they owe the Coop or the Coop owes them anything nor they owe the Coop anything, but they just are that friendly type people...they go shopping...and I'm sure that they've done lot of good for us, I'm sure.

I: What about the Waisanen brothers? You mentioned them as being supporters.

R: They're the supporters...they neither...Waisanen brothers have neither ever had any part in the Coop as far as meetings or being a board...they never been, but they've been...right through they've been supporters. I think Waisanen brothers' father was one of the original starters...I mean organizers of the cooperative.

R: Is that right.

I: Yes, that's a long time ago.

R: I can talk to them about that then.

I: I think so that they were one of the early people in the Coop. And they're some other early people that have died that were in the cooperative, but I can't...I have no recollection...I never knew the people and I can't remember their names.

I: Well, how have the Waisanen brothers helped the Coop?

R: Well, in...they have a lot of relatives there...they...even if they just shopped and in their talk that they talked favorably to the Coops, they certainly have contributed something to it.

I: They talk a lot, don't they?

R: They talk a lot...good talkers and friendly people.

I: And excellent visitors and visited by so many people.

R: Yes, lot of people...because you never have to wait for them to conversation to end...it'll never end, you know, while you're there. You can visit with them for a whole day and they still have conversation. They go back into history if nothing else.

I: I know, I've been there and I will go there more. What about any other
people that you can think of.

R: Oh, we have lot of good people...I just...naturally we have to have lot of
them that shop a lot there.

I: Who have been, among the board members, the influential board members in
recent years?

R: Well ever since Pelto left, he was there.

I: Alfred Pelto?

R: His father...Alfred has never been in the board. His father was the main
character when I first went to Pelkie.

I: And when did he die?

R: Quite a long time ago...at least ten years ago

I: In the early sixties?

R: It's long time ago.

I: But, what about in more recent years? Who has been the strength?

R: Well, the strength the board has been in Art Kujansuu and Joe Maki, I think
he's been kind of a real good strong board member. Urho Wuori, I think
he's been...he was very good...he retired because he was sickly.

I: Was there anything about Urho Wuori's position outside that helped the
Coop?

R: Well, in way that it's such a nice family and lot of relatives...that's a
real big relationship...it helped an awful lot because they were all...when I went to Pelkie they never shopped there at Coop at all...none. So,
gradually they started buying feed and then Urho's daughter worked for us
for quite a while and turned out that Urho...turned out to be a real good
board member and he would help in many ways. I could confide in him and
lot of things...a very broad minded...he didn't jump to conclusions
quickly, there was just...he could understand my point of view.

I: He's very deliberate in the way he thinks. You can tell that he's broad
minded and that he really thinks deeply on things. He doesn't jump to
a position quickly and then get stuck on that. I know what you mean.

R: At the board meetings I liked him for sometimes that a board member would
jump on the manager for something beyond reason, well he'd put a stop to
that, you know, in his slow manner. He'd get...he didn't jump in to
argue, but he'd start talking about the problem in a manner that would
kind of end it right there. There would be...you know...no arguments
afterwords. You know there are people that would jump into a problem
with both feet and they don't know if really they are on the right thing
or not. But Urho has more sense...he wouldn't...he'd know what he was
saying before he'd start talking.

I: What about Ron Moilanen...any younger farmers in the...
R: Ron Moilanen hasn't been in...he's been very good supporter at Coop, but he's been involved at Farm Bureau and we've had a few conflicts with him. That's like competition in our...some of our lines.

I: Oh, what sort of line?

R: Well, fertilizer, bale twine, binder twine...

I: Farm Bureau sells farm products?

R: Well yeh...Ron's been taking orders from farmers and then Farm Bureau from lower Michigan then brings a truck load on into Upper Peninsula and then delivers to farms. He used to do quite a bit of that and then I didn't quite appreciate that because that's the line where we have to get everything in carload lots...see binder twine or this heavy stuff...and then to have somebody break some of that volume off from our...that didn't make sense to me because after all, Farm Bureau has no investment in that area, they don't pay any taxes or anything...well why should they get into...when they aren't giving any better prices they shouldn't be breaking our cooperative setup. Farm Bureau is a cooperative and I couldn't see why one farmer should then try to take orders and then break up...try to break up our volume.

I: Is he still doing this?

R: I don't think so.

I: See, I don't quite understand you John. I thought the Farm Bureau was more of a...some sort of a lobby...for the farmers.

R: Oh, Farm Bureau has a big lobbying...they have an attorney in Lansing all the time.

I: But, is it also a commercial...

R: It's a commercial...commercial outfit. They have...big plants, big cooperatives in lower Michigan, real big. They also have cherry...have cherry packing plants, they have...

I: The Farm Bureau?

R: Un huh...bean packing plants, they have...

I: A commercial farmer's cooperative

R: Oh sure, it's big, it's real big.

I: Did he sell a lot of this sort of stuff through them up here?

R: Well, I don't know if he sold so much, but sometimes he sold quite a bit, like for instance, bale twine, for instance, if you sell a couple hundred bales, that would already hurt our carload purchase maybe or truck load, whatever we used to buy in all...but anything hurt in small area, I shouldn't
I: I have heard a bit of grumbling, I won't mention any name, but it was suggested that the Pelkie Coop does, in fact, have a monopoly on farm machinery in the area because of the fact...not because it has tried to become a monopoly, but because there simply are no other places to sell it. It's the sole outlet for many miles around; and for that reason, very high prices are charged. And this one particular farmer I know, was thinking of buying a chopper and he ended up going to Wisconsin and getting one for half the price of one being sold in the Pelkie store.

R: Are you...had to be a used one

I: It was a used one

R: It had to be a used one because...well I tell you what...if such a thing could, you know...if a Wisconsin farmer came from Wisconsin to buy a tractor from us, we could sell that tractor for many hundred dollars less than we could in the community.

I: Why?

R: Because we'd know that we'd never have to touch that tractor anymore. We're all done with it. If anything went wrong with that, we wouldn't have to service that tractor any...like when it's in the community. We sell a tractor, we have to give it the first service after selling...later on.

I: Is that one advantage then? If I buy a tractor from the Pelkie Coop and something goes wrong with it, mine will be serviced before anyone else's who did not buy one at the Coop?

R: No...but for instance if the tractor broke down, where would...you'd come to us right away that you'd want that fixed.

I: What if at the same time a man came in from Tapiola and he didn't buy his tractor in the Coop?

R: Well, if he came, he would come to us and ask, "can you do anything for my tractor that it broke down" and, if we were busy, we wouldn't have to do that, we could say, "sure we'll take care of it, but we have to take care of this first". Secondly, if he wanted parts for that, he couldn't come to us and say that, "I want a part for this tractor right away because it broke down", he'd have to wait for that part, you know. But if we had sold that tractor we would...and it broke down, we'd have to get that part. We'd have to wire right away for that part immediately, we would do that. But if that tractor, like if you bought a tractor in Wisconsin, we aren't in any way liable for that tractor.

I: Oh, that's part of your sales agreement that...

R: That's not a sales agreement, it's just the principle that how can they
expect to get service from us if they buy a tractor in Wisconsin. If that tractor broke completely, you know a real big break down, well we certainly aren't responsible for that. Say that we sold a new tractor and something seriously went wrong with it...we'd have to do that for nothing...all the work and everything for that tractor.

I: Oh, warranty work.

R: Warranty work whereas, when you buy from Wisconsin there's no warranty on a used tractor...on anything used even, you buy from there...Wisconsin...any used tractor, well the farmer up here is responsible for anything that goes wrong with it. If they buy a used tractor from us, do you think that they wouldn't come back to us if that thing broke down in a month. We'd have to take care of it. Even if it was...even if we hadn't agreed to take care...we'd say that well, "it's yours"...but we're still...we're just liable...just feel that we have to take care of this for future business.

I: Is getting parts for tractors and machinery a problem?

R: Because the companies that make tractors and machinery, they don't even make their own parts. They...

I: Sub-contract that...

R: They give sub-contractors the job of furnishing parts and the sub-contractors charge much higher prices and their most of the parts come from Canada and boy it's just like...it's just awful to get parts and it's slow.

I: Most of them come from Canada?

R: Most of the tractor parts come from Toronto, Canada or from some Canadian source.

I: And most all farm machinery parts?

R: Yeh.

I: They're still U. S. firms...

R: U. S. firms but they come from Canada...I don't know why they're...

I: Is there some kind of a tax...well there must be an import tax that hits those parts then.

R: There's some kind of tax and...I don't know where...there seems that so many things come from Canada, it's just...you know, in farm machinery parts. But, as far as pricing, no matter how much of a monopoly we have in Pelkie, doesn't mean that we over charge. We never tried that...we just charge that...just the way we've always done in machinery. Same thing in parts, you just charge the list you take the catalog you sell at the price. Say that it's a real slow moving parts, like I said there's a higher markup on them. But then, if it's a fast moving part
there's a lesser markup. So, those are exactly the same prices we always charged. There's no...but it's just a farmers idea that we have a monopoly now that the prices have climbed like everything else is up, farm machinery is up, everything else has gone up every year, so they feel that the cooperative is over charging, but that isn't true.

I: So, when you need a part you call the main assembly factory of tractor, let's say...

R: Well, they have...

I: And they call the sub-contractor and get...

R: Well, we sell direct—we wire direct to the or telephone direct to the supplier whoever supplies