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The Buffalo Cooperative Economic Society, Inc., 1928 - 1961;
A Black Self-Help Organization.

A Brief History and Introduction
To The Microfilmed Records of That Society.

by
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On April 29, 1929, the Citizens Cooperative Society of Buffalo launched its educational and membership campaign for that year. The campaign was kicked off at a rally held in Memorial Chapel, located at 155 Cedar Street. According to a publicity slinger, the purpose of the rally was to offer the community first hand information about a movement which the organizers believed was destined to "revolutionize the living and working conditions among the working classes." The slinger stated that those who attended the rally would learn how a few earnest people, working in cooperation, could raise their standard of living, make more and better jobs for themselves and their children, and build a respectable business which would help the entire community.¹

It is significant to note that this rally was held almost six months prior to the stock market crash which signaled the beginning of the great depression in the United States. However, the statement was addressed to the black community, who collectively were in a state of economic depression even during the general prosperity of the "roaring 20's." The rally marked the beginning of the second year of operation for the Citizens Cooperative Society.

The Citizens Coop was formed in 1928.² The general rationale behind founding the society was the belief that it would afford blacks of Buffalo an opportunity to help themselves and improve their standard of living through collective work and responsibility. The two most prominent leaders in the Citizens Coop were Mr. Jesse Taylor and Dr. E. E. Nelson. Mr. Taylor served as president of the society during its first year of operation. The following year Dr. Nelson was elected to that office. Dr. Nelson held the presidency during all of the subsequent years of the society's existence. The society also had an executive board which included Lloyd Plummer, Henry Payne, Eugene Scott, Aubrey Reid, and Mrs. Alberta Nelson (Dr. Nelson's wife).
Initially the group held its weekly meetings in the real estate office of board members Plummer and Payne (326 Jefferson). As the membership increased the meetings were shifted to Walker's Funeral Hall, and Memorial Chapel. Members could invest in the society by purchasing shares at $5 per share. Most of the members held less than five shares. This writer was unable to establish the exact number of persons who held membership in the Citizens Cooperative Society. However, one incomplete list of share receipts indicates that at least forty-six (46) share certificates were sold to thirty-seven (37) persons during a one year period from July, 1931 thru July, 1932.3

In the fall of 1931, the Citizens Society launched what was to be its most important venture. The Citizens Cooperative Grocery Market was opened in a rented building on William Street (between Jefferson and Madison). (One former member says that the store was later re-located to another William Street building west of Jefferson). From the outset the store faced tremendous obstacles. For one thing it was launched at a time when many well established businesses in the community were folding under the economic pressures of the deepening depression. In 1931, unemployment in the black community was even higher than its normal crisis level. Then too, the lack of experience (on the part of the cooperative members and officers) in operating a grocery market must have been a serious handicap in their attempts to compete with other grocery markets in the community. The cooperative market was never able to overcome its serious disadvantages. After about a year of operation (continuously in the red) the society was forced to sell its holdings in the store.

The failure of the Citizens Cooperative Society's only business venture, coupled with the factionalism that had developed among some of the members
proved to be a fatal blow to the organization. Available evidence indicates that the Citizens society was disbanded in (or about) 1933. However, the dream of racial uplift through cooperative economics did not die with the demise of the Citizens Coop. In spite of the initial failure, a number of stalwart members remained convinced that cooperative economics could be a viable and positive force in the black community. Under the leadership of Dr. Nelson, who had been a driving force behind the Citizens Coop, the few loyalists began making plans to reorganize the black cooperative movement in Buffalo.

Dr. Nelson was not a native Buffalonian. He was born in Louisiana in 1884. Following his mother's death, when he was ten years old, young Nelson was sent to live with his aunt and uncle who were sharecroppers. That family later moved to Texarkana, Arkansas where Nelson began his formal schooling at age fifteen. Nelson reached maturity during the era of Booker T. Washington's powerful influence. The keynote of Afro-American thought during that era (late 19th and early 20th century) was racial uplift through self help and racial solidarity. That theme found concrete expression throughout the institutional life of black America during that period. One product of that period was the Negro cooperative movement which had a major impact in the south. The black uplift themes of that period had a major influence on Nelson's thinking.

In Texarkana, Nelson completed all the grades in the local black school in four years. In 1904, optimistic and determined, Nelson left Arkansas and enrolled in Wilberforce University in Xenia, Ohio. While at Wilberforce he met and courted his future wife—Miss Alberta F. O'Leary, an education major from Jacksonville, Illinois. It was during those years that Nelson also decided to become a medical doctor. That was indeed a bold and ambitious decision at that time. Following his graduation from Wilberforce in 1911,
Nelson was accepted into the medical school at the University of Michigan. After completing three years at that institution (Univ. of Michigan) he decided to delay his education and seek employment. In 1916, he resumed his education --this time at Boston University. He graduated from the Boston University Medical School in 1918. After his graduation Nelson moved to Buffalo where he had worked in the summer of 1917 as a dining car waiter. In 1920, he went to Illinois where he married his college sweetheart--Miss O'Leary. The couple decided to make their home in Buffalo.

Unable to set up a medical practice, Dr. Nelson continued to work as a dining car waiter with the railroad. That job took him regularly to New York City. The years 1919 - 1925 represented the peak period of the Garvey Movement in the United States. Marcus Garvey's U.N.I.A. headquarters was located in Harlem and Nelson was frequently in attendance at the Garvey rallies whenever his dining car job took him to New York. Nelson was deeply moved by the Garvey doctrines of race pride, and racial uplift through unity and self-help. He was also impressed with Garvey's style and ability to organize. By 1925, Dr. Nelson was thoroughly convinced that black Americans could improve their economic status through cooperative self-help. He would eventually adopt the Rochdale cooperative system as the most appropriate vehicle for putting those ideas into action. In 1927, Dr. Nelson opened his medical practice. The following year he became an active member of the Citizens Cooperative Society. He was now ready to begin implementing some of his ideas regarding self-help and cooperative economics.

The failure of the Citizens Coop in 1933 was only a temporary setback, by 1934, Dr. Nelson was holding regular meetings with a small group of friends and associates. (Some of those in the group were former members of the Citizens Coop, while others were new converts). In 1935 the group
launched an educational campaign to attract more members. Adopting the name "The Buffalo Consumers Economic Society," The group became a formal organization on September 16, 1935. Dr. Nelson was elected president of the society. The Buffalo Consumers Economic Society (BCES) quickly adopted the philosophy of the Rochdale System.

As explained by Dr. Nelson in his promotional speeches, the Rochdale system was developed by a small group of poor and oppressed weavers in England during the 1840's. After deliberating over their condition, the weavers of Rochdale concluded that they could escape from their economic oppression and improve their living conditions through acquiring ownership and control of the means of production. But with their meager wages they realized that none of them had enough capital to purchase the agencies of production. They finally agreed to pool their resources and make the necessary sacrifices to acquire the tools and means of production. Consequently, they formed the Rochdale Cooperative. At the end of their first year of operation the group had seventy-four (74) members and capital which totaled $900. In 1850, they purchased a flour mill. In 1852, they established a shoe factory. In 1861, they had a membership of 1,850, a capital stock of $75,000 and a business turnover of $400,000. On their fiftieth (50th) anniversary, in 1894, the Rochdale Cooperative had a membership of some 12,000 and a business volume of $1.5 million. The successes of the weavers of Rochdale inspired the members of the Buffalo Consumers Economic Society. Moreover, that story certainly reinforced the arguments of the Washington and Garvey eras advocating racial elevation through self-help and solidarity. In 1935, Dr. Nelson and his associates were convinced that they had the answer to the economic problems of the black community. During the next twenty years, Dr. Nelson would preach the doctrine of the Rochdale system at every opportunity.
The experience with the Citizens Cooperative Society had taught Dr. Nelson that the success of cooperative economics depended largely on community support. In an effort to educate the community concerning the goals and possibilities of cooperatives, he launched an elaborate and well-planned educational campaign. That campaign was sustained over a four year period—1935-1939. One important component of that campaign was the weekly educational meetings. Those lecture and discussion sessions were held each Tuesday night from 8:15 to 10:00 P.M. Prior to 1938, the sessions were held in a meeting house that the society had rented and set up at 530 William Street. In May, 1938, the meetings were moved to 571 Clinton Street. The educational meetings usually began with a lecture by Dr. Nelson. The lectures were organized around "semesters." Each semester was fifteen (15) to eighteen (18) weeks in duration. During the course of a semester the speakers would address a variety of topics aimed at raising the political and economic consciousness of the community. A sampling of topics would include: "Economic Status of the American Negro," "Importance of Self-Help and Cooperative Economics to the Negro," "Treatment of the Negro in White Newspapers," "Techniques of Operating a Cooperative Business," "The Value of cooperative Credit Unions to the Negro," and the like.

The lectures were often presented in a religious context. That is, cooperative economics was often presented as a Christian duty and a sign of benevolence as well as an economic necessity. That kind of emphasis was probably due largely to two factors. On the one hand, it was a result of the firm belief that sharing, working together, and benevolence were in fact characteristics of Christian living. On the other hand, by casting cooperative economics in the mold of religious doctrine, the society was able to minimize the chances of being labeled as socialists (which was considered radical at the time.).
Most of the lectures were presented by Dr. Nelson, but occasionally other members presented their essays and position papers. The minutes of the society indicate that in 1939 Jerhard Williams presented a paper entitled "Building Economic Strength," Noah Stewart spoke on "Self-help," and Leroy Coles delivered a paper on "Cooperative Store Policy." In addition to the lectures, the "classes" often discussed pertinent articles from newspapers or magazines. Sometimes they discussed assigned readings from books or pamphlets in the society's library. Such materials could be checked out by members of the classes and by others in the community. The minutes of September 1, 1936 indicate that among the society's library holdings were 100 copies of Fundamental Points in the Rochdale System (thirty-eight copies were on loan). Moreover, the minutes show that twenty-seven (27) of the thirty-nine (39) copies of Introduction to Consumer Cooperatives were also on loan.

At the end of each 15 - 18 week semester, the society held an open house program at which time refreshments were served and some form of entertainment provided. Another semester would begin the following week. The attendance records for the meetings show that the classes were very popular. The average weekly attendance was as follows; (a) 1936--twenty persons, (b) 1937--no records, (c) 1938--twenty-four persons, (d) 1939--twenty-nine persons. In addition to the weekly economics education classes which were open to adults in the community, the children of members were organized into a "junior coop." Instruction and other activities were organized for the purpose of teaching the young people principles of business and cooperative economics. The society also operated a kind of free speakers bureau which sent selected members into churches, club meetings, and other community groups to explain the philosophy behind economic cooperatives and to point out how those principles could benefit the colored community.
The four year educational campaign appears to have been very successful. More than half of the nearly 200 families that became active members of the society during the twenty-three period from 1935 - 1958 joined during the 1935 - 1940 period. Thus, about 50% of the society's membership joined during the years of the intense and well organized educational campaign.

As the society's membership and financial assets increased during the late 1930's, its role and involvement in the activities of the community expanded. In 1937, the society elected three women—Mrs. Noah Stewart, Mrs. Beatrice Bailey, and Mrs. Eva Coles as delegates to the Buffalo Consumers Club conference. The immediate purpose of that conference was to deal with "the rising cost of food." Mrs. Coles was eventually selected by the Buffalo group to participate on a "housewives League committee to organize a milk boycott." The society took an active part in the milk boycott campaign. The boycott reportedly forced a reduction in the price of milk in the community.

The Buffalo Consumer Economic Society's program for 1938 included:
(a) expanding participation in regional consumer activities, (b) membership drive, (c) writing by-laws, and (d) applying for corporate status. The officers elected for 1938 included Dr. Nelson, President; Mrs. Eva Coles, Vice-President; Mr. James Lewis, Treasurer; and Mrs. Alberta Nelson, Financial Secretary. The Board of Directors included Mrs. Rosa Strother, Mr. Noah Stewart, Mrs. Beatrice Bailey, Mr. Jerhard Williams and Rev. James B. Benton. The society formally adopted its constitution and by-laws in February, 1938. On March 2, 1939, the BCES board of directors voted to send a copy of their by-laws to the "Eastern Cooperative League." This was probably accompanied by a request for membership in that league. The board also voted to initiate the process that would lead to incorporation. The minutes of
that meeting further show that there was some discussion of opening a cooperative store. The plans for a store were probably fairly well established because the discussion centered on location and number of employees that would be needed. 18

On March 30, 1939 the board approved a motion by Mrs. Beatrice Bailey to replace the word "Consumers" (in the name of the organization) with the word "Cooperative." Thus, the new name became "The Buffalo Cooperative Economic Society." That change was probably the result of extensive deliberation prior to that meeting. The evidence suggests that the society had long range visions of getting into production, manufacture, and distribution of commodities in addition to being a consumer's cooperative. That vision is reflected in the objective of the society as stated in its by-laws. That statement reads:

The object of this society shall be to obtain for its members food, fuel, clothing, housing and other necessities of life as economically as possible by means of the united funds and united efforts of the members.

The method employed shall be that of voluntary economic cooperation in buying, selling, producing and manufacturing. 19 (Emphasis mine)

While their long range goals and aspirations were important and clear, the members of BCES recognized that their immediate duty was to establish a solid foundation on which to build for the future.

In May, 1939, the board designated five members of the society (Dr. Nelson, Mr. James Lewis, Mr. Jerhard Williams, Mrs. Beatrice Bailey, and Mrs. Eva Coles) to sign the Certificate of Incorporation. The Buffalo Cooperative Economic Society became a legal corporation in the state of New York in June, 1939. 20

From its inception, one of the major goals of the BCES was to open one or more businesses. As their by-laws stated, the organization hoped to achieve its goals through "voluntary economic cooperation in buying, selling, producing and manufacturing" goods. Their intent was to establish a cooperative
grocery market as their first business venture. The specific plans for opening a store were discussed at least as early as 1938. In early 1939, the board of directors directed Rev. James B. Benton to begin looking for a building for the proposed store. On May 4, 1939, Rev. Benton presented the board a list of vacant stores with information on size and rents. After visiting the various sites on the Benton list, the board met on May 11, and decided on the building located at 323 Jefferson. June 17, 1939, was set as the target date for the grand opening. The store was officially opened on that date.

By the end of the summer of 1939 the society had finalized its plans to launch yet another business venture. They decided to open a federal credit union. By so doing, they hoped to establish an institution which would enable the community to "hold on to" some of the money that passed through its hands. The BCES federal credit union offered the community an opportunity to build its own financial institution and share the profits therefrom.

When the BCES held its fourth anniversary banquet in September, 1939, the estimated 200 persons in attendance had much to celebrate. During the previous six month period the society had become a legal corporation, it had established two important economic institutions, it had affiliated with the Eastern Cooperative League, and its membership had continued to show a steady increase. In the December, 1939 elections Dr. Nelson was re-elected as president of the society. The year 1939 had been a momentous year for the BCES. While they had not grown at the same rate as the historic Rochdale organization, the members of BCES looked to the future with optimism, enthusiasm, and the anticipation of still greater achievements.

The society entered the 1940's with a great deal of momentum. That momentum accelerated during the first half of the decade. During its first
year of operation the store had a sales volume of $21,000. Business was so brisk at times that the BCES board of directors found it necessary to hire several additional part time workers to supplement the three regular store employees. The society also purchased a truck to make deliveries for customers with large orders. Business continued to get better. At the end of 1943 the society paid its first dividend to its investors. By the end of 1944 the store had done almost $120,000 in sales. The balance sheet showed a cumulative profit of over $2,400. The financial reports show that of the first nine years of operation, the store experienced only one deficit year. The success of the BCES credit union was less spectacular but notable nonetheless. The Rev. James B. Benton, president of the BCES credit union, reported in April, 1945 that the credit union held $2,000 in capital.

In addition to its two business ventures, the BCES utilized numerous other means of generating income. From 1938 thru 1944 the society rented a building at 571 Clinton Street to serve as its meeting and headquarters. During the nights when that facility was not being used for BCES business, it was rented to other organizations who met there regularly. Usually the income gained from short term rentals was enough to cover the monthly rent paid by BCES. In addition to the rent income, the society had a women's guild that sponsored occasional fund raising activities. Such activities included sale of suppers and dinners, raffles, luncheons with guest speaker, fuller brush parties, ice cream socials and talent shows, and the like. The sale of shares in the cooperative, and weekly dues also provided income.

Filled with optimism, the BCES board of directors began making plans in 1944 to purchase a building. They envisioned a facility which would house the store as well as their business headquarters and meeting hall. (In June, 1944 the society had moved its headquarters and meeting hall to 600 Clinton Street.) In October of 1944, Dr. Nelson informed the board of two vacant buildings that
were up for sale. The society finally selected a large building at 498 William-185 Madison. In order to raise the necessary down payment, the board of directors asked members to make personal pledges. The pledges were to be loans or investments in the store. In making those pledges, the members must certainly have thought of the similar sacrifices that the Rochdale weavers had made in their early efforts. The minutes show that $5,000 was needed. The minutes show also that by the end of January, 1945, nineteen members had paid over $3,800 in fulfillment of pledges. The smallest contribution was $100 and largest was $1,000 (by Dr. Nelson).

The deal to purchase the property was closed in early 1945. During spring of that year the society began making preparations to move into the newly acquired facility at 498 William - 185 Madison. In September, 1945, the BCES store was moved from 323 Jefferson to the William Street facility. After moving the store, the society had the two apartments in the building remodeled and rented. The large upstairs was remodeled and rented as a pool hall and recreation center. The building also contained office and meeting space for the cooperative society.

Following the purchase of the William Street property, the society launched an intensified membership drive to bring in new members and additional financial support. Dr. Nelson gave frequent pep talks to the membership, board of directors, and store employees on the need to work hard and work together to make the store succeed. The society had clearly reached a crucial point in its history. If they could develop the store and their other investments into a model of success, they could be an example for the entire community. That would enable the society to prove to the larger black community the validity of the claims that cooperative economics could lead to major improvements in the quality of life in the community. Moreover, such success, by attracting new members and fresh financial resources,
would make possible further successes and expansion. On the other hand, if the store were to fail the consequences would be disastrous. Not only would the investors—believers in the dream of transforming the community through cooperative economics—lose a lot of money, but at the same time the idea of self-help through cooperatives would experience a serious setback. Conscious of the challenges that lay ahead, the society moved forward with a renewed determination. The membership drive of 1946 netted the largest number of new members since 1939. The balance sheet from the store continued to show a profit thru the middle of 1947.

By the end of 1947, store sales began to slip. The balance sheet of December 31, 1948 showed the first loss in more than six years. In 1948 the membership drive only netted two new families. By June, 1950 the store showed a deficit of over $1,800. From that point on things grew steadily worse. By January, 1952, the deficit had increased to over $5,400. Dr. Nelson and dwindling number of supporters work hard to reverse the downward spiral.

For Dr. Nelson it was a personal struggle. During most of his adult life he had been a strong believer in racial self-help and economic cooperation. The teachings of Washington, and Garvey, and the example of the Rochdale system had left a lasting imprint on his thinking. He was convinced that the high unemployment, poor health, poverty, and economic dependence which were widespread in the black community could be alleviated if that community would work together and make the necessary sacrifices to become owners and operators of the business that provided them with goods and services. Through investing in, and patronizing their own cooperative enterprises, blacks could build a community economy that would contribute to the general improvement of the people therein. In addition to the goods
and services, the profits would also flow back to the community to finance further development and economic expansion. Such was the dream.

In 1952 all of those hopes and aspirations were tied directly to the fate of the BCES, or so it seemed. At 68 years old, Dr. Nelson recognized that this was his last chance to make good on a life long ambition. Most of the other stalwart supporters were also nearing retirement age. Unlike the situation in 1933, when the Citizens Coop failed, there would not be time to reorganize and start again. During the decade of the 1950's, Dr. Nelson and the remaining loyal supporters often used their own resources in the effort to keep the store in operation and prevent foreclosure on the William Street property. Dr. Nelson also made other sacrifices. People in the community still talk about how he sacrificed his medical practice in order to take on a more active role in trying to save the Society and the black cooperative movement in Buffalo. One wealthy Negro doctor told this writer that Dr. Nelson would have been a "rich" man if he hadn't tied his life up in that cooperative. In the last year before foreclosure and liquidation proceedings, Dr. Nelson and the ten or twelve families who supported the BCES to the end, still held a glimmer of hope. As it were, the tide was irreversible. The Buffalo Cooperative Economic Society was going bankrupt, it was simply a matter of time. The end came in 1961.

Why did it fail? The answer to that question would certainly have serious implications for future cooperative movements in black Buffalo. The final answers may have to await a more detailed analysis of the economic, cultural, political, and social life of the black community of Buffalo during the first half of the twentieth century. However, some thoughtful member of the BCES must have anticipated the importance of coming to grips with such a question. In one of the boxes of BCES records and documents there was
a handwritten memo entitled "Causes of failure." The memo listed six
reasons:

(1) Policy makers for business in Negro community.
(2) Uprooting of Ellicott District
(3) Recessions during the early and late 1950's.
(4) Unable to hold members to their agreement.
(5) The rising cost of overhead.
(6) Rising number of supermarkets in the immediate area. 34

In the short run the Buffalo Cooperative Economic Society failed to
achieve its stated objective. 35 But by carefully preserving their records the
members made possible the kind of continuity that has usually been lacking
in black reform strategies. The total commitment to the common good, the
determination and perseverance of the founders and supporters of the BCES
is laudable and should be instructive to future movements of that type. In
addition to being a useful tool for gaining knowledge and understanding
about the history of the Afro-American community of Buffalo, the BCES
record should serve as an inspiration for future advocates of community
service. It was Marcus Garvey—one of the men whose movement inspired Dr.
Nelson—who said "The history of a movement, the history of a nation, the
history of a race is the guide-post of that movement's destiny, that nation's
destiny, that race's destiny. What you do to-day that is worthwhile, inspires
others to act at some future time." 35

If that is true, then in the long term, the Buffalo Cooperative Economic
Society may not have failed entirely.
Footnotes

"Reel 1 qr 3" refers to microfilm reel of BCES microfilmed records.

1 Reel 3--Personal materials that follow folder # 100. For evidence of the second educational drive see reel 1, folder # 12.

2 Most of the information of the early history of the Citizens Cooperative Society was gleaned from interviews with former members--Mr. Ellis Clark, Mrs. Alberta Nelson and Mr. Lloyd Plummer.

3 See reel 1, folder # 3.


5 Promotional speech, reel 1, folder # 13.

6 Reel 1, folder # 6, p.32.

7 Reel 1, folder # 6 (Minutes of March 15, 1937, and p.179.

8 This was a major point that came out in an interview with Rev. James B. Benton--former member of the BCES board of directors.

9 These educational sessions are mentioned throughout the minutes of 1936-39.

10 See various minutes of 1938-39. One example is the annual report of 1938--reel 1, folder # 6.

11 Taken from interviews with Mrs. Alberta Nelson, and Rev. James B. Benton.

12 See figures in reel 3, folder # 100.

13 Minutes of December 4, 1937--reel 1, folder # 6.

14 Minutes of January 18, 1938 and February 1, 1938--reel 1, folder # 6.

15 Reel 1, folder # 15.

16 Minutes of February 1, 1938--reel 1, folder # 6

17 Annual report for 1938--reel 1, folder # 6.

18 Reel 1, folder # 4.

19 By-Laws of the Buffalo Cooperative Economic Society, Inc. (Buffalo: 1940), p.3. see reel 1, folder 1 and 4.

20 Various minutes, May - August, 1939. See reel 1, folder # 4 and 17.
21 Reel 1, folder # 4.

22 The general intent behind the credit union was explained by Mrs. Alberta Nelson. (Mrs. Nelson founded the Bethel AME Credit Union (Buffalo) in 1950 and served as its president for about ten years. The Bethel credit union recently celebrated its 25th anniversary). BCES credit union is discussed in minutes of October 3, 1939—reel 1, folder # 6.

23 Minutes of December 12, 1939—reel 1, folder # 6.

24 Minutes of June 27, 1940—reel 1, folder # 4.

25 Minutes of September 16, 1944—reel 1, folder # 39.

26 Figures were computed from store sales and expenses reports—see folders # 27, and 32.

27 Minutes of April 4, 1945—reel 1, folder # 39.

28 Reel 1, folder # 24.

29 Minutes of October 24, 1944—reel 1, folder # 39.

30 Minutes of December 13, 1944 and January 9, 1945—reel 1, folder # 39.

31 Minutes of September 25, 1945—reel 1, folder.

32 Minutes of January 22, 1946—reel 1, folder # 39.

33 Minutes of September 18, 1945—reel 1, folder 39.

34 Reel 3, folder # 100.