Changes in knowledge and opinion of business and professional people about cooperative associations

Joe Merl Bohlen

Iowa State College

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CHANGES IN KNOWLEDGE AND OPINION
OF BUSINESS AND PROFESSIONAL PEOPLE
ABOUT COOPERATIVE ASSOCIATIONS

by

Joe Merl Bohlen

A Dissertation Submitted to the
Graduate Faculty in Partial Fulfillment of
The Requirements for the Degree of
DOCTOR OF PHILOSOPHY

Major Subject: Rural Sociology

Approved:

Signature was redacted for privacy.

In Charge of Major Work

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Dean of Graduate College

Iowa State College

1954
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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>REVIEW OF LITERATURE</td>
<td>7</td>
</tr>
<tr>
<td>METHOD AND PROCEDURE</td>
<td>14</td>
</tr>
<tr>
<td>KNOWLEDGE AND OPINIONS BEFORE AND AFTER PUBLIC RELATIONS CAMPAIGN</td>
<td>27</td>
</tr>
<tr>
<td>SELECTED FACTORS RELATED TO SEEING AND READING OF COMMUNICATIONS DEVICES</td>
<td>68</td>
</tr>
<tr>
<td>KNOWLEDGE ABOUT COOPERATIVES AND PERSONAL AND SOCIAL FACTORS</td>
<td>101</td>
</tr>
<tr>
<td>OPINIONS TOWARD COOPERATIVES AND PERSONAL AND SOCIAL FACTORS</td>
<td>120</td>
</tr>
<tr>
<td>SUMMARY AND CONCLUSIONS</td>
<td>127</td>
</tr>
<tr>
<td>LIMITATIONS OF STUDY AND SUGGESTIONS FOR FURTHER RESEARCH</td>
<td>134</td>
</tr>
<tr>
<td>LITERATURE CITED</td>
<td>138</td>
</tr>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>140</td>
</tr>
<tr>
<td>APPENDICES</td>
<td>141</td>
</tr>
</tbody>
</table>
INTRODUCTION

The cooperative is a multilateral agreement among farm firms to operate a plant jointly in order to provide themselves with goods and services at cost.\(^1\)\(^2\)

The problems of communication among the owners of this plant and between the owners and management have increased as cooperatives have grown in size and complexity. Also, because of their unique economic characteristics the public has little factual information about them and can be led to believe many things.\(^3\) Cooperative members in some areas are concerned about this supposed lack of knowledge and are trying to do something to reduce it.

The students of sociology are not necessarily interested as sociologists in the economic problems of cooperatives. Rural sociologists have been interested in

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\(^1\)For further details regarding the economic nature of a cooperative see Phillips, Richard. Economic nature of the cooperative association. Journal of Farm Economics. 35: 74-78. 1953.


the problems of cooperatives resulting from their being
misunderstood by members and others in the communities in
which they exist and also in the factors related to know-
ledge of and opinions about cooperative associations.
Some research has been done in this area.\(^1,2,3,4,5,6\)

Of all the studies done on knowledge of and opinions
about cooperative associations, the only one known to the
author which attempted to discover the knowledge and
opinions of town people was that done by Abrahamsen and
Scroggs.\(^7\) These students made no attempt to use a repre-
sentative sample of the population and did not treat their
findings statistically.

\(^1\)Abrahamsen, Martin A. and Scroggs, Claude L. What
North Carolina people think about agricultural coopera-
tives. N. C. Agr. Exp. Sta. A. E. Information Series
No. 16. 1948.

\(^2\)Beal, George M. Factors related to participation
in farmer cooperatives. Unpublished Ph. D. Thesis. Ames,
Iowa, Iowa State College Library. 1953.

\(^3\)John, M. E. Factors influencing farmers' attitudes
toward a cooperative marketing organization. Penn. Agr.

\(^4\)Korzun, Gerald E. Member attitude toward coopera-

\(^5\)Losey, J. Edwin. Membership relations of coopera-
Ithaca, N. Y., Cornell University Library. 1940.

\(^6\)For further listings of studies in this area see
the bibliographies in the theses of Beal and Losey cited
above.

\(^7\)Abrahamsen and Scroggs, op. cit.
This study was undertaken to discover some of the factors related to business and professional people's knowledge and opinions about agricultural cooperatives. The study was also undertaken to discover how ideas are diffused.

The opportunity for this investigation came when five local cooperatives in the community in and around Iowa Falls, Iowa became interested in cooperatively doing something to inform themselves and the community about the nature of cooperative organizations and the role of their cooperatives in the community. It was their hope that added information would lead to more favorable opinions regarding the cooperatives. These cooperatives, the Farmer's Cooperative Exchange, The Farmers Cooperative Elevator, the Hardin-Franklin Mutual Insurance Company, The Hardin County Rural Electric Association and the Iowa Falls Creamery, decided to put on a one year campaign of public relations activities in the community. The program was tentatively worked out with the Technical Journalism Department of Iowa State College and a graduate student was given the responsibility of doing the job and was paid for it.¹

In order to facilitate the decision making, the board

¹Price Gittinger, Research Associate, Iowa State College.
of directors of each of the cooperatives selected two of their number to represent their cooperative in a group which became known as the Joint Committee of Iowa Falls Cooperatives. This committee became the policy making group in charge of the public relations program.

The general objectives of the committee were:
1. To increase the knowledge of community members regarding cooperative associations.
2. To create a more favorable opinion toward cooperative associations.

The committee discussed many alternative plans. The following is a list of things which were finally done:

1. A series of 13 advertisements explaining cooperatives were published in the Iowa Falls Citizen, the local newspaper.

2. A series of 10 letters were mailed out to all of the members of cooperatives in the Iowa Falls community. (This aspect of their efforts is not pertinent to this study since letters were not mailed to town people.)

3. A handbook, "What About Those Iowa Falls Cooperatives", was distributed to the business and professional people of Iowa Falls.

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1See Appendix B for exhibits of materials used.
A series of advertisements sponsored by the Iowa Associated Businessmen Inc. opposing cooperatives also appeared in the Iowa Falls Citizen during the period covered by this study and questions were included in the second questionnaire in regard to these advertisements also.

The research data used in this study were gathered before and after the public relations campaign mentioned above was carried out.

The objectives of this study were:

1. To discover if any change in levels of knowledge or opinions about agricultural cooperative associations might have taken place during the period when communications devices described earlier were available in the community.

2. To discover the relationship of personal and social factors to seeing and reading of printed materials used with the intent of changing opinions and levels of knowledge about agricultural cooperative associations.

3. To discover some of the personal and social factors related to the possession of knowledge about agricultural cooperative associations.

4. To discover some of the social and personal factors related to opinions about agricultural cooperative associations.
This is an exploratory study. There is only one other study known to the author in which town residents were interviewed to discover their knowledge of and opinions about agricultural cooperatives. This study, by Abrahamsen and Scroggs, will be reviewed in detail later in this chapter.

Ideas developed in this study have their roots in two other fields of knowledge -- farmers' opinions about cooperatives and the diffusion of ideas and farm practices. This review of literature will refer to the literature in those fields also.

The objectives of the Abrahamsen and Scroggs study were:

1. To obtain information about attitudes and opinions indicating favorable, unfavorable, or neutral views toward cooperatives, especially toward farmer owned cooperatives.

2. To relate this information to problems of member personal and public relations.

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2 Ibid., p. 1.
3. To analyze information and make recommendations for its use by cooperative organizations.

These students gathered their data by using two different techniques. Part of the data was gathered by personal interviews with farmers, educators, businessmen, professional people and members of the clergy. They used mail questionnaires to increase the number of cases. They interviewed a total of 500 farm operators. In this sample there were 254 member-patrons of cooperatives, 172 who were patrons but not members and 74 who had no associations with cooperatives.

In the town sample interviewed there were 46 educators,1 234 business people, 49 professional people and 27 ministers, a total of 356 interviewees.2

They mailed questionnaires to 3421 persons and had 436 returns. Of these, 67 were partially completed.

The authors made no attempt to treat the data statistically. Responses to questions were presented by occupational groupings without comment as to differences between groups.

Without stating the bases for their conclusions other

1By the authors' definition, an educator was one who was a staff member of one of eight colleges and universities located in Wake and Durham Counties in North Carolina.

2For further details of the sampling techniques used see Abrahamsen and Scroggs, op. cit., p. 5.
than the presentation of their tables, they stated the following:

Neither farmers nor non-farmers are well informed about the business operations of cooperatives and competing forms of other private business. That these groups have little accurate knowledge about agricultural cooperatives — how they are organized, how they operate and what they hope to do is indicated by the following observations: . . . .

At this point the authors listed many of their observations about farmers and town people. Listed below are their observations relating to the town people.

Wide differences of opinion prevail with respect to whether or not cooperatives are essentially different from other private businesses.

Cooperative associations, through their house organs, with the exception of member-patrons and county agriculture and home demonstration agents, have not reached a large proportion of the general public.

There is little difference among various age groups as to attitudes toward cooperative associations.

These same authors in their appraisal of their observations stated the following:

It is hard to reconcile the views expressed by some of the merchants, general business people and legislators as to trends in cooperative business and efficiency of

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1Ibid., p. 27.
2Ibid., p. 27-29.
3Ibid., p. 29.
cooperative employees with fear of excessive competition from cooperatives.

Confusion with respect to the taxation issue indicates that cooperative associations have an important educational job ahead in acquainting both farmers and non-farmers with facts as they relate to this issue.

Except for a limited number of merchants, general business people and legislators, most non-farm groups, in general are favorable toward agricultural cooperatives.

Both farmers and non-farmers have many different opinions on a number of issues influencing cooperatives. Since many of their ideas are in a highly impressionable stage, it is only by increasing their knowledge that facts will replace hunches as a basis for obtaining a better understanding of the role that cooperatives occupy in a community.

That a large proportion of non-farmers associated Russia with cooperatives indicates that they do not understand the capitalistic and voluntary nature of agricultural cooperatives as they have developed in the United States.

While most of those persons receiving cooperative publications were inclined to look upon them as helpful, indications are that there is need to give increased attention to improving house organs and to developing more effective methods of reaching farmers and non-farmers with information as to cooperative activity.

These authors gave no basis for these observations and appraisals other than their common sense observations of the distributions of the data.

Many studies have been made which included farmers' opinions toward cooperatives. Typical of these studies
are those by Beal,\(^1\) Henning and Poling,\(^2\) John,\(^3\) Losey,\(^4\) McKay,\(^5\) Stern and Doran,\(^6\) and Beal, Fessler and Wakeley.\(^7\)

A review of these studies in this thesis is redundant in view of the detailed reviews of these and other similar studies which are included in the works of Beal\(^8\) and Losey\(^9\) listed above.

Another field of academic interest in the land grant colleges which is involved in this study is that of the process of diffusion of ideas about agricultural techniques


\(^8\) Beal, op. cit., p. 337-354.

\(^9\) Losey, op. cit., Chap. 4.
and practices. All of the known literature relating to this has been recently reviewed by a committee under the chairmanship of the author. These reviews are available elsewhere and will not be reiterated here.¹

The studies made of farmers' knowledge and opinions were most helpful in developing the hypotheses of this study and in formulation of the questionnaires. The study which was most beneficial was the study by Beal, Fessler and Wakeley.²

Helpful ideas on the use of the Opinion Score came from the study by John.³

The study by Stern and Doran provided ideas which were incorporated into the opinion questions in this study.⁴

The general and specific hypotheses which were formulated on the basis of the insights from these studies appear at the beginning of the chapters containing the analyses of the data.

¹Bohlen, Joe M., Chairman, Sub-committee. Report of sub-committee for study of diffusion of ideas and farm practices. North Central Committee of Rural Sociology of Farm Foundation. Chicago, Ill. 1953. (Mimeographed)

²Beal, Fessler, and Wakeley, op. cit.

³John, op. cit.

⁴Stern and Doran, op. cit.
METHOD AND PROCEDURE

Population and Sample

The population studied for purposes of this dissertation were those people engaged in professional and institutional activities and business ownership and/or management in Iowa Falls, Iowa and other similar communities. Data were gathered in Iowa Falls during the Spring of 1950 and the Spring of 1951.

For purposes of this study, a professional-unattached person is defined as a person who has received special formal training in a college curriculum to provide specialized services for his fellowmen and maintains his own physical facilities either by himself or jointly with similarly trained persons for the purpose of providing a locus for rendering all or part of these services. Included in this category are medical doctors, osteopathic doctors, chiropractors, dentists, lawyers and opticians.

A professional-institutional person is defined as a person who has been trained to render special services to his fellowmen and does so as a functionary in an institutional role. This group includes grade school, high school and college teachers, ministers, preachers and priests.
A business person is defined as a person who manages an establishment which provides economic goods and/or services for the residents of the community and is not classified as a professional person. In this latter sense the business category is a residual category in this study.

The data used in this study were gathered by personal interviews with the respondents. The respondents were selected by use of the following sampling technique. A list was compiled of all the people in Iowa Falls who were included within the categories defined above. This compilation was made from the City Directory. This listing was supplemented, corrected and brought up to date by listings provided by the Secretary of the Chamber of Commerce; Carl Hamilton, the Editor of the Iowa Falls Citizen; and W. C. Hilburn, the Superintendent of Schools.

These names were listed alphabetically in their proper categories and numbered serially.\(^1\) It was decided that one-third of the business and professional people of Iowa Falls would be needed to provide a sample large enough for statistical treatment.\(^2\) A starting point between numbers 1 and 3 was chosen by drawing a number from a hat and

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\(^1\) The managers of the cooperatives were not included on the list because they were helping to carry on the public relations program.

\(^2\) Decision made in conference with Norman Strand, Statistical Laboratory, Iowa State College.
every third name appearing on the list was chosen to make up the sample list. It was decided prior to the beginning of the interviewing that if a person whose name was included in the sample refused to be interviewed or could not be found, the name appearing prior to his would be substituted. If the substitute refused or could not be found, the name appearing after the name of the person in the original sample would be substituted. The two samples interviewed, one before and the other after the public relations campaign, each included 83 respondents. There were only two refusals out of the 166 respondents contacted in the before and after interviews.¹

The sample used to gather data after the public relations campaign was chosen from the same listing of the professional-unattached, professional-institutional and business people in Iowa Falls excluding those who had been interviewed prior to the public relations campaign.²

¹The before interviews were those taken prior to the public relations campaign. The after interviews were those taken after the public relations campaign. Hereafter before will be used to refer to the interviews completed and data gathered prior to the public relations campaign and after will be used in reference to the interviews taken and data gathered after the public relations campaign.

²Those interviewed in the "before" study were excluded because of the supposed effects of having been interviewed upon their perception and retention of ideas used in the public relations campaign. Decision also made in consultation with Norman Strand, Statistical Laboratory, Iowa State College.
The number of respondents in each of the occupational categories was the same in both the before and the after samples. There were nine professional-unattached people, 23 professional-institutional people and 51 business people in each sample.

**Interviewing Procedure**

As was mentioned earlier in this study, the data were gathered on schedules by personal interviews with the respondents.

In order to measure changes which might have come about during the time when the public relations campaign was being carried on, separate samples of the population were interviewed, one before and the other after the campaign.

The respondents were contacted by interviewers who asked them a series of questions from questionnaires which were filled in by the interviewers. The respondents were given an opportunity to look at questionnaires to see that interviewers were filling in the answers given. This technique was found to be most advantageous in the maintenance of rapport.¹

¹The interviewers did not let respondents see check lists following the open end questions until after respondents had answered. For sample of questionnaires used in both before and after studies see Appendix A.
The before interviews were completed during the month of May, 1950. The after interviews were completed during the month of May, 1951.

The author interviewed approximately 40% of the respondents. All schedules were taken by trained interviewers. The author remained in the field during the interviewing and checked each schedule taken at the end of the day it was taken.

The newspaper advertisements mentioned earlier were published fortnightly over a period of 26 weeks beginning in September, 1950.

The Handbook for Iowa Falls Businessmen was distributed to the business and professional-unattached people in this sample but not to the professional-institutional people. This was done during January, 1951.

The anti-cooperative advertisements were published weekly over an eight-week period from the middle of January, 1951 to the middle of March, 1951.

The research study was completely separate from the public relations campaign. None of those connected with the design of the research project had anything to do with the materials and publications used between the

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1Author interviewed four professional-unattached people, five professional-institutional people and 22 business people in the before sample and seven professional-unattached people, seven professional-institutional people and 22 business people in the after sample.
before and after studies with the exception of one person.\(^1\) For the most part the responsibility for the research aspects of the project rested upon the author and his colleagues from the Sociology and Economics staff at Iowa State College.\(^2\) The responsibility for the public relations campaign was assumed by the Joint Committee of Iowa Falls Cooperatives. This included paying cost of the materials used and paying for the fellowship in the Department of Technical Journalism, Iowa State College. The research aspects of the project were financed by the Iowa State Agricultural Experiment Station, Ames, Iowa.

**Procedures for Analysis of Data**

In order to arrive at some general bases of comparison among the respondents, numerical values were assigned to answers given to knowledge and opinion questions used in the schedules for gathering data. Equal

\(^1\)Professor Frank Robotka checked the copy written by the Journalism Fellow, Price Gittingter, for accuracy of facts regarding cooperatives and made additions to factual materials in the copy where necessary. The author worked closely with Professor Robotka in the designing of the questionnaire used in the after interviews and in selecting Knowledge Score items.

\(^2\)This thesis reports only part of the findings from the total project. Samples of farmer members were also interviewed before and after the public relations campaign.
numerical values were arbitrarily assigned to each of these items and the total points made by each respondent became his score in that area. There were three scores arrived at for each respondent by the method described above. These scores were the Internal Knowledge Score, Taxation Knowledge Score and the Cooperative Opinion Score.

The Internal Knowledge Score is based upon answers to questions regarding the structure and operation of cooperatives. Those with highest scores had the greatest knowledge.

The Taxation Knowledge Score is based upon answers to questions regarding the tax responsibilities of cooperatives. Those with highest scores had greatest knowledge.

The Cooperative Opinion Score is based upon answers to questions which reflect favorableness or unfavorableness toward cooperatives. Those with the highest scores were the most favorable toward cooperatives. Listed below are the Scores and the weights assigned to answers to questions included in each.

Internal Knowledge Score

Item 9-9. Which of the following best fits 5 points

\[1\]Items are double numbered, the first number is the item's number in the before schedule. The second number is the item's number in the after schedule.
your description of a cooperative?

(a) __ a group of farmers conducting certain aspects of their farm business operation jointly for themselves at cost.

(b) __ a group of farmers seeking extra income by going into business as merchants.

(c) __ a device by which the government can take over private business.

(d) __ a form of socialism and communism.

Item 10-10. Are all businesses that make patronage refunds to customers true cooperatives? 5

____ Yes 5 No 3 Don't Know

Item 11-11. Can any business which does not pay patronage refunds be a true cooperative? 5

5 Yes 0 No 3 Don't Know

Item 18-15. Is there any difference between a dividend on a share of stock and a patronage refund? 5

5 Yes 0 No 3 Don't Know

Item 19-16. Paying patronage refunds is a way of: 5

(a) 0 distributing profits.

(b) 5 distributing to patrons, the earnings in excess of costs which by agreement belong to the patron members.

(c) 3 don't know.

Item 20-17. When voting at cooperative meetings does each member have one vote or may he have more than one vote if he has more than one share of stock? 5

(a) 5 one member, one vote.

(b) 0 by stock.

(c) 3 don't know.
Item 21-18. When an ordinary corporation declares a dividend on stock it is usually payable promptly in cash. When cooperatives hold back patronage refunds as capital are they:

(a) 0 acting in "bad" faith with their members?
(b) 5 acting in accordance with a member agreement.
(c) 3 don't know.

Item 22-19. Who selects the managers of the local cooperatives?

(a) 0 the members in general meeting.
(b) 5 the Board of Directors.
(c) 0 the regional wholesale cooperative.
(d) 3 don't know.

40 total points

Taxation Knowledge Score

Item 24-20. Check taxes paid by cooperatives in general:

Property taxes.
If checked - 5 points
If not checked - 0 points
If "Don't Know" indicated - 3 points

Income taxes.
If checked - 5 points
If not checked - 0 points
If "Don't Know" indicated - 3 points

Item 25-21. Are cooperatives by law automatically exempt from paying Federal income taxes?

0 Yes 5 No 3 Don't Know
Item 29-25. Does the government calculate taxable income differently for coops than for corporations?

0 Yes 5 No 3 Don't Know

Item 30-26. Can an ordinary corporation also exclude patronage refunds from its taxable income if it had agreed in advance to make such refunds?

5 Yes 0 No 3 Don't Know

Item 31-27. Patronage refunds which are not paid in cash be cooperatives are taxable?

(a) 0 to the cooperative
(b) 5 to the patrons
(c) 0 to no one
(d) 3 don't know

30 total points

Cooperative Opinion Score

Item 15-14. Do you feel that cooperatives have an unfair advantage in business competition in Iowa Falls?

0 Yes 5 No 3 Undecided

Item 39-32. Could Iowa Falls be a prosperous business community without the cooperatives?

0 Yes 5 No 3 Don't Know

Item 40-33. How do cooperatives affect town-country relations?

5 make for better relations.
3 have no effect.
0 make for poorer relations.
Don't Know

Item 41-34. If you were looking for a rural town in which to go in business, would you choose a town with farmer cooperatives or one without cooperatives in it?

5 With 0 Without 3 Not a factor

Item 44-37. Would you approve of cooperatives sponsoring an educational program for young people in the community to teach them about the structure and operation of cooperatives?

5 Yes 0 No 3 Undecided

Item 45-38. If you were a farmer, would you join and patronize a cooperative?

5 Yes 0 No 3 Undecided

Item 46-39. (If undecided or no to previous question) Would you join a cooperative under any circumstances?

5 Yes 0 No

(Note: If respondent had answered "Yes" to Item 45-38, he was given 5 points for Item 46-39; if "No" his answer was scored as above.)

Item 48-41. How would you classify your own attitudes toward cooperatives in general?

(a) 5 very favorable.
(b) 5 favorable.
(c) 3 neutral.
(d) 0 unfavorable.
(e) 0 very unfavorable.

Item 53-62. Are cooperatives a threat to ordinary businesses?

0 Yes 5 No 3 Don't Know
Item 56-85. Do you think that:

Cooperatives are a form of free enterprise? 5
  5 Yes  0 No  3 Undecided  3 Don't Know

A step towards monopoly? 5
  0 Yes  5 No  3 Undecided  3 Don't Know

A step towards Socialism? 5
  0 Yes  5 No  3 Undecided  3 Don't Know

A step towards Communism? 5
  0 Yes  5 No  3 Undecided  3 Don't Know

70 total points

These scores are used as bases of measurement of knowledge level and favorableness of opinion of respondents before and after the public relations campaign. The findings in regard to these scores and factors related to them will be analyzed in detail in this dissertation.

The size of the samples limited the use of statistical techniques. In the chapters containing the analysis and findings, some of the data will be presented without statistical treatment to show the distribution of the responses even though the number of respondents may have been too small to warrant an analysis for statistically significant differences.

Throughout the dissertation, the concept significant
will be used in its statistical sense.\footnote{For further discussion see: Wert, James E., Neidt, Charles O. and Ahmann, J. Stanley. Statistical methods in educational and psychological research. Appleton-Century-Crofts. 1954. Chap. 8.} When a difference is referred to as significant, it should be inferred that the statistical analysis indicates a difference too great to be entirely attributed to the differences to be expected in a comparison of samples from the same population.

The hypotheses regarding change that will be tested throughout this study will be limited to those areas of knowledge and opinion wherein the public relations campaign previously mentioned was designed to bring about change.
The first general objective of this study is to attempt to measure changes in levels of opinion and knowledge which might have taken place between the before and after surveys.

The general hypothesis regarding the above changes may be stated as follows: Secondary communications devices such as newspaper advertisements and pamphlets do not result in change of the general level of knowledge or of opinion of professional and business people toward cooperatives, nor do these communications devices bring about changes in specific knowledge and opinions of such persons.

In order to proceed with the analysis of the data relevant to this general hypothesis the following specific null hypotheses will be tested.

1. The level of knowledge regarding the internal workings of agricultural cooperatives is not changed during the period under observation in this study.

   a. There is no change in the knowledge of the role of the cooperative in the economy.

   b. There is no change in the knowledge of the
use of patronage refunds in relation to cooperatives.

c. There is no change in knowledge regarding cooperative control.

2. There is no change in the level of knowledge regarding tax responsibilities of agricultural cooperatives during the period under observation.

   a. During this period, there is no change in the knowledge regarding the taxes paid by cooperatives.

   b. During this period, there is no change in the knowledge regarding the taxes paid by corporations.

   c. During this period, there is no change in the knowledge regarding the taxes paid by partnerships.

   d. During this period, there is no change in knowledge regarding alleged exemptions of cooperatives from the payment of income taxes.

3. There is no change in the opinions regarding cooperatives during the period under observation.

Knowledge of Structure and Operation

The device used to test the hypothesis that the level of knowledge regarding internal organization and function-
ing of agricultural cooperatives did not change was the Internal Knowledge Score. The total possible score attainable was 40. The mean score of the 83 respondents in the before sample was 28.19. The mean score of the 83 respondents in the after sample was 26.84.

Although the mean scores of these samples seem to indicate that the level of knowledge regarding the internal organization and functioning of agricultural cooperatives was lower after the "educational" public relations campaign, an analysis of variance indicates that the difference was not significant at the 5 percent level. See Table 1. The null hypothesis that no change in the level of knowledge regarding internal organization and

Table 1. Internal Knowledge Scores before and after public relations campaign.

<table>
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<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
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<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>82</td>
<td>82.0</td>
</tr>
<tr>
<td>Within groups</td>
<td>165</td>
<td>6347</td>
<td>38.5</td>
</tr>
<tr>
<td>Total</td>
<td>166</td>
<td>6429</td>
<td></td>
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</table>

F = 2.13  Significance at 5% level is 3.91

1See p. 20 for an exhibit of the items used in making up this score.
functioning of agricultural cooperatives took place during the period under observation is not refuted by these data. There was no change in knowledge of structure and operation of cooperatives during this period.

Assuming the possibility of developing a stereotype it could be expected that many who are familiar with the term cooperative have a conception of the cooperative which is not accurate in so far as the cooperative's role in the economy is concerned.

The respondents were given four different descriptions of a cooperative and asked to choose the one which best fitted their personal conceptions.

The descriptions used were:¹

A. A group of farmers conducting certain aspects of their farm business jointly for themselves at cost.²

B. A group of farmers seeking extra income by going into business as merchants.

C. A device by which government can take over private business.

D. A form of socialism and communism.

In Table 2 is shown the number of respondents who chose

¹See schedules in Appendix A, Item 9-9.

²This description is the one which was considered to be most accurate.
Table 2. Descriptions which best fitted cooperatives.

<table>
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<tr>
<th>Respondents</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>A &amp; B</th>
<th>No answer</th>
<th>Total</th>
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<tr>
<td>Before sample</td>
<td>58</td>
<td>11</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>54</td>
<td>14</td>
<td>0</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>112</td>
<td>25</td>
<td>0</td>
<td>8</td>
<td>10</td>
<td>11</td>
<td>166</td>
</tr>
</tbody>
</table>

the various alternatives listed above. Because of the small number of frequencies in several of the cells, statistical treatment was unfeasible. The data were combined into a two x two table with the stub items being the before responses and the after responses and the two columns being A and B, C, D, A & B, and No answer. A chi-square analysis indicates that no significant difference existed between the replies made by the respondents in the two samples.¹

These data fail to refute the null hypothesis that no change in the knowledge of the overall role of the cooperative in the economy took place during this period under observation.

The patronage refund has long been used as the device for returning to the patron his equitable share of the

¹Chi square is less than 0.5.
savings of a cooperative of which he is a member. The Farmers Cooperative Elevator and the Farmers Exchange in Iowa Falls both use the patronage refund as a device for making final settlement with their patron members following the practice of charging and paying the current market prices for sales and purchases as they are transacted. In the Farmers Cooperative Elevator the members had decided at an annual meeting to defer their patronage refunds and instead they were issuing Certificates of Indebtedness to the patron members. The Farmers Exchange was paying their patronage refunds in cash at the end of each fiscal period. The patronage refund and taxation related thereto are two of the most controversial and least understood matters relating to the characteristics of the cooperative as a legal structure.

The respondents in this study were asked three different questions regarding the patronage refund in order to obtain data relevant to the testing of the null hypothesis: There is no change in the knowledge concerning the use of patronage refunds by cooperatives.

The respondents were asked, "Are all businesses that make patronage refunds to customers cooperatives?"

The responses to this question are shown in Table 3.

Table 3. Are all businesses that make patronage refunds to customers, cooperatives.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>21</td>
<td>49</td>
<td>13</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>21</td>
<td>45</td>
<td>17</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>94</td>
<td>30</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi-square analysis indicates that there is no significant difference between the before and after groups in their responses to this question.¹

There are devices other than the patronage refund for providing the members with goods and services at cost. Some of these are: the pooling arrangements of livestock shipping cooperatives; the technique of estimating losses and reflecting deviations in the following year's premiums, sometimes used by mutual insurance cooperatives; and the technique of making only one settlement by delaying the settlement at the time of delivery to the cooperative plant until produce has been resold and selling price and operating costs are known. This is the system commonly used by cooperative creameries. The respondents were asked, "Can any business which does

¹Chi square, 2 degrees of freedom, is less than 1.0.
not pay patronage refunds be a true cooperative?" Their answers are shown in Table 4. Chi-square analysis indicates that there is no significant difference between the before and after samples in the responses to this question.

Table 4. Can any business which does not pay patronage refunds be a true cooperative.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>28</td>
<td>40</td>
<td>15</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>30</td>
<td>38</td>
<td>15</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>78</td>
<td>30</td>
<td>166</td>
</tr>
</tbody>
</table>

In the ordinary corporation, profits are shared on the basis of capital risk. Profits are divided on the basis of the number of shares of stock owned. These stock dividends, particularly on common stock, vary with the relative financial success of the corporation. The respondents in this study were asked if they thought that there was any difference between a patronage refund and dividend on a share of stock. Their responses to this question are shown in Table 5. Chi-square analysis indicates that there is no significant difference in the responses given to
Table 5. Is there any difference between a dividend on a share of stock and a patronage refund.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>50</td>
<td>19</td>
<td>14</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>41</td>
<td>26</td>
<td>16</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>45</td>
<td>30</td>
<td>166</td>
</tr>
</tbody>
</table>

this question by the two samples.¹

In the cooperatives the owners are the customers and these owner-customers join together and operate a joint plant for the purpose of providing themselves with goods and services at cost. The patronage refund is a device for returning to the individual owner-customers their savings when they as a decision-making group have decided that initial settlements for purchases and sales shall be made at the going market price.

In order to further investigate the matter of respondents' knowledge of the nature of the patronage refund, they were given the chance to choose between statements as to which best expressed their idea of what a patronage refund was. The item was stated in this way:

Failing patronage refunds is a way of:

¹Chi square, two degrees of freedom, is less than 1.5.
( ) Distributing profits.

( ) Distributing to patrons, the earnings in excess of costs which by agreement belong to the patron members.

( ) Don't know.

The responses are shown in Table 6. A chi-square

Table 6. What is the function of the patronage refund.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Distributing profits</th>
<th>Distributing savings</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>9</td>
<td>62</td>
<td>12</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>17</td>
<td>53</td>
<td>13</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>115</td>
<td>25</td>
<td>166</td>
</tr>
</tbody>
</table>

analysis indicates that there is no significant difference between the before respondents and the after respondents in their responses to this item and the null hypothesis of no change in knowledge during the period is not rejected. The level of difference is between the 10 percent and the 5 percent or significant level as the term is used in this study. To the extent that any change is indicated by these data the direction of change is in the opposite

1Chi square, two degrees of freedom, is 5.67.
direction to that intended by the public relations campaign.

Another way in which the cooperative differs from other forms of business in Iowa is that each owner-member has one vote in the decision making which takes place at general meetings of the cooperative owners.¹

¹The author wishes at no time to leave any implication that voting in economic entities by one member-one vote is in essence more sacred or more in line with the democratic process than is voting by number of shares of stock held. It appears to the author that the corporation is a legal entity created by the citizens of the state through their duly elected representatives because of a felt need for an entity which would provide the framework in which several individuals could pool their capital resources, take limited risks (limited to investments) with varying amounts of capital in anticipation of capital gain or profits. If control of such an entity is to be based upon the amount of capital provided and ergo the amount of risk taken, then it follows that voting be done on basis of amount of capital invested. On the other hand when the people created a legal entity which provides the legal framework in which they can provide themselves with goods and/or services on a joint basis which they could not provide as individuals, alone, it follows that voting in such an entity be on some basis which more accurately reflects the interests of the owner-members. This is the case and decisions in cooperatives are made upon basis of one vote per member in Iowa. In some other places voting is done on basis of patronage. The one member-one vote principal is more clearly and readily acceptable in those cooperatives where member-owners do more nearly equal amounts of business through their cooperative organization. Other principles of operation might be shown to follow logically from the major reasons for existence of these economic forms but this is beyond the scope of this thesis.
The individual owner-members have the prerogative of attending all general meetings of the cooperative organization and exercising their right to vote in elections of officers and in matters of policy which according to the articles of incorporation and by-laws of the organization must be decided by the membership as a whole. Certain general facts about the control of cooperatives are known by some who are not cooperative members. Information is available about the operation and control of cooperatives as it is about other business forms. The hypothesis to be tested: There is no change in knowledge regarding cooperative control during the period under study.

In order to test this hypothesis, three items were selected. The first was in regard to voting in the cooperative. The question was asked, "When voting at cooperative meetings, does each member have one vote or may he have more than one vote if he has more than one share of stock?"

The responses to this question are shown in Table 7. Nearly half of each sample did not know the answer. There were more who stated that they did not know the answer to the question in the sample of those who were interviewed after the public relations campaign than among those who were interviewed before. The differences between the
responses of the two samples were not significant nor did they approach significance.¹

Table 7. Voting at cooperative meetings.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>One member one vote</th>
<th>One vote per share</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>32</td>
<td>14</td>
<td>37</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>31</td>
<td>10</td>
<td>42</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>24</td>
<td>79</td>
<td>166</td>
</tr>
</tbody>
</table>

Another item used to test knowledge in the area of cooperative operation related to the establishment of revolving funds by cooperatives. By law, the patronage refunds of the cooperative belong to the patrons; and the management, who is entrusted with the financial transactions carried on in or in relation to the cooperative joint plant, has no legal alternative but to return those earnings to the patron members at designated fiscal periods unless the patron members give their consent to do otherwise with them either at a general meeting or through their duly elected representatives, who are the members of the board of directors. In many cooperatives, including

¹Chi square, two degrees of freedom, is less than 1.0.
the Farmers Cooperative Elevator in Iowa Falls, the decision had been legitimately made to withhold patronage refunds until a future date and use the amounts withheld as capital for ongoing cooperative operation instead of borrowing from outside sources.¹

This area of information was approached by making a statement of fact regarding the usual practice in corporations in regard to stock dividends and then asking a question regarding their economic analogue in the cooperative, the patronage refund. The item appeared in the questionnaire phrased this way: "When an ordinary corporation declares a dividend on stock it is usually payable promptly in cash. When cooperatives hold back patronage refunds as capital are they:

1. Acting in "bad faith" with their members.

2. Acting in accordance with a member agreement."

The responses to this item are shown in Table 8. There

¹The legal process is that of holding the cash earnings in the accounts of the cooperative and issuing Certificates of Indebtedness to the patron-members showing their proportionate claim to the earnings of each fiscal period. Since the patron-member as the entrepreneur is the residual claimant, these Certificates of Indebtedness are subject to all the risks which prevail in any economic venture and are redeemable at face value only after other claimants are satisfied. Of course, if the cooperative pursues a successful economic career and earnings (savings) are continually being made, the owners of the Certificates of Indebtedness might well receive the full face value of said paper when there is no longer a need for the capital to be retained in the financial structure of the cooperative plant itself.
Table 8. Withholding of patronage refunds.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Bad faith</th>
<th>In agreement</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>14</td>
<td>53</td>
<td>16</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>16</td>
<td>47</td>
<td>20</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
<td>36</td>
<td>166</td>
</tr>
</tbody>
</table>

was no significant difference between the before and after respondents regarding responses to this item.\(^1\) Approximately 18 percent responded that the cooperative was acting illegally despite the obvious emotional loading of the item.

Another segment of knowledge regarding cooperatives' operation is the method used in the selection of the man who manages the cooperative plant and "rubs elbows" with the other business people in the community.

The closed question was asked, "Who selects the managers of the local cooperatives?"

(1) Members in general meeting
(2) The Boards of Directors
(3) The regional wholesale cooperative (CCA, Farmers Grain Dealers, etc.)

The responses to this question are shown in Table 9.

---

\(^1\)Chi square, two degrees of freedom, is less than 1.0.
Table 9. Who selects managers of local cooperatives.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Members</th>
<th>Board</th>
<th>Regionals</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>15</td>
<td>54</td>
<td>0</td>
<td>14</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>21</td>
<td>47</td>
<td>1</td>
<td>14</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>101</td>
<td>1</td>
<td>28</td>
<td>166</td>
</tr>
</tbody>
</table>

Approximately 60 percent of the respondents of both samples knew the correct answer. For purposes of statistical treatment the data were placed in a two by two table with the columns being correct answers and others and the rows being before sample and after sample. A chi-square analysis of the data so compiled indicates that there was no significant difference in the responses of the two groups.¹

To the extent that responses to these three items reflect the respondents' knowledge regarding cooperative control, it may be said that there was no significant change in the knowledge regarding cooperative control within this population between the before and after studies; these data fail to refute the null hypothesis.

Knowledge of Tax Responsibilities of Cooperatives

Another general area of knowledge regarding cooperates-

¹Chi square, one degree of freedom, is less than 2.0.
tives in which change was anticipated during the time included in this study was the knowledge of cooperatives' responsibilities regarding taxes. The general hypothesis to be tested in this area was: There is no change in the level of knowledge regarding agricultural cooperatives' tax responsibilities during the period under observation. In order to test this hypothesis a Taxation Knowledge Score was devised.¹ Table 10 shows the data relevant to the analysis of variance test for significance applied to the scores of the respondents. There was no significant difference between the before and after respondents in regard to their responses to the items included in the Taxation Knowledge Score. With total possible score of

Table 10. Taxation Knowledge Scores before and after public relations campaign.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>14</td>
<td>14.0</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>5854</td>
<td>35.5</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>5868</td>
<td></td>
</tr>
</tbody>
</table>

F = 0.39 Significant at 5% level is 3.91

¹See p. 22-23 for items which were included in this score.
30 points, the mean score of the before sample was 15.58 and of the after sample, 16.64.

Since no change in the overall knowledge of cooperatives' tax responsibilities took place during the period of this study, the investigator is led to question if change took place in the knowledge regarding specific aspects of taxation which might have been obfuscated by the compounding of single items into a total score. In pursuit of this idea the first specific hypothesis to be tested is: There is no change in the knowledge regarding the kinds of taxes paid by cooperatives.

The respondents were asked to indicate if cooperatives paid any income taxes. The responses to this question are shown in Table 11. Testing for significant differences in these data is complicated by the "some" responses in column three of the table. While 24 of the before respondents answered in the affirmative to the

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Some</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>24</td>
<td>40</td>
<td>1</td>
<td>18</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>15</td>
<td>31</td>
<td>11</td>
<td>26</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>71</td>
<td>12</td>
<td>44</td>
<td>166</td>
</tr>
</tbody>
</table>
question, only 15 of the after respondents so answered
but only one of the before respondents indicated that
cooperatives paid some income taxes while 11 of the after
respondents gave this response. This is possibly related
to the increase in the number of respondents who indicated
that they didn’t know the answer. One might conjecture
that if any change resulted during this period it was in
the direction of instilling doubt as to the income tax
responsibilities of cooperatives. However, no significant
differences were found between the before and after respond­
ents in so far as this item of knowledge is concerned.¹

These data fail to refute the null hypothesis. No
change in knowledge of cooperatives' responsibilities re­
garding income taxes took place during this period under
study.²

¹The data were treated statistically in various ways.
The responses were classified as to correct and incorrect;
the "some" answers were combined with the "yes" answers
and the "some" answers were combined with the "don't know"
answers. Chi-square results are as follows:

(1) Yes and Some x No x Don't know, Chi square is
less than 3.0.

(2) Yes x No x Some and Don't know, Chi square is
less than 3.0.

²Another analysis obliquely related to this analysis
of respondents' knowledge of cooperatives' responsibili­
ties for income taxes is the analysis of the respondents' answers to questions regarding the income tax responsi­
bilities of corporations and partnerships. Without going
into the legal details, the income taxes paid by corpora­
tions, cooperatives, partnerships and individuals depend
Property taxes are another form of taxation for businesses which own physical facilities of a real nature. The respondents were asked if cooperatives were required to pay property taxes. The data presented in Table 12 (continued) upon what is defined as income by the Federal Government. The effects of this definition on the three entities of concern in this analysis may be briefly summarized as follows: Corporations and cooperatives do pay income taxes on those earnings which can be defined as income constructively received. Partnerships do not have income as such; income resulting from activities carried on by a partnership is considered to be income to each of the several individuals functioning under the partnership agreement and is taxed as income at that level.

When asked if partnerships paid income taxes, the respondents in the before sample answered in the following manner: 63 answered yes, six answered no and 14 didn't know. In the after sample, 64 answered yes, seven answered no and 12 didn't know.

When the respondents in the before sample were asked if corporations paid income taxes, 68 of them answered yes, none of them answered no and 15 of them didn't know. When those in the after sample were asked the same question, 70 of them answered yes, none of them answered no and 13 of them didn't know.

The observation which the author wishes to point up is that the responses given relative to corporations and partnerships showed a high percentage of the respondents believing that both paid income taxes when in one instance they were correct and in the other incorrect. One can conclude that more of the respondents know of the income tax paying responsibilities of corporations than of cooperatives and that the least number of respondents know of the income tax paying responsibilities of partnerships. The evidence that the responses regarding corporations and partnerships were so similar and that only one pays income taxes at all leads one to hypothesize that attitudes of more favorableness toward non-cooperative forms of business combinations influenced the respondents' answers to these fact questions. This will be further analyzed in another section of the thesis.
show the responses to this question. In the before sample 49 respondents answered correctly. In the after sample 44 of the respondents answered correctly. A chi-square analysis of the data indicated that no significant change in knowledge of the property tax responsibilities of cooperatives took place during the period of time included in this study.\(^1\)\(^2\) The null hypothesis is not refuted.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>49</td>
<td>12</td>
<td>22</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>44</td>
<td>14</td>
<td>25</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>26</td>
<td>47</td>
<td>166</td>
</tr>
</tbody>
</table>

\(^1\)Chi square, two degrees of freedom, is less than 2.0.

\(^2\)So that the reader may compare responses in this area relative to partnerships and corporations the following data are presented without comment. Since there were no significant differences between before and after responses these were combined.

Exhibit 1. Who pays property taxes?

<table>
<thead>
<tr>
<th>Business form</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation</td>
<td>139</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Partnership</td>
<td>137</td>
<td>1</td>
<td>28</td>
</tr>
<tr>
<td>Cooperative</td>
<td>93</td>
<td>26</td>
<td>47</td>
</tr>
</tbody>
</table>
As was pointed out earlier, no one is exempted from paying income taxes upon any gains which are defined as income by the Federal Government. There are no exceptions to this generalization. To determine the level of knowledge in this area and the possible changes which might possibly take place during the period under study the respondents were asked, "Are cooperatives by law automatically exempt from paying Federal Income Taxes?" The responses to this question may be seen in Table 13. The

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>34</td>
<td>24</td>
<td>25</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>27</td>
<td>16</td>
<td>40</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>40</td>
<td>65</td>
<td>166</td>
</tr>
</tbody>
</table>

greatest variation in the responses to this item between the before and after samples was the increase in the number of those who said that they didn't know. When the data in Table 13 are treated statistically by use of chi square, it is found that the differences approach the
point of significance but are not significant at the 5 percent level.¹

If one pursues the idea that the significant change in responses to this question took place among those who thought that they knew the answer to the question, one can combine the responses into two categories, i.e., those who gave a peremptory answer of either yes or no and those who admitted that they didn't know. If these responses are placed in a two by two table and a chi-square analysis made there appears to be a significantly larger number who admitted that they did not know the answer to the question after the public relations campaign had been conducted.² The null hypothesis that no change resulted in this area of knowledge is refuted.

If one ignores those who didn't know and sets up a two by two table with two categories of responses, yes and no, the chi-square analysis indicates that no significant change took place in the proportion of yes and no answers.³

Another closely related area of knowledge to this is the knowledge regarding exceptional tax treatment of co-

¹Chi square, two degrees of freedom, is 5.68. Significance at the 5 percent level is 5.99 and at the 10 percent level, 4.69.

²Chi square, one degree of freedom, is 5.68.

³Chi square, one degree of freedom, is 0.18.
operatives' patronage refunds. The Federal Government makes no special exception for cooperatives regarding the tax exemption of patronage refunds. Any business, regardless of its organizational structure can exclude patronage refunds from taxable income if it had agreed in advance of the period when the refund was made to do so.

The respondents in this study were asked, "Can an ordinary corporation also exclude patrons refunds from its taxable income if it had agreed in advance to make such refunds?" Their responses to this question are shown in Table 14. A chi-square test of the data indicates that the difference approaches significance.¹

Table 14. Can an ordinary corporation also exclude patrons refunds from its taxable income if it had agreed in advance to make these refunds.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>32</td>
<td>26</td>
<td>25</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>27</td>
<td>17</td>
<td>39</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>43</td>
<td>64</td>
<td>166</td>
</tr>
</tbody>
</table>

¹Chi square, two degrees of freedom, is 5.36. Significance at the 5% level is 5.99 and at the 10% level, 4.69.
If one pursues the idea that the greatest disproportionality is in the Don't know category, one may set up a two by two table and place in one category those who gave peremptory answers of yes and no and those who said that they did not know the answer. A chi-square analysis indicates that there is a significant difference in that there is a greater number who said that they did not know the answer to this question after the public relations campaign had been conducted than before it had been.¹

There was no significant change during the period of this study in the proportions of yes and no answers among those who gave peremptory answers to this question.²

Favorableness of Opinion

Another major objective of the public relations program conducted in conjunction with this study was to create more favorable opinions among the people in the community toward cooperatives.

The hypothesis to be tested in relation to change of opinions is this: There is no change in the opinions regarding cooperatives among those studied during the period under observation.

¹Chi square, one degree of freedom, is 4.99.
²Chi square, one degree of freedom, is 0.39.
In order to test this hypothesis an Opinion Score was devised using items from the schedules of data gathered.\(^1\)

If a respondent gave the most favorable answer toward cooperatives in each of the 14 items making up the Opinion Score, it would have been possible to get a score of 70. The mean score of those in the before sample on the Opinion Score was 44.79. In the after sample the mean score was 46.06. The scores of the respondents in the two samples were tested for significant differences by analysis of variance. The results of this test may be seen in Table 15. Insofar as this Opinion Score is a measure of opinion toward cooperatives, it can be said that accor-

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>66</td>
<td>66.0</td>
</tr>
<tr>
<td>Within groups</td>
<td>165</td>
<td>52101</td>
<td>315.8</td>
</tr>
<tr>
<td>Total</td>
<td>166</td>
<td>52167</td>
<td></td>
</tr>
</tbody>
</table>

\(F = 0.21\)  
Significance at 5% level is 3.91

\(^1\)See p. 23-25 for complete item listing of Opinion Score.
According to the data there was no change in opinion toward cooperatives during the period under observation.

Since no change took place in the general level of opinion, one is led to question if any changes took place in the specific areas of opinion which were dealt with in relation to this study.

The respondents were asked if they felt that cooperatives had an unfair advantage in business competition in Iowa Falls. The responses to this question are shown in Table 16. A chi-square analysis indicates that there was no significant difference between the respondents before and after the public relations campaign was conducted.\(^1\)

The null hypothesis is not refuted by these data.

\[\text{Table 16. Do cooperatives have an unfair advantage in business competition in Iowa Falls.}\]

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>22</td>
<td>47</td>
<td>14</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>26</td>
<td>47</td>
<td>10</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>94</td>
<td>24</td>
<td>166</td>
</tr>
</tbody>
</table>

\(^1\)Chi square, two degrees of freedom, is less than 1.0.
Another area in which some efforts were made to influence opinion was in the area of the effect of the cooperatives upon the prosperity of the community.

The respondents were asked if they thought that Iowa Falls could be a prosperous business community without the cooperatives. Their answers are shown in Table 17. A chi-square analysis indicates that there was no significant change in opinion in this area during the period under study. The null hypothesis is not refuted by these data.

Another area of opinion has to do with the effect of cooperatives upon town-country relations. It was conjectured that the conducting of the public relations campaign might raise the issue that the farmers were competing

Table 17. Could Iowa Falls be a prosperous business community without the cooperatives.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>63</td>
<td>10</td>
<td>10</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>62</td>
<td>15</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>25</td>
<td>16</td>
<td>166</td>
</tr>
</tbody>
</table>

1Chi square, two degrees of freedom, is less than 1.0.
with the business men and result in some changes of opinion on this point.

The respondents were asked how they thought that cooperatives affected town-country relations. Their responses are shown in Table 18. A chi-square analysis indicates that there was no significant change in opinion in regard to cooperatives' effect upon town-country relations during the period included in this study.¹

Following the general opinion questions, the respondents were asked several direct opinion seeking questions. To avoid further redundancy in format, the questions will be listed in order below. Following the list of questions will be a series of tables showing the answers of the respondents to each of these items. Below each table will

<table>
<thead>
<tr>
<th>Table 18. How do cooperatives affect town-country relations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Before sample</td>
</tr>
<tr>
<td>After sample</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

¹Chi square, two degrees of freedom, is less than 2.0. (Don't know responses were dropped for analysis.)
be stated the results of the chi-square analyses. The following summary statement may be made. Analyses of the responses to these questions indicate that no significant changes took place in any of the areas of opinion covered by these questions during the period under study. Analyses of data on each of these questions fail to refute the null hypothesis stated at the opening of this section.

1. If you were looking for a town in which to go into business would you choose a town with or without coops in it?

2. Would you approve of cooperatives sponsoring an educational program for young people in the community to teach them about the structure and operation of cooperatives?

3. If you were a farmer would you join and patronize a cooperative?

4. How would you classify your own attitudes toward cooperatives in general?

5. Are cooperatives a threat to ordinary businesses?

6. Do you think that cooperatives are in any way endangering the American way of life?

7. Do you think that cooperatives are a form of free enterprise?

8. Do you think that cooperatives are a step toward monopoly?
9. Do you think that cooperatives are a step toward socialism?

10. Do you think that cooperatives are a step toward communism?

The tables containing responses to these questions follow in the same sequence that the questions appear in the above listing.

Table 19. If you were looking for a town in which to go into business would you choose a town with or without coops in it.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>With</th>
<th>Without</th>
<th>Not a factor</th>
<th>No answer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>25</td>
<td>13</td>
<td>41</td>
<td>4</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>34</td>
<td>10</td>
<td>34</td>
<td>5</td>
<td>83</td>
</tr>
</tbody>
</table>

Total 59 23 75 9 166

Chi square, two degrees of freedom, is less than 2.0. (No answers dropped for analysis.)
Table 20. Would you approve of cooperatives conducting educational programs for young people in the community to teach them about structure and operation of cooperatives.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>49</td>
<td>23</td>
<td>11</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>49</td>
<td>28</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>51</td>
<td>17</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, two degrees of freedom, is less than 2.0.

Table 21. If you were a farmer would you join and patronize a cooperative.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>57</td>
<td>13</td>
<td>13</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>61</td>
<td>13</td>
<td>9</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>26</td>
<td>22</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, two degrees of freedom, is less than 2.0.
Table 22. How would you classify your own attitudes toward cooperatives in general.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Favorable</th>
<th>Neutral</th>
<th>Unfavorable</th>
<th>No answer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>29</td>
<td>29</td>
<td>25</td>
<td>0</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>37</td>
<td>22</td>
<td>22</td>
<td>2</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>51</td>
<td>47</td>
<td>2</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, two degrees of freedom, is less than 2.5. (No answers omitted.)

Table 23. Are cooperatives a threat to ordinary businesses.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>No opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>32</td>
<td>46</td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>36</td>
<td>47</td>
<td>0</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>93</td>
<td>5</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0. (No opinion responses omitted.)
Table 24. Do you think that cooperatives are in any way endangering the American way of life.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>No opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>22</td>
<td>57</td>
<td>4</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>21</td>
<td>56</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>43</td>
<td>113</td>
<td>10</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.
(No opinion answers omitted.)

Table 25. Do you think that cooperatives are a form of free enterprise.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>No opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>57</td>
<td>15</td>
<td>11</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>60</td>
<td>13</td>
<td>10</td>
<td>83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>117</td>
<td>28</td>
<td>21</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, two degrees of freedom, is less than 1.0.
Table 26. Do you think that cooperatives are a step towards monopoly.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>No opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>33</td>
<td>40</td>
<td>10</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>35</td>
<td>43</td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>83</td>
<td>15</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, two degrees of freedom, is less than 1.5.

Table 27. Do you think that cooperatives are a step towards socialism.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>No opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>36</td>
<td>41</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>27</td>
<td>49</td>
<td>7</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>90</td>
<td>13</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, two degrees of freedom, is less than 2.5.
Table 28. Do you think that cooperatives are a step toward communism.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before sample</td>
<td>16</td>
<td>58</td>
<td>83</td>
</tr>
<tr>
<td>After sample</td>
<td>18</td>
<td>59</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>117</td>
<td>166</td>
</tr>
</tbody>
</table>

Chi square, two degrees of freedom, is less than 1.0.

Summary and Conclusions

The analysis of the data regarding knowledge and opinions of respondents before and after the public relations campaign indicates that secondary communications devices such as newspaper ads and pamphlets do not have a measurable effect upon the opinions and knowledge of townspeople engaged in business and professional activities.

On no single item was a significant difference found which would indicate change having taken place between the time the before and the after samples were interviewed. The null hypothesis was not refuted on any test for significance except in relation to two items and in
both of these instances the trend was not an actual increase in knowledge but rather an increase in doubt, the significance being in relation to the increased number of Don't know responses given by the after sample. The items where such change was found were:

1. Are cooperatives by law automatically exempt from paying income taxes?
2. Can an ordinary corporation also exclude patrons' refunds from its taxable income if it had agreed in advance to make such refunds?

If one accepts the rationale that one of the steps in getting people to accept new ideas is to get them to doubt the old ones, then one could accept that this in a small way indicates change in the direction intended by the public relations campaign.

The author does not assume that secondary media cannot function as media for bringing about change. Some cautions and limitations need to be pointed out:

(a) This sample is representative of only professional and business leaders in the community. The rank and file workers are not represented.

(b) The time period of one year is an arbitrary one selected because of research limitations. Possibly some net effects of the public relations campaign would appear later.
(c) Since there are no control groups against which one can check these samples, one cannot be certain that any change was a result of or related to the public relations campaign.

There were no measurable changes in knowledge and opinions about agricultural cooperative associations during the period when this public relations campaign was being conducted.

The following may provide a partial explanation for the fact that there was no apparent change in knowledge and opinions during the period under study.

The respondents were asked in a series of questions if they had found out anything about cooperatives from the pro-cooperative advertisements, the pamphlet and the anti-cooperative advertisements. The responses to these questions could not be treated statistically by occupational groups because of smallness of many of the cells. Only nine of the 83 respondents said that they found out anything from the series of 13 pro-cooperative advertisements which they did not already know and only one of the respondents of the 60 who had been mailed the pamphlet said that he had found out anything from it regarding cooperatives which he did not already know.

Only two of the 83 respondents said that they had found out anything about cooperatives from the anti-
cooperative advertisements which they did not already know.

The respondents were given the opportunity to comment regarding the truth of the statements in each of the series of advertisements and the pamphlet. They had four categories in which to express their opinions. These were:

1. Devices told the truth about cooperatives.
2. Devices were truthful so far as they went but told only part of the story.
3. Devices contained some untrue statements and/or twisted facts.
4. Most of the material presented was untrue and/or twisted to suit arguments of sponsors.

Because of the few respondents who had read any of these materials, their responses could not be treated statistically and observation indicated no apparent patterning of answers by occupational groupings. Their answers to these questions follow.

In regard to the series of 13 advertisements favorable to cooperatives of which one or more had been read by 36 respondents, the following data are available.

1. Eight of the respondents thought that the advertisements told the truth about cooperatives.
2. Sixteen of the respondents thought that the ad-
Advertisements were truthful so far as they went but told only part of the story.

3. One respondent thought that the advertisements contained some untrue statements and twisted facts.

4. Six of the respondents thought that most of the materials in the advertisements were untrue.

5. Five of the respondents did not answer this question.

The same question was asked in regard to the pamphlet.

The pamphlet was read at least in part by 20 of the respondents in this study. The following data are available regarding these respondents' opinions of the truth of the statements in the pamphlet.

1. Four of the respondents thought that the truth was told.

2. Nine of the respondents thought that the booklet was truthful as far as it went but that it didn't tell the whole story.

3. One of the respondents said that the booklet contained some untrue statements and twisted facts.

4. Five of the respondents said that most of the material presented was untrue and/or twisted to suit the cooperative arguments.

5. One of the respondents did not answer.
This same question was also asked to discover the respondents' opinions of the truth presented in the anti-cooperative advertisements. There were 21 of the respondents who had read one or more of these advertisements. The following data are available:

1. Five of the respondents thought that the advertisements told the truth about cooperatives.
2. Eleven of the respondents thought that the advertisements were truthful so far as they went, but did not tell the whole story.
3. Three of the respondents thought that the advertisements contained some untrue statements and/or twisted facts.
4. Two of the respondents thought that most of the materials were untrue and twisted to suit the arguments of those opposed to cooperatives.
5. One respondent didn't answer this question.

The data available from this study do not provide any conclusive answers as to why change did not take place during the period under study.
SELECTED FACTORS RELATED TO SEEING AND READING
OF COMMUNICATIONS DEVICES

The comparison of the levels of knowledge and opinions of business and professional people was presented in the previous chapter. That analysis indicated no changes in the levels of knowledge and opinion which might not be explained by variations in successive samples of the population studied. In fact, little or no changes took place during the year under study as measured by the scores on items in the schedule interviews taken before and after the public relations program.

Since there was a public relations campaign carried out, the researcher is led to ask why it was not measurably effective. If changes were to result directly from such a program carried on by the use of newspaper advertisements and pamphlets, those who were to be changed must have seen and read the materials.

There were 83 respondents in the after sample. All of them either subscribed to or had access to the Iowa Falls Citizen, the newspaper which carried the 13 pro-cooperative advertisements sponsored by the Iowa Falls Joint Committee of Cooperatives and the eight anti-cooperative advertisements sponsored by the Iowa Associated
Businessmen Inc. The writer assumed that the advertisements were available to all of the respondents. Therefore, not seeing and not reading or seeing and reading these advertisements was influenced by or related to the operation of personal and social factors rather than to inaccessibility of the materials themselves.

Of the 83 respondents, 60 reported that they had seen the pro-cooperative advertisements, 36 had read one or more, 24 had seen them but had read none and 23 had not seen the advertisements at all.

Twenty-one of the respondents reported that they had read one or more of the anti-cooperative advertisements. Available data do not indicate how many had seen them but not read them.

However, there was one publication which was not available to all respondents. The pamphlet entitled, "What about Those Iowa Falls Cooperatives," was not sent to the professional-institutional people in Iowa Falls. This pamphlet was distributed by the Joint Committee of Cooperatives and those who worked for and with them on

Throughout this thesis these advertisements will be referred to as the pro-cooperative advertisements and the anti-cooperative advertisements. This should not be interpreted to mean that these terms express the author's personal feelings regarding them. Instead it reflects the author's casual observation of the intentions of those who sponsored the advertisements. The terminology is used for purposes of brevity and clarity.
the public relations campaign. The pamphlet was mailed to the professional-unattached and to the business people in Iowa Falls. Of the 60 respondents who were sent the pamphlet, 20 recalled having seen it and 17 respondents reported that they had read some or all of it. Forty respondents did not recall receiving it.

Since not all of the people saw and read the communications devices, the efforts in this phase of the study are directed toward the analysis of the data to see whether selected personal and social factors were related to the seeing and reading of the communications devices.

The personal and social factors to be tested are all of those upon which there were usable data from the schedule interviews. They are age, occupation, farm background, level of formal education, knowledge about cooperatives, opinions toward cooperatives, and discussion of cooperatives with others. Because this particular framework of analysis was not contemplated when the questionnaire was designed, data were available only on a limited number of personal and social factors.

An attempt was made to gather social participation data in the questionnaire. The combined judgment of the author and the interviewers who helped him to gather the data was that the information was inadequate and unreliable for the following reasons: (1) The questionnaire was complicated. (2) The definitions and explanations
used by the interviewers were too variable. (3) Some of the respondents refused to answer questions about their organizational affiliations and amount of participation.¹

The general hypothesis for this phase of the analysis is that selected personal and social factors are not related to the seeing and reading of the communications devices.

In order to analyze the empirical data relevant to this general hypothesis the following specific null hypotheses will be tested:

1. Occupation is not related to the seeing and reading of the communications devices used in conjunction with this study.

2. Level of formal education is not a factor related to seeing and reading the communications devices.

3. Level of knowledge about cooperatives is not related to the seeing and reading of the communications devices.

4. Having been reared on a farm is not related to seeing and reading the communications devices.

¹A clue to the reasons for not answering might be found in the comment of one respondent who said, "What difference does it make to you whether I belong to the Masons or not? They don't tell me what to think!"
5. Age is not related to seeing and reading the communications devices.
6. Favorableness of opinion toward cooperatives is not a factor related to seeing and reading the communications devices.
7. Discussion of cooperatives with others is not related to seeing and reading the communications devices.

Occupation

Since cooperatives are a form of business enterprise one might question whether or not those engaged in business as an occupation in the community would be more likely to see and read the advertisements and pamphlets than others in the community.

In order to draw conclusions from the data available the following null hypothesis is posed for testing: Occupation is not a factor related to seeing and reading the communications devices used in conjunction with this study.

The respondents interviewed following the public relations campaign were asked if they had seen and read the series of advertisements favorable to cooperatives published by the Joint Committee for Cooperatives in the
Iowa Falls Citizen, the Iowa Falls bi-weekly newspaper. Their responses to this question are categorized by occupation in Table 29.

A chi-square analysis of these data indicated that there was no significant difference between those who were engaged in business and those who were not insofar as seeing the pro-cooperative advertisements was concerned.\(^1\) The null hypothesis is not refuted by these data.

Since there was no difference among the respondents in the proportion who saw the advertisements one is led to question if one occupational group more than the others read a greater number of the advertisements presented. A

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Saw</th>
<th>Did not see</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional-unattached</td>
<td>7</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Professional-institutional</td>
<td>18</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>Business</td>
<td>35</td>
<td>16</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>23</td>
<td>83</td>
</tr>
</tbody>
</table>

\(^1\)Since the primary concern was to determine if there was a difference between business men and those not engaged in business regarding the seeing of the ads favorable to cooperatives the professional-institutional and professional-unattached groups were combined. Chi square, one degree of freedom, is less than 1.00.
total of 60 respondents saw the advertisements. Of those who admitted seeing any of the advertisements, seven were professional-unattached people, 18 were professional-institutional people and 35 were business people. These respondents were asked how many (what proportion) of the advertisements they had read and their answers recorded. These responses were categorized by occupational groups in Table 30. A chi-square analysis indicates that there was no significant difference in this regard.\(^1\) Of the total of 36 respondents who said that they read one or more of the advertisements, 24 said that they read one-fourth or less, and only four had read more than three-fourths of the advertisements. Of the total series of advertisements used to convey ideas about cooperatives

Table 30. Respondents who read advertisements favorable to cooperatives by occupational groupings.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Read one or more</th>
<th>Read none</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional-unattached</td>
<td>6</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Professional-institutional</td>
<td>8</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Business</td>
<td>22</td>
<td>13</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>24</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

\(^1\)Chi square, one degree of freedom, is less than 1.0.
less than 10 percent of all the respondents reported that they saw more than one-fourth of these devices. No effort was made to determine which advertisements were seen and which were not.

The relationship of occupation of the respondent to whether or not he had seen the pamphlets distributed by the Joint Committee explaining the Iowa Falls cooperatives cannot be readily determined because these pamphlets were not sent to those classified as professional-institutional people in this study. Copies of this pamphlet were mailed to all of the professional-unattached and business people included in this study. These respondents were asked if they had received copies of this pamphlet. Their responses, categorized by occupational groupings, are presented in Table 31 for the reader's observation. These data were not treated statistically because the small sample did not warrant such treatment.

Table 31. Respondents who recalled receiving the pamphlet by occupational groupings.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Recall</th>
<th>No recall</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Business</td>
<td>21</td>
<td>30</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>35</td>
<td>60</td>
</tr>
</tbody>
</table>
Of the four professional people who recalled receiving this pamphlet, all reported that they had read some or all of it. Of the 21 business people who recalled receiving the pamphlet, 14 reported that they had read some or all of it. Two business people who had not recalled receiving the pamphlet claimed to have read some of it when shown a copy.1

These data indicate approximately 30 percent of those who had been sent the pamphlet recalled having received it and approximately 21 percent reported having read some or all of the material printed therein. No tests of significance were attempted to determine differences between occupational groupings in this regard.

In regard to the anti-cooperative advertisements, there was no question in the schedule asking how many of the respondents had merely seen them. The first question relating to these advertisements was, "Have you read the recent advertisements in the Iowa Falls Citizen opposing cooperatives?" The responses given to this question are shown in Table 32 categorized by occupations of the respondents. While a similar tendency for more business men to read these advertisements appeared here as it did

---

1 The materials used in the public relations campaign program were made up in a kit and the respondents were allowed to view these after they were asked the initial lead questions regarding whether or not they saw or received them.
Table 32. Respondents who read the advertisements opposing cooperatives by occupational groupings.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Read</th>
<th>Did not read</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional-unattached</td>
<td>3</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Professional-institutional</td>
<td>2</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>Business</td>
<td>16</td>
<td>35</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>62</td>
<td>83</td>
</tr>
</tbody>
</table>

with the advertisements favorable to cooperatives, the difference in this regard is not significant.¹ These data fail to refute the null hypothesis.

Of the total group, approximately 25 percent of them reported having read some or all of this series of advertisements opposing cooperatives.

In summary, the broad occupational classification used here was not a factor significantly related to the seeing and the reading of the communications devices.

Formal Education

Another factor often associated with reading of printed materials is the level of formal education. For

¹Chi square, one degree of freedom (professional-unattached and professional-institutional respondents combined), is less than 2.5.
the purpose of analyzing the data, this null hypothesis is formulated: Level of formal education is not related to the seeing and the reading of the communications devices.

Because of the smallness of the sample the respondents were classified into two educational groupings. In one group were placed all of those who had had 12 years or less of formal education. This included 34 of the respondents. The other group contained those who had any formal education beyond high school.¹ There were 49 respondents in this group. In Table 33 is shown the number of respondents who did and who didn't see any of the series of 13 advertisements favoring cooperatives and their formal educational categories. A chi-square analysis indicates that there was no significant relationship between level of education and having seen any of the series of pro-cooperative advertisements.

Of the 23 respondents having 12 years or less of formal education and who had seen the advertisements, ten had not read any of the ads at all, eight of the respondents had read one-fourth or less and only two reported that they had read them all.

¹Formal education beyond high school included work in regular colleges, and in business colleges and other technical schools which required a high school diploma for admission.
Of the 37 respondents having more than 12 years of education and who had seen the favorable advertisements, 14 had read none of them, 15 had read one-fourth or less and only two claimed to have read them all. Level of formal education was not a factor significantly related to having read any or all of the advertisements favorable toward cooperatives.

Fourteen of the 34 respondents with 12 years or less of education recalled receiving the pamphlet. Of those with more than 12 years of formal education, 11 of 26 respondents recalled receiving the pamphlet. Level of formal education was not a factor significantly related to recall of having received and seen the pamphlet mailed to the business and professional-unattached people of Iowa Falls by the Joint Committee.¹

¹Sixty respondents from these groups are in this sample.
Of those who received the pamphlet, among those who had 12 years or less of formal education, ten had read some or all of it and four had read none of it. Among those with more than 12 years of education, ten had read some or all of the pamphlet and one had read none of it. There were too few cases to warrant statistical treatment.

The advertisements opposed to cooperatives were read by 21 of the respondents. Eleven of the 34 respondents having 12 years or less formal education read some or all of these advertisements. In the group having more than 12 years of formal education, ten of the 49 had read some or all of the advertisements and 38 did not. A chi-square analysis indicates that there was no statistically significant relationship between level of formal education and having read the advertisements opposing cooperatives.¹

The data in this study fail to refute the null hypothesis. The level of formal education of town people in this population is not a factor related to seeing and reading advertisements and pamphlets relating to agricultural cooperatives.

Level of Knowledge

The issue might be raised that a greater proportion

¹Chi square, one degree of freedom, is less than 2.0.
of those who had more knowledge about cooperatives would see and read the advertisements and pamphlets more frequently than would those who had less knowledge, since interest increases with the increase of knowledge relating to a given subject.¹

For purposes of determining relationship if any, between knowledge about cooperatives and the seeing and reading of the advertisements and pamphlets, the following null hypothesis is posed: Level of knowledge about cooperatives is not related to the seeing and reading of the communications devices.

To test for significant relationships the Internal Knowledge Score and the Taxation Knowledge Score used previously in this study were utilized. These scores were used to test level of knowledge concerning cooperatives as a factor in the seeing and reading of the advertisements on the assumption that this knowledge possessed by the respondents was not theirs as a result of any ideas which appeared in the advertisements or pamphlet. The following premises are suggested as support for this assumption.

1. Tests to measure change in knowledge during the

¹For further development of this idea see: Lancelot, W. H. Permanent learning. N. Y., John Wiley and Sons. 1945. p. 34-37.
period when advertisements and pamphlet were used showed no change in level of knowledge in population as a whole.

2. The data indicated that a small proportion of the respondents read the advertisements and pamphlet.

3. In response to the question concerning whether or not they had found out anything they did not already know about cooperatives, only nine of the respondents answered in the affirmative in relation to the pro-cooperative series of advertisements, only one respondent answered in the affirmative in relation to the pamphlet and only two respondents answered in the affirmative in relation to the anti-cooperative series of advertisements.

To discover the statistical relationship between knowledge as measured by these scores and the respondents' seeing and reading of the advertisements and the pamphlet, analysis of variance was utilized. The data relevant to these analyses are shown at the end of this section in Tables 34-41.

In all instances the statistical findings indicated that there was no significant relationship between level of knowledge as measured by the Internal Knowledge Score
and the Taxation Knowledge Score and the seeing and reading of the advertisements and pamphlet used in this study. These data fail to refute the null hypothesis. Level of knowledge, as here used, was not related to the seeing and reading of the communications devices.

Table 34. Internal Knowledge Scores and having seen pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>28</td>
<td>28.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>2983</td>
<td>36.8272</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>3011</td>
<td></td>
</tr>
</tbody>
</table>

F = less than 1.0

Table 35. Taxation Knowledge Scores and having seen pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>2</td>
<td>2.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>2416</td>
<td>29.8272</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>2418</td>
<td></td>
</tr>
</tbody>
</table>

F = less than 1.0
Table 36. Internal Knowledge Scores and having read pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>13</td>
<td>13.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>2998</td>
<td>37.0123</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>3011</td>
<td></td>
</tr>
</tbody>
</table>

$F = \text{less than } 1.0$

Table 37. Taxation Knowledge Scores and having read pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>2418</td>
<td>29.8519</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>2418</td>
<td></td>
</tr>
</tbody>
</table>

$F = 0$

Table 38. Internal Knowledge Scores and having read pamphlet.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Within groups</td>
<td>58</td>
<td>1993</td>
<td>34.3621</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>1993</td>
<td></td>
</tr>
</tbody>
</table>

$F = 0$
Table 39. Taxation Knowledge Scores and having read pamphlet.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Within groups</td>
<td>58</td>
<td>1828</td>
<td>31.5172</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>1828</td>
<td></td>
</tr>
</tbody>
</table>

F = 0

Table 40. Internal Knowledge Scores and having read anti-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>9</td>
<td>9.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>3002</td>
<td>37.0617</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>3011</td>
<td></td>
</tr>
</tbody>
</table>

F = less than 1.0

Table 41. Taxation Knowledge Scores and having read anti-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>41</td>
<td>41.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>2377</td>
<td>29.3457</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>2418</td>
<td></td>
</tr>
</tbody>
</table>

F = 1.40
Farm Background

The cooperatives in this community were all farmer cooperatives. Four of the five had been there for more than 25 years. The Rural Electric Association had been organized for 16 years.

Since cooperatives were farmers' organizations one might assume that there would be a relationship between having been reared on the farm and the seeing and reading of the advertisements. For purposes of analyzing the data relevant to this idea the following null hypothesis is posed: Having been reared on a farm is not related to seeing and reading of communications devices.

Forty-seven respondents in this study had been reared on farms. Of this group, 34 had seen the pro-cooperative advertisements and 13 had not seen them. Thirty-four of the respondents had been reared in towns or cities. Of this group 24 had seen the advertisements and ten had not. Two respondents did not state their background. Chi-square analysis indicated that farm background was not a factor significantly related to the seeing of the pro-cooperative advertisements.¹

The relationship of farm background to recall of

¹Chi square, one degree of freedom, is less than 1.0.
having received the pamphlet and to having read any or all of it is not so clear cut as the above. The responses given to the question, "Do you recall receiving a pamphlet about Iowa Falls Cooperatives?", are presented in Table 42.

A chi-square analysis indicated that farm background was not significantly related to the recall of having received this pamphlet.¹

Of the 17 who had been reared on farms, 14 had read some or all of the pamphlet and three had read none of its contents. Five of the seven town or city reared respondents had read some or all of the contents of the pamphlet while two had not. These data were not treated statistically because of the small number of cases.

Table 42. Recall of having received pamphlet classified by background of respondents.

<table>
<thead>
<tr>
<th>Background*</th>
<th>Recall</th>
<th>No recall</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm</td>
<td>17</td>
<td>16</td>
<td>33</td>
</tr>
<tr>
<td>Non-farm</td>
<td>7</td>
<td>19</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>35</td>
<td>59</td>
</tr>
</tbody>
</table>

¹Chi square, one degree of freedom, is 3.64.
Eleven of the 47 respondents with farm backgrounds had read some or all of the anti-cooperative advertisements. Nine of the 34 respondents with non-farm backgrounds also had read some or all of them. Presence or absence of farm background was not related to the reading of these advertisements.¹

One could conjecture many reasons for this apparent non-relationship of farm background to the seeing and reading of materials relating to cooperatives. It is possible that people who leave the farm become so engrossed in their daily activities that they lose interest in the farm and things relating to it. It is also possible that many of the people with non-farm background were reared in small towns and therefore have an awareness of farmers and farmer organizations similar to that of farm reared people.

It is also possible that the respondents do not look upon the cooperatives as being part of the farmers' individual enterprises. The full answers in this field of knowledge await further research.

Age

Since older people had developed their reading and

¹Chi square, one degree of freedom, is less than 1.0.
and communications skills prior to the advent and general use of radio and other audio-visual devices such as television and sound movies, one might conjecture that their reading habits would differ from those who were younger. Regarding age as a factor, the following null hypothesis is tested: Age is not related to the seeing and the reading of the communications devices.

Because of the smallness of the sample, the respondents were divided into two categories for purposes of analyzing their behavior in relation to the communications devices. Those 40 years of age or less at the time of the interviewing constituted one group and those who were 41 years of age or older constituted the other.

Their behavior in relation to the advertisements and pamphlet is shown in the following four tables.

Table 43. Age of respondents and seeing the pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Age</th>
<th>Saw</th>
<th>Did not see</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 years or less</td>
<td>21</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>41 years or more</td>
<td>39</td>
<td>13</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>23</td>
<td>83</td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.
Table 44. Age of respondents and reading the pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Age</th>
<th>Read</th>
<th>Did not read</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 years or less</td>
<td>13</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td>41 years or more</td>
<td>23</td>
<td>16</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>24</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.

Table 45. Age of respondents and their recall of having received the pamphlet.

<table>
<thead>
<tr>
<th>Age</th>
<th>Recall</th>
<th>No recall</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 years or less</td>
<td>6</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>41 years or more</td>
<td>19</td>
<td>25</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>35</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.

Table 46. Age of respondents and their reading of anti-cooperative advertisements.

<table>
<thead>
<tr>
<th>Age</th>
<th>Read</th>
<th>Did not read</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 years or less</td>
<td>6</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>41 years or more</td>
<td>15</td>
<td>37</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21</strong></td>
<td><strong>62</strong></td>
<td><strong>83</strong></td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.
These data fail to refute the null hypothesis. Age was not related to seeing or reading the pro-cooperative advertisements, who recalled receiving the pamphlet nor to who read it. Age was also not related to who read the anti-cooperative advertisements.

Opinion

The press is one of the instruments used to disseminate opinions and to change existing opinions.\(^1\) One of the objectives of this study was to determine the relationship of opinions about cooperatives to the actions of individuals in relation to them.

The Opinion Score used earlier in this study was used to determine if favorableness of opinion was related to the seeing and the reading of the communications devices included in the public relations program. The author assumed this to be feasible for the following reasons.

1. Analysis of change in opinion indicated that opinions about cooperatives as measured by the

\(^1\) The press is used here in its broadest sense to include not only the mechanical gadget but the editors, reporters and advertisers who use it as a device for reproducing their ideas in the form of the printed word. For further details see: Childs, Harwood I. A reference guide to the study of public opinion. Princeton University Press. 1934. p. 38.
Opinion Score did not significantly change during the period under observation.

2. The respondents were asked if they had changed their opinions regarding cooperatives because of these communications devices. Their responses indicated that they had not.

The above stated reasons supported the assumption that opinions about cooperatives were relatively unchanged during the period of the public relations campaign and during the period these data were gathered. Therefore the writer proceeded with the analysis. The null hypothesis is: Opinion toward cooperatives is not related to the seeing and reading of the communications devices.

Analysis of variance was used to determine the statistical relationship between opinion scores and the seeing of the pro-cooperative advertisements. This analysis indicated that the relationship was non-significant. See Table 47.

Those who had read one or more of the pro-cooperative advertisements differed significantly in this regard from those who had seen but had not read them and those who had not seen them. Analysis of variance of data relevant to this are shown in Table 48. The mean score on the Opinion Score of those who had read the pro-cooperative advertisements was 41.53 while the mean score of those
Table 47. Opinion Scores and having seen pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>83</td>
<td>85.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>27462</td>
<td>339.3370</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>27547</td>
<td></td>
</tr>
</tbody>
</table>

F = less than 1.0

Table 48. Opinion Scores and the reading of pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>1306</td>
<td>1306</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>26241</td>
<td>323.9630</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>27547</td>
<td></td>
</tr>
</tbody>
</table>

F = 4.03

who had not was 49.53. A significantly larger proportion of those who were less favorable toward cooperatives had read the pro-cooperative advertisements than the proportion among those who were more favorable. These data refute the null hypothesis.

Favorableness of opinions, as measured by Opinion Score, was not related to the reading of the pamphlets. The mean score of the 20 respondents who had read the
pamphlet was 36.55. The mean score of the 40 who had not read it was 44.30. The analysis of variance data are displayed in Table 49. These data fail to refute the null hypothesis.

Table 49. Opinion Scores and having read the pamphlet.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>801</td>
<td>801</td>
</tr>
<tr>
<td>Within groups</td>
<td>58</td>
<td>19729</td>
<td>340.1552</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>20530</td>
<td></td>
</tr>
</tbody>
</table>

\[ F = 2.35 \]

The mean score of the 21 respondents who had read some or all of the anti-cooperative advertisements was 39.05. The mean score of the 62 who had not read any of them was 48.44. This difference in opinion between the two groups is statistically significant. See Table 50. These data refute the null hypothesis. A larger proportion of those with less favorable opinions toward cooperatives had read the anti-cooperative advertisements.

A greater proportion of those with less favorable opinions toward cooperatives had also read the pro-cooperative advertisements.
Table 50. Opinion Scores and having read anti-cooperative advertisements.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>1383</td>
<td>1383</td>
</tr>
<tr>
<td>Within groups</td>
<td>81</td>
<td>26164</td>
<td>323.0123</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>27547</td>
<td></td>
</tr>
</tbody>
</table>

F = 4.28

The author cannot explain why those with less favorable opinions read the materials.

Discussion with Others

Discussion has been found to be one of the major devices for the exchange and diffusion of ideas.\(^1,2\)

The purpose of this section of the study is to discover if there is a relationship between this type of communication about cooperatives and the seeing and reading of the printed communications devices used in this study.

\(^1\) Wilkening, Eugene A. Sources of information for improved farm practices. Rural Sociology. 15: 19–30. 1950.

The null hypothesis is as follows: Discussion of cooperatives with others is not related to the seeing and reading of the communications devices.

Fifty-five of the 83 respondents in the after sample reported that they had discussed cooperatives with others. Analyses of the responses to the questions regarding the seeing and reading of the communications devices given by those who had discussed cooperatives and those who had not indicated that there was no statistically significant difference between the two groups in regard to their answers to these questions.

Their responses to these questions are presented in Tables 51-54.

These data fail to refute the null hypothesis. Discussion of cooperatives with others was not related to the seeing and reading of the communications devices.

Table 51. Discussion of cooperatives with others and seeing of pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Discussion</th>
<th>Saw</th>
<th>Saw</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>some</td>
<td>none</td>
<td></td>
</tr>
<tr>
<td>Discussed</td>
<td>41</td>
<td>14</td>
<td>55</td>
</tr>
<tr>
<td>Did not discuss</td>
<td>19</td>
<td>9</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>23</td>
<td>83</td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.
Table 52. Discussion of cooperatives with others and reading of pro-cooperative advertisements.

<table>
<thead>
<tr>
<th>Discussion</th>
<th>Read</th>
<th>Did not read</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussed</td>
<td>26</td>
<td>15</td>
<td>41</td>
</tr>
<tr>
<td>Did not discuss</td>
<td>10</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>36</td>
<td>24</td>
<td>60</td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.

Table 53. Discussion of cooperatives with others and reading of pamphlet.

<table>
<thead>
<tr>
<th>Discussion</th>
<th>Read</th>
<th>Did not read</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussed</td>
<td>17</td>
<td>29</td>
<td>46</td>
</tr>
<tr>
<td>Did not discuss</td>
<td>3</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20</td>
<td>40</td>
<td>60</td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is less than 1.0.

Table 54. Discussion of cooperatives with others and reading of anti-cooperative advertisements.

<table>
<thead>
<tr>
<th>Discussion</th>
<th>Read some</th>
<th>Read none</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussed</td>
<td>18</td>
<td>37</td>
<td>55</td>
</tr>
<tr>
<td>Did not discuss</td>
<td>3</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21</td>
<td>62</td>
<td>83</td>
</tr>
</tbody>
</table>

Chi square, one degree of freedom, is 3.66.
Summary

The general hypothesis set forth at the beginning of this chapter of the study was: Known social and personal characteristics are not related to seeing and reading of communications devices used in conjunction with this study. All of the data available for analysis relevant to this null hypothesis fail to refute it with one exception.

Occupation, formal education, age, discussion of cooperatives with others, farm background and knowledge about cooperatives were not related to the seeing and reading of the pro-cooperative newspaper advertisements, the cooperative pamphlet and the anti-cooperative newspaper advertisements.

Favorableness of opinion toward cooperatives was not related to the seeing of the pro-cooperative advertisements nor to the reading of the pamphlet.

Favorableness of opinion was related to the reading of both the pro-cooperative advertisements and the anti-cooperative advertisements. Those who had read one or more of these advertisements had less favorable opinions toward cooperatives than those who had not read any of these advertisements.

The major weakness in this analysis of factors was that the questions used were not incisive enough. This
is primarily the result of the fact that the major purpose of this study was to determine if change took place during the period under study. Little emphasis was placed on gathering data about personal and social characteristics. No questions were included to actually check the respondents to see if they could recall any of the contents of the communications devices. Therefore, the analysis in this chapter evolved around the respondents' answers to questions of whether or not they had seen or read the communications devices. No attempt was made to verify their responses to these questions.

The analysis was further hampered by the small numbers who saw and read these communications devices. Because of this the proportion of advertisements read had to be ignored and analysis made on basis of having read any and having read none of them.

The author does not have an explanation for the fact that more of those with less favorable opinions read the advertisements. Later analyses will show that those with less favorable opinions toward cooperatives discussed cooperatives more frequently with others, had less education and a greater proportion of them were members of the business group.

These findings suggest a related inquiry based upon
more detailed analyses of the function of occupation.\footnote{All of those in the study with 12 years or less of formal education were in the business group. Some of the respondents in the professional group had gone to graduate schools. Nearly all had at least 4 years of college. Forty-two of the 51 respondents in the business group had discussed cooperatives with others while only 13 of the 32 professional people had done so. This difference is statistically significant.} Analysis of the available data relevant to the reading of these advertisements indicated that occupation was not a related factor.

Further research is needed to test the hypotheses set forth in this chapter and to include also such personal and social factors as source of information about cooperatives, membership in organizations which provide opportunities for discussions about cooperatives, opinions regarding validity of various sources of information about cooperatives, and business and professional associations of respondents.

Any future study should be made with a larger sample so that occupational categories can be utilized that contain members of specific professions and businesses. The business respondents need to be divided at least into two categories, those who think that they are in competition with cooperatives and those who do not think so.
KNOWLEDGE ABOUT COOPERATIVES AND PERSONAL AND SOCIAL FACTORS

At this point it is known from analyses of data presented in previous chapters that no change in the level of knowledge of cooperative associations took place in the population during the period under observation. It is known that level of knowledge as a personal factor was not related to the seeing and reading of the communications devices used in conjunction with this study.

It therefore becomes a concern of the researcher to discover if knowledge about cooperatives is related to other personal and social factors. While the researcher's interest in this regard is academic, there are many people who put out information and propaganda for and against cooperatives who have an interest in knowing how much is known about cooperatives by people possessing various social and personal characteristics. Their interests are oriented around planning programs of education and information to fit their potential audiences.

Knowledge about cooperatives is limited even among farm people who are the owners of most cooperatives in
this country.\footnote{For further details see Beal, George M. Factors related to participation in farmer cooperatives. Unpublished Ph. D. Thesis. Ames, Iowa, Iowa State College Library. 1953. p. 185-207 and p. 233-244.}

The objective of this chapter is to discover if selected personal and social factors of the population under study are related to knowledge about cooperatives. Levels of knowledge are measured by the two scores used previously in this study, the Internal Knowledge Score and the Taxation Knowledge Score.

The null hypothesis is as follows: Knowledge about cooperative associations is not related to known personal and social factors.

The following specific null hypotheses will be tested:

1. Level of formal education is not related to knowledge about the structure and operation of cooperatives.

2. Level of formal education is not related to knowledge about the tax responsibilities of cooperatives.

3. Farm background is not related to knowledge about the structure and operation of cooperatives.

4. Farm background is not related to knowledge about the tax responsibilities of cooperatives.
5. Occupation is not related to knowledge about the structure and operation of cooperatives.

6. Occupation is not related to knowledge about the tax responsibilities of cooperatives.

7. Age is not related to knowledge about the structure and operation of cooperatives.

8. Age is not related to knowledge about the tax responsibilities of cooperatives.

9. Discussion of cooperatives with others is not related to knowledge about the structure and operation of cooperatives.

10. Discussion of cooperatives with others is not related to knowledge about the tax responsibilities of cooperatives.

11. Opinions about cooperatives are not related to knowledge about structure and operation of cooperatives.

12. Opinions about cooperatives are not related to knowledge about the tax responsibilities of cooperatives.

The personal and social factors are the same as those used in the analyses in the previous chapter.

Level of Formal Education

One of the most common assumptions in our society is
that the amount of formal education is a valid index to the knowledge possessed by individuals. The operation of cooperatives has been a part of the high school training program in Vocational Agriculture for over 20 years. Economics courses are taught at the high school and college levels in the community and generally throughout the nation at the college level. It becomes a concern of the researcher to determine if any relationship exists between level of formal education of respondents and their knowledge about cooperatives. The null hypotheses to be tested are:

a. Level of formal education is not related to knowledge about structure and operation of cooperatives.

b. Level of formal education is not related to knowledge about tax responsibilities of cooperative associations.

The level of formal education was determined by asking the respondent to state the last grade or year of education completed in school. Respondents were divided into two groups on the basis of the amount of formal education each had. The 59 respondents with 12 years or less of formal education were placed in the lower group and the 107 who had more than 12 years of formal education were placed in the upper group.
Those in the lower group had a mean score of 25.08 and those in the upper group had a mean score of 28.91 on the Internal Knowledge Score. This difference is statistically significant. See Table 55.

**Table 55. Internal Knowledge Scores and levels of formal education.**

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>555</td>
<td>555.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>5874</td>
<td>35.8171</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>6429</td>
<td></td>
</tr>
</tbody>
</table>

F = 15.4954

education was related to knowledge about the structure and operation of cooperatives measured by this score. These data refute the null hypothesis.

On the Taxation Knowledge Score, those in the lower education group had a mean score of 16.51 and those in the upper group a score of 15.69. This difference was not significant. See Table 56. These data fail to refute the null hypothesis.

Those with higher levels of formal education knew more about the structure and operation of cooperatives
Table 56. Taxation Knowledge Scores and level of formal education.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>17</td>
<td>17.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>5793</td>
<td>35.32</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>5810</td>
<td></td>
</tr>
</tbody>
</table>

F = less than 1.0

than those with less education.

Knowledge of the tax responsibilities of cooperatives was not related to level of formal education.

Farm Background

In this study there were 93 respondents who had a farm background and 73 who had been reared in towns or cities.

Since cooperatives are most frequently owned by farm people in this country, the researcher is led to question the relationship of having been reared on a farm to knowledge about cooperatives. The null hypotheses are as follows:

a. Farm background is not related to knowledge about structure and operation of cooperatives.
b. Farm background is not related to knowledge about the tax responsibilities of cooperatives.

The mean score on the Internal Knowledge Score of those who had been reared on a farm was 29.01. The mean score of those who had not been so reared was 25.68. The statistical difference is highly significant. See Table 57. These data refute the null hypothesis.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>452</td>
<td>452</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>5977</td>
<td>36.4451</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>165</strong></td>
<td><strong>6429</strong></td>
<td></td>
</tr>
</tbody>
</table>

F = 12.40

The mean score of those with a farm background on the Taxation Knowledge Score was 17.02. Those with a non-farm background had a mean score of 14.52. The statistical difference is highly significant. See Table 58. These data also refute the null hypothesis.

Those people in the population under study who were reared on farms had more knowledge about cooperative associations than those who were reared in towns and cities.
Table 58. Taxation Knowledge Scores and farm background.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>256</td>
<td>256.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>5554</td>
<td>33.8659</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>165</strong></td>
<td><strong>5810</strong></td>
<td></td>
</tr>
</tbody>
</table>

F = 7.56

Occupation

Cooperatives are a form of business. Since those people in this study are managers of businesses, the researcher is led to question if those so engaged have more or less knowledge about cooperatives than those whose occupations are more remotely related. The null hypotheses are as follows:

a. Occupation is not related to knowledge about the structure and operation of cooperatives.

b. Occupation is not related to knowledge about the tax responsibilities of cooperatives.

The professional-unattached and the professional-institutional people had mean scores on the Internal Knowledge Score which were very similar, 30.83 and 30.35, respectively. The business people had a mean score of 25.71. The statistical difference is highly significant.
See Table 59. These data refute the null hypothesis.

Business people have less knowledge about the structure and operation of cooperatives than do those engaged in professional work.

Table 59. Internal Knowledge Scores and occupations.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>2</td>
<td>901</td>
<td>450.50</td>
</tr>
<tr>
<td>Within groups</td>
<td>163</td>
<td>5528</td>
<td>33.9141</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>6429</td>
<td></td>
</tr>
</tbody>
</table>

F = 13.28

On the Taxation Knowledge Score, the professional-unattached people had a mean score of 16.00, the professional-institutional people had 16.65, and the business people had 15.58. The differences were not statistically significant. See Table 60. These data fail to refute the null hypothesis.

Knowledge about the tax responsibilities of cooperatives is not related to occupation.
The range in age of the respondents in this study was from 21 to 81 years. Sixty-eight of the respondents were 39 years of age or less while 98 of the respondents were 40 years of age or more.

The null hypotheses to be tested in relation to age are:

a. Age is not related to knowledge about the structure and operation of cooperatives.

b. Age is not related to knowledge about the tax responsibilities of cooperatives.

The mean score of those who were 39 years of age or less on the Internal Knowledge Score was 29.22 and of those 40 years of age or older, 26.39. The statistical difference is highly significant. See Table 61. These data refute the null hypothesis.
Table 61. Internal Knowledge Scores and age.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>322</td>
<td>322.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>6107</td>
<td>37.2378</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>6429</td>
<td></td>
</tr>
</tbody>
</table>

F = 8.65

Those people who were 39 years of age or less knew more about the structure and operation of cooperatives than those who were 40 years of age and older.

Those who were 39 years of age or less had a mean score of 15.07 on the Taxation Knowledge Score. The older group had a mean score of 16.51. The difference between the two groups was not statistically significant. See Table 62. These data fail to refute the null hypothesis.

Table 62. Taxation Knowledge Score and age.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>83</td>
<td>83.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>5727</td>
<td>34.920</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>5810</td>
<td></td>
</tr>
</tbody>
</table>

F = 2.38
Age was not related to knowledge about the tax responsibilities of cooperatives.

Discussion with Others

The findings of other researchers indicate that discussion of ideas with others is a major factor in the spread of these ideas. Most of the research in diffusion of ideas has dealt with the spread of a simple practice or technique rather than the diffusion of ideas about so complex an entity as the cooperative.

The purpose of this section of the analysis is to determine if discussion of cooperatives with others is related to knowledge about them.

The null hypotheses are as follows:

a. Discussion of cooperatives with others is not related to knowledge about cooperative structure and operation.

b. Discussion of cooperatives with others is not related to knowledge about the tax responsibilities of cooperatives.

---


There were 115 respondents in this study who discussed cooperatives with others frequently or occasionally. There were 51 respondents who did not discuss cooperatives with others.

The mean scores on the Internal Knowledge Score were 28.19 for those who had discussed and 26.10 for those who had not done so. The difference is statistically significant. These data refute the null hypothesis. Those who discussed cooperatives with others knew more about cooperative structure and operation than those who did not. See Table 63.

The 115 respondents who discussed cooperatives with others had a mean score of 15.32 on the Taxation Knowledge Score. The 51 who had not discussed cooperatives with others had a mean score of 17.27. The difference between the two groups was statistically significant. See Table 64. The null hypothesis is refuted.

Table 63. Internal Knowledge Scores and discussion of cooperatives with others.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>154</td>
<td>154.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>6275</td>
<td>38.2622</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>6429</td>
<td></td>
</tr>
</tbody>
</table>

F = 4.03
Table 64. Taxation Knowledge Scores and discussion of cooperatives with others.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>135</td>
<td>135.00</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>5675</td>
<td>34.6037</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>5810</td>
<td></td>
</tr>
</tbody>
</table>

\[ F = 3.9013 \]

Discussion of cooperatives with others had a relationship to knowledge about tax responsibilities of cooperatives which was diametrically opposite the relationship of discussion of cooperatives with others to the knowledge about cooperative structure and operation. Those who had discussed cooperatives with others knew less about cooperatives' tax responsibilities than those who had not discussed cooperatives with others.

The data available allow no insights into the specific aspects of cooperatives which were discussed. The content of such discussions and the relationship of specific discussion contents to knowledge about cooperatives await further research.

Opinions about Cooperatives

The purpose of this section is to determine if opinion
toward cooperatives was related to knowledge about them. The Opinion Score which has been used previously in this study was used to measure the levels of opinion.

The null hypotheses:

a. Opinions about cooperatives are not related to knowledge of the structure and operation of cooperatives.

b. Opinions about cooperatives are not related to knowledge about taxation responsibilities of cooperatives.

To determine if such a relationship existed coefficients of correlation were run between the Internal Knowledge Scores and the Opinion Scores and between the Taxation Knowledge Scores and the Opinion Scores. In both instances, the relationship was statistically significant to a high degree. These findings refute the null hypotheses. Those with more favorable opinions toward cooperatives knew more about the structure and operation of cooperatives and about their tax responsibilities.

Summary

All of the personal and social factors tested in this

\[ r = .2543 \]
\[ r = .3073 \]
Significance at one percent level .208.
chapter were related to knowledge about the structure and operation of cooperatives.

Those who knew the most about the structure and operation of cooperatives also:

a. Had a higher level of formal education.

b. Had been reared on a farm.

c. Were engaged in a professional occupation.

d. Were in the younger age group.

e. Discussed cooperatives with others.

Knowledge about the tax responsibilities of cooperatives was not related to education, occupation and age.

Those who had the most knowledge about the tax responsibilities of cooperatives were reared on farms.

Those who did not discuss cooperatives with others knew more about the tax responsibilities of cooperatives than those who discussed cooperatives with others.

In only one instance was knowledge about cooperative structure and operation related to a factor in the same manner as knowledge about tax responsibilities of cooperatives. Those with farm backgrounds knew more about these two areas of knowledge than those who had been reared in towns or cities.

This raises the question of the relationship of knowledge about structure and operation of cooperatives to knowledge about the tax responsibilities of coopera-
The coefficient of correlation between scores on the Internal Knowledge Score and scores on the Taxation Knowledge Score is -.0074.

These data do not provide an explanation for this apparent lack of relationship.

One might hypothesize that the bases upon which the respondents answered the questions included in these two scores might have been quite different. The following insights lead one to this hypothesis:

1. Questions asked in the Internal Knowledge Score were not a matter of public controversy. The mechanics of the internal operation of a cooperative do not involve those outside the cooperative in any way -- emotionally or otherwise.

2. Questions on the Taxation Knowledge Score concerned subject matter which was highly controversial and upon which there were emotional expressions of "facts" from both the pro-cooperative and anti-cooperative forces.¹

3. The operation and ongoing process of the cooperative could be observed by those interested because there were five cooperatives and four types

¹See Appendix B for display of materials used in this study as further support for this argument.
of cooperatives represented in Iowa Falls.

4. The tax responsibilities of cooperatives or any other business are matters of State and Federal Code, Rulings of the Attorney-General and Courts' decisions. These legal matters are not always clear even to lawyers. There were seven lawyers in the sample. Item 31-27 in this Score was as follows, "Patronage refunds which are not paid in cash by cooperatives are taxable? -- (to whom)" Five of the lawyers said that they were taxable to the patrons, one said to the cooperative and one said that he didn't know.

5. The people who had been made most aware of the taxation issue were the businessmen, through the discussions of the income tax issue. Many were in direct competition with the cooperatives and businessmen were solicited in Iowa Falls to pay for the advertisements sponsored by the Iowa Associated Businessmen Inc.

6. There was a feeling that cooperatives had unfair tax advantages. When asked if they thought that cooperatives had an unfair advantage in business competition in Iowa Falls, 52 of the respondents replied in the affirmative. Of these, 36 said that this unfair advantage was tax
exemption. The prevalence of such an opinion might possibly have an influence upon the kind of responses given on the Taxation Knowledge Score.

Further research is necessary to determine the reasons for the lack of correlation between the two categories of knowledge about cooperatives.
OPINIONS TOWARD COOPERATIVES AND
PERSONAL AND SOCIAL FACTORS

From the analyses of data shown in previous chapters we know that favorableness of opinion toward cooperatives, as measured by the Opinion Score, is related to certain factors and behavior.

1. Those who read one or more of the pro-cooperative advertisements were less favorable toward cooperatives than those who didn't read any of them.
2. Those who read any of the anti-cooperative advertisements were less favorable toward cooperatives than those who had read none.
3. Those who had the most knowledge about cooperatives were also the most favorable toward cooperatives.

The remaining task of this study is to discover the relationship between favorableness of opinion and the other personal and social factors being tested.

The null hypothesis is: Favorableness of opinion is not related to certain personal and social factors.

To test this general hypothesis, the following specific null hypotheses are formulated:

1. Discussion of cooperatives with others is not related to favorableness of opinion toward
cooperatives.

2. Occupation is not related to favorableness of opinion toward cooperatives.

3. Level of formal education is not related to favorableness toward cooperatives.

4. Age is not related to favorableness of opinion toward cooperatives.

5. Farm background is not related to favorableness of opinion toward cooperatives.

Discussion of Cooperatives with Others

There were 115 respondents who had discussed cooperatives with others and 51 who had not.

The mean score on the Opinion Score of those who had discussed cooperatives with others was 42.03. The mean score of those who had not discussed cooperatives with others was 52.90. The statistical difference is highly significant. See Table 65. These data refute the null hypothesis.

Those who had not discussed cooperatives with others were more favorable toward cooperatives than those who had.
Table 65. Opinion Scores and discussion of cooperatives with others.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>4179</td>
<td>4179</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>48736</td>
<td>297.1707</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>52915</td>
<td></td>
</tr>
</tbody>
</table>

$F = 14.0626$

Occupation

As has been pointed out previously, for purposes of this study the respondents were placed in three occupational groups. There are 18 in the professional-unattached group, 46 in the professional-institutional and 102 in the business group.

The mean scores on the Opinion Score of those in the professional-unattached and business groups were identical, 40.33. The mean score of those in the professional-institutional group was 57.20. The statistical difference between groups was highly significant. See Table 66. These data refute the null hypothesis. Those in the professional-institutional group had more favorable opinions toward cooperatives than those in either of the other two groups.
### Table 66. Opinion Scores and occupations.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>2</td>
<td>8903</td>
<td>4452</td>
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<tr>
<td>Within groups</td>
<td>163</td>
<td>44012</td>
<td>270</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>52915</td>
<td></td>
</tr>
</tbody>
</table>

\[ F = 16.49 \]

**Education**

There were 59 respondents who had 12 years or less of formal education and 107 who had more than 12 years. Those in the lower education group had a mean score on the Opinion Score of 41.46. Those in the higher education group had a mean score of 47.52. This difference in scores was statistically significant. See Table 67. These data refute the null hypothesis. Those with 12 years or more of formal education had more favorable opinions toward cooperatives.
Table 67. Opinion Scores and levels of formal education.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>1399</td>
<td>1399</td>
</tr>
<tr>
<td>Within groups</td>
<td>164</td>
<td>51516</td>
<td>314.1220</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>52915</td>
<td></td>
</tr>
</tbody>
</table>

F = 4.45

Age

The respondents were placed in two age groups. The younger group included the 68 respondents who were 39 years of age or younger. The older group included the 98 who were 40 years of age or older. The mean score on the Opinion Score of those who were 39 years of age or younger was 47.09 and of those who were in the older age group, 44.17. This difference was not significant. See Table 68. These data fail to refute the null hypothesis. Age was not related to favorableness of opinion toward cooperatives.
Table 68. Opinion Scores and age.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
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<tr>
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<tr>
<td>Within groups</td>
<td>164</td>
<td>52573</td>
<td>320.5671</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>52915</td>
<td></td>
</tr>
</tbody>
</table>

\[ F = 1.0669 \]

Farm Background

Ninety-three of the respondents had been reared on farms and 73 of them had been reared in towns or cities. The mean score on the Opinion Score of those who had been reared on farms was 45.85. The mean score for those reared in towns and cities was 44.74. This difference was not statistically significant. See Table 69. These data fail to refute the null hypothesis. Farm background was not related to favorableness of opinion toward cooperatives.
Table 69. Opinion Scores and farm background.

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>Degrees of freedom</th>
<th>Sum of squares</th>
<th>Mean squares</th>
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</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>1</td>
<td>52</td>
<td>52.00</td>
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<td>Within groups</td>
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<td>52863</td>
<td>322.3354</td>
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<tr>
<td>Total</td>
<td>165</td>
<td>52915</td>
<td></td>
</tr>
</tbody>
</table>

$F = \text{less than } 1.0$

Summary

Favorableness of opinion was not related to age and farm background.

Those who had not discussed cooperatives with others had more favorable opinions toward cooperatives.

Those engaged in occupations classified as professional-institutional had more favorable opinions toward cooperatives.

Those who had more than 12 years of formal education had more favorable opinions toward cooperatives.
SUMMARY AND CONCLUSIONS

This was an exploratory study made to investigate the process of the diffusion of ideas and the bases of knowledge and opinion. Agricultural cooperative associations were the media. Within the framework of this general purpose there were four major objectives of this study.

1. To discover if any change in levels of knowledge or opinions about agricultural cooperative associations might have taken place during the period when communications devices described earlier were available in the community.

2. To discover some of the social and personal factors related to having seen and read communications devices about agricultural cooperative associations.

3. To discover whether selected personal and social factors were related to knowledge about agricultural cooperative associations.

4. To discover whether selected social and personal factors were related to opinions about agricultural cooperative associations.

This is the first study known to the author in which enough town people in one community were interviewed to provide data which warranted statistical treatment.
In order to discover if there had been any changes in knowledge and opinion during the one year period under study three scores were devised—the Internal Knowledge Score, the Taxation Knowledge Score and the Opinion Score. The Internal Knowledge Score was devised to measure knowledge of the structure and operation of cooperatives. The Taxation Knowledge Score was devised to measure knowledge about the tax responsibilities of cooperatives. The Opinion Score was devised to measure favorableness of opinion toward cooperatives.

Total possible score on the Internal Knowledge Score was 40. The mean score of those in the before sample on this was 28.19. Of those in the after sample, the mean score was 26.84. A difference as great as this could occur as an accident of sampling in 90 percent of the instances if an infinite of samples were taken of the same population. Therefore the difference was not significant. Total possible on the Taxation Knowledge Score was 30. The mean score of the before sample on this was 15.58 and of the after sample 16.14. This difference was not significant either.

The total possible on the Opinion Score was 70. The mean score of the before sample was 44.79 and of the after sample, 46.06. This difference was non-significant. One can conclude that there were no changes in levels of
knowledge and opinion during the period under study that were measurable by the above mentioned scores applied to groups of this size.

The two knowledge scores were set up separately because while they were concerned with the same social organization, the cooperative, they dealt with widely different sources of knowledge. In this population, there was no correlation between the two scores.

The public relations campaign conducted by the Joint Committee of Cooperatives in Iowa Falls utilized two devices — a series of 13 advertisements published in the local paper and a pamphlet explaining cooperatives.¹ During the period under study the Iowa Associated Businessmen Inc. ran a series of eight advertisements which were anti-cooperative in nature.² The respondents were interviewed regarding all of these communications devices.

There were 83 respondents in each of the two samples interviewed for purposes of this study. One sample was interviewed before and the other after the publication of the communications devices included in the public relations campaign. Of the 83 respondents in the after sample 60 saw one or more of the 13 pro-cooperative advertisements

¹See Appendix B, Exhibit 1 and 2.
²See Appendix B, Exhibit 3.
and 36 read one or more of them.

The pamphlet was mailed to the professional-unattached people and the business people in the community. There were 60 respondents from these two groups in the after sample; 20 had read the pamphlet.

Twenty-one of the 83 respondents had read one or more of the anti-cooperative advertisements.

Analyses were made to discover if personal and social factors on which data were available from the schedules were related to seeing and reading of these advertisements. Knowledge about cooperatives, farm background, education, age, occupation and discussion of cooperatives with others were found not to be related to whether or not people saw and read the advertisements and pamphlet.

Those who read the pro-cooperative advertisements and those who read the anti-cooperative advertisements held less favorable opinions toward cooperatives than did others in the population.

All of the personal and social factors tested were related to knowledge about structure and operation of cooperatives as measured by the Internal Knowledge Score.

a. Those with more than 12 years of formal education had more knowledge of structure and operation of cooperatives than did those with 12 years or less.
b. Those with farm backgrounds had more knowledge of structure and operation of cooperatives than did those with non-farm backgrounds.

c. Those engaged in an occupation classified as professional had more knowledge of the structure and operation of cooperatives than did managers of businesses.

d. Those who were 39 years of age or younger had more knowledge of the structure and operation of cooperatives than did those who were 40 years of age or older.

e. Those who discussed cooperatives with others had more knowledge of the structure and operation of cooperatives than those who did not.

f. Those who had most favorable opinions toward cooperatives had the most knowledge of the structure and operation of cooperatives.

Age, education and occupation were not related to knowledge of the tax responsibilities of cooperatives. Those with a farm background knew more about the tax responsibilities of cooperatives and so did those who had more favorable opinions toward cooperatives. Those who had discussed cooperatives with others had less knowledge of the tax responsibilities of cooperatives than those who had not.
Age and farm background were not related to opinions about cooperatives. Those engaged in occupations classified in this study as professional-institutional had more favorable opinions toward cooperatives than others. Those with more than 12 years of formal education had more favorable opinions toward cooperatives. Those who discussed cooperatives with others had less favorable opinions toward cooperatives.

The findings from this study have demonstrated that communications devices such as newspaper advertisements and pamphlets were relatively ineffective means for adding to knowledge about cooperatives or changing opinions about cooperatives.

One does not know how effective these same techniques might be if they were used in conjunction with other methods. Also one does not know how effective they might be if repeated more frequently.

This study provides no insights into the effectiveness of the devices upon the ordinary man on the street. The respondents to this study were a sample of the professional people and those who managed businesses in Iowa Falls.

The study indicates that there were some relationships between personal and social factors and knowledge and opinions which warrant further study.
telled statistical treatment

awte a study with a sample adequate to allow more de-
cial factors to knowledge and opinion about cooperative
The relative importance of various personnel and so-

• The relative importance of various personnel in the business group

with a few of the respondents in the business group
from central communications during and after the interviews
Awareness of the existence of these materials came only
• and content of them since they were of an exacted nature
this study but it is unable to give an estimate of the amount
of central importance of some of the population of
source were been received by some of the population of
another knows that ant-cooperative communication and house
assert the pro-cooperative communications degrees. The
formation in outdoor and house organs were in counter-
ant-cooperative advertisements and ant-cooperative -
one does not know how effective the series of what

* credence in advertisements

nouns derive for spreading facts because of the lack of
It is possible that the paid advertisement is an in-

* they did not already know in the pamphlet

advertisements and only one percent found anything that
only two percent found anything new in the anti-cooperative
cooperative advertisements which they did not already know
entirely true. Only 12 percent found anything in the pro-
veritements and the pamphlet thought their contents were
less than 40 percent of those who had read these ad-
LIMITATIONS OF STUDY AND SUGGESTIONS
FOR FURTHER RESEARCH

There are some limitations to this study arising from the fact it was an exploratory study.

The questionnaires used were too long. In some instances respondents weariied before completion of the interview. Those questions regarding the seeing and reading of the communications devices were not inclusive enough to determine the specific advertisements seen and the extent to which each was read. No questions were included regarding retention of ideas used in the devices. The model used in the questionnaires to get at social participation contained vague references and was not simple enough to get usable responses.

The sample design could have been improved by numbering the total list of names and using a table of random numbers to select the lists of respondents.

There were too few cases in the categories of those who had seen and read the communications devices. In many instances if the same proportions between cells were prevalent in a sample 4 or 5 times as large there would have been statistically significant differences where none were found in this study.

The relationship of occupation to knowledge and opin-
ion about cooperatives could not be adequately investigated in this study because of the small size of the sample. The fact that dividing the professional group into two yielded some differences indicates that these classifications or more detailed ones should be further investigated by the use of larger samples.

This study did not investigate or include other sources of information about cooperatives which were available to the population.

There was no control or comparison group to which the communications devices were not available; therefore if change had taken place during the period under study it could not have been directly related to the public relations program. Only the fact that the data fail to refute the null hypothesis regarding change permits one to comment at all on the efficacy of the public relations campaign.

Another study in this area should also include employees of business and professional people and persons in other occupations, so that one might ascertain differences in knowledge and opinion in other socio-economic groups. This study dealt primarily with those in the upper socio-economic classes in the community.

The scoring devices used in this study are only a beginning. More items need to be included. Problems of
reliability and validity of the scores are yet to be determined. These scoring devices were merely working tools of this study.

The fact that many persons did not know much about cooperatives does not necessarily mean that less was known about cooperatives than other forms of business. A study done by this author among high school seniors indicated that they knew as little about other forms of private business as they did about cooperatives. This area of knowledge also needs further exploration.

Other personal and social factors may be related to knowledge and opinions about cooperatives. Churches, political parties, veterans organizations, farm organizations and lodges also attempt to influence opinions and provide "facts" for their members.

Another factor which might be related to opinion about cooperatives is the individual's conception of the ideal form of business, i.e. that business which conforms most closely to his conception of the ideal American way of life.

Further study needs to be made of the relationship

---

of knowledge and opinion to the individual's conception of the socio-economic role of the cooperative in a competitive society.


____________ Bohlen, Joe M. and Wakeley, Ray E. Participation of young adults in public affairs in a rural community. N. Y., National Social Welfare Assembly. 1953. (Mimeographed.)


Bohlen, Joe M. Chairman, Sub-committee. Report of sub-committee for study of diffusion of ideas and farm practices to the north central committee of rural sociology. Chicago, The Farm Foundation. 1953. (Mimeographed.)


ACKNOWLEDGMENTS

The author is deeply grateful to Dr. Ray E. Wakeley for his counsel and encouragement in graduate study and in the writing of this thesis. He is deeply grateful to Dr. James E. Wert for suggestions and advice on statistical procedures and to Prof. Frank Robotka for his guidance in the preparation of the questionnaires and for his suggestions for items to be used in the scores. To the other members of his committee, Dr. Joseph B. Gittler and Dr. Paul F. Sharp, he wishes to express his sincere thanks for their interest in his graduate program.

Special appreciation is extended to the author's colleague, Dr. George M. Beal, for his help as a member of the research team who organized this study.

Special appreciation is extended also to Nancy Loveland Schworm for her untiring efforts in the coding and clerical details relating to the organization of the data.

This study was made possible by the cooperation of the many citizens of Iowa Falls, Iowa who gave their time to be interviewed and by the support of the Iowa State Agricultural Experiment Station.
Appendix A

Exhibit 1

Schedule used to gather data prior to public relations campaign.
TOWN SCHEDULE - 1950

1. If you were going to send a person to a reliable source of information about Iowa Falls cooperatives, to whom would you refer him? __________________________

2. To whom would you send him for information about cooperatives in general? __________________________

3. What are your present sources of information about cooperatives?
   ______ Des Moines Register or Tribune
   ______ Cooperative Consumer
   ______ Iowa Falls Citizen
   ______ Trade Publications
   ______ Radio
   ______ Church
   ______ Mail Box Holders
   ______ Coop News Letters
   ______ Posters, Signs, etc.
   ______ NTEA
   
   (Interviewer Note) Place (F) in blank if information is Pro-coop, (A) if Anti-coop

Personal Contact
   (a) _____ With co-op manager
   (b) _____ With co-op directors
   (c) _____ With co-op members
   (d) _____ Friends and/or neighbors
   (e) _____ Fellow lodge or club members
       (1) What lodge ______________
   (f) _____ Personal observation
4. Do you talk about cooperatives with others?
   ____ Frequently  ____ Occasionally  ____ Not at all
   With whom ____________________________
   
5. Do you think that farmers have had valid reasons for
   organizing and operating cooperatives?
   ____ Yes  ____ No  ____ Don't know
   If yes, what?
   1. ________________________________________
   2. ________________________________________
   
6. Do farmers give reasons for organizing and operating
   cooperatives which you consider unreasonable and not
   valid?  ____ Yes  ____ No  ____ Don't know
   If yes, what?
   1. ________________________________________
   2. ________________________________________
   
7. What proportion of the nation's business is done by
   cooperatives?
   total business  ____%  ____ Don't know
   non agricultural  ____%  ____ Don't know
   agricultural marketing and purchasing  ____%
   ____ Don't know
   
8. What is the trend in the percentage of the total ag-
   ricultural business being done by cooperatives in the
   U. S.?
   ____ Increasing rapidly
   ____ Increasing at moderate rate
About holding their own
 Decreasing at moderate rate
 Decreasing rapidly
 Don't know

9. Which of the following best fits your description of a cooperative?
 (a) ___ a group of farmers conducting certain aspects of their farm business operation jointly for themselves at costs.
 (b) ___ a group of farmers seeking extra income by going into business as merchants.
 (c) ___ a device by which the gov't can take over private business.
 (d) ___ a form of socialism and communism.

10. Are all businesses that make patronage refunds to customers cooperatives?
    Yes  No  Don't know

11. Can any business which does not pay patronage refunds be a true cooperative?
    Yes  No  Don't know

12. Should "savings" in a cooperative be returned to patrons in the form of refunds on the basis of the amount of business done or to capital investors as increased interest on their capital?
 capital investors  patrons  don't know
13. If a loss results because of selling at too low prices, should the stockholders bear the loss or should it be made up on the basis of patronage?
   ___ Stockholders ___ patrons ___ don't know

13a. What is there about the cooperative way of doing business which makes it possible for them to pay patronage refunds?
1. __________________________________________
2. __________________________________________
3. __________________________________________

14. How do prices asked by Coop Elevator and Coop Exchange compare with prices for products of similar quality at other places of business?
   ___ higher ___ about the same ___ lower
   ___ don't know

15. Do you feel that cooperatives have an unfair advantage in business competition in Iowa Falls?
   ___ Yes ___ No ___ Undecided
   If yes, what? 1. _____________________________
                  _____________________________
                  _____________________________

16. What lines of business are co-ops taking over in Iowa Falls?
1. __________________________________________
2. __________________________________________
3. __________________________________________
   ___ Don't know ___ None
17. Have any merchants in Iowa Falls been forced out of business by cooperatives' competition?

____ Yes  ____ No  ____ Don't know

If yes, which ________________________________

______________________________

17a. Which are cooperatives:

____ Farmers Coop. Exchange
____ Farm Coop. El. Company
____ R E A
____ Telephone
____ Mutual Insurance
____ Iowa Falls Creamery
____ Iowa Falls Cold Storage
____ Farm Bureau Service Co.
____ Piggly Wiggly
____ Iowa Falls Poultry and Egg
____ Farm Supply Company
____ Mart Variety
____ Ralston Purina
____ Other

18. Is there any difference between a dividend on a share of stock and a patronage refund?

____ Yes  ____ No  ____ Don't know

If yes, what is it? ________________________________
19. Paying patronage refunds is a way of:
   a. ____ distributing profits
   b. ____ distributing to patrons, the earnings in excess of costs which by agreement belong to the patron members
   c. ____ don't know

20. When voting at cooperative meetings does each member have one vote or may he have more than one vote if he has more than one share of stock.
   a. ____ one member one vote
   b. ____ by stock
   c. ____ don't know

21. When an ordinary corporation declares a dividend on stock it is usually payable promptly in cash. When cooperatives hold back patronage refunds as capital are they:
   a. ____ acting in "bad" faith with their members?
   b. ____ acting in accordance with a member agreement?
   c. ____ don't know

22. Who selects the manager of the local cooperative?
   a. ____ the members in general meeting
   b. ____ the Board of Directors
   c. ____ the regional wholesale cooperative (CCA)
   d. ____ don't know
23. Are cooperative managers invited to join the Lions or Rotary Club?

____ Yes  ____ No  ____ Don't know

24. Taxes

Check the taxes paid

<table>
<thead>
<tr>
<th>Organization</th>
<th>None</th>
<th>Property Taxes</th>
<th>Income Taxes</th>
<th>Sales Taxes</th>
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<tr>
<td>Cooperatives in General</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>F. E. L.</td>
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<tr>
<td>Coop. Ex.</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>R. E. A.</td>
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</tr>
<tr>
<td>Mut. Ins.</td>
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<td></td>
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</tr>
<tr>
<td>Partnerships</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Ordinary Corp.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

25. Are cooperatives by law automatically exempt from paying Federal income taxes?

____ Yes  ____ No  ____ Don't know

26. If such an exemption exists, can all cooperatives claim such exemption?

____ Yes  ____ No  ____ Don't know

27. What proportion of the Iowa Farmers marketing and purchasing cooperatives are actually claiming exemptions from paying income taxes under the Federal law?

____ all  ____ about 1/4

____ about 3/4  ____ none

____ about 1/2  ____ don't know
28. If obligated by agreement to make patronage refunds, cooperatives may exclude such refunds from taxable income. Is this because:
   (a) _____ a special law that exempts patronage refunds
   (b) _____ an arbitrary ruling of the Treasury Department
   (c) _____ the way that courts have defined income
   (d) _____ don't know

29. Does the government calculate taxable income differently for co-ops than for corporations?
   _____ Yes _____ No _____ Don't know

30. Can an ordinary corporation also exclude patronage refunds from its taxable income if it had agreed in advance to make such refunds?
   _____ Yes _____ No _____ Don't know

31. Patronage refunds which are not paid in cash by cooperatives are taxable?
   a. _____ to the cooperative
   b. _____ to the patrons
   c. _____ to no one
   d. _____ don't know

32. Most cooperatives tend to buy and sell at the going market price. What changes, do you think, would cooperatives make in their pricing policy if patronage refunds were made taxable to the cooperatives?
33. What are the most important factors affecting farm incomes?
1. ____________________________
2. ____________________________
3. ____________________________

34. About what percentage of the consumers food dollar does the farmer receive? ___% ___ don't know

35. How does the average net income made by the dealers and merchants compare with that made by farmers in this community?
   ___ much more for merchants
   ___ a little more than farmers
   ___ about same as farmers
   ___ a little less than farmers
   ___ much less than farmers
   ___ don't know

36. Do you consider farming a business of steady incomes or a "feast and famine" business as compared to other businesses.
   a. ___ Steady
      b. ___ Feast and Famine
         c. ___ Don't know
            d. ___ comment

37. About what percentage of the farmers gross income is taken up by production costs? ___% ___ Don't know
38. Could Iowa Falls be a prosperous business community unless the farmers were prosperous?
   ____ Yes  ____ No  ____ Don't know

39. Could Iowa Falls be a prosperous business community without the cooperatives?
   ____ Yes  ____ No  ____ Don't know

40. How do cooperatives affect town-country relations?
   ____ make for better relations
   ____ have no effect
   ____ make for poorer relations
   ____ don't know

41. If you were looking for a rural town in which to go in business, would you choose a town with farmer cooperatives or one without cooperatives in it?
   ____ With  ____ Without  ____ Not a factor
   Comment  __________________________________________

42. Should more discussions and meetings be held in your community to explain the business structure of cooperatives and how they operate (including explanation of taxation and patronage refunds)?
   ____ Yes  ____ No  ____ Don't matter

43. Who should conduct these meetings in the community?
   ____ Local cooperatives
   ____ County Extension Director
   ____ County Farm Bureau
Vocational Agriculture Dept. in High School
Farmers Grain Dealers Assoc.
CCA
ISC Extension Service
Other. Who

44. Would you approve of cooperatives sponsoring an educational program for young people in the community to teach them about the structure and operation of cooperatives? _____ Yes _____ No _____ Undecided

45. If you were a farmer, would you join and patronize a cooperative? _____ Yes _____ No _____ Undecided

46. If undecided or no, would you join a cooperative under any circumstances? _____ Yes _____ No

47. In your opinion, what do the farmers in the community think is your attitude toward cooperatives?
   a. _____ that you are opposed to cooperatives
   b. _____ that you have a neutral attitude
   c. _____ that you are favorable toward cooperatives
   d. _____ don't know

48. How would you classify your own attitudes toward cooperatives in general?
   a. _____ very favorable   d. _____ unfavorable
   b. _____ favorable            e. _____ very unfavorable
   c. _____ neutral
49. Is there anything about cooperatives in general which you particularly dislike? 

50. Is there anything about cooperatives in general which you particularly favor? 

51. Is there anything about Iowa Falls cooperatives which you particularly dislike? 

52. Is there anything about Iowa Falls cooperatives which you particularly favor? 

53. Are cooperatives a threat to ordinary businesses?  
   _____ Yes  _____ No  _____ Don't know  

54. Do you think that cooperatives are in any way endangering the American way of life?  
   _____ Yes  _____ No  _____ Don't know  

55. If you think that cooperatives are endangering the American way of life, which cooperatives do you regard as most dangerous:  
A. 1. _____ Local coops  
   2. _____ Wholesale coops  
B. Types  
   1. _____ Consumer coops  
   2. _____ Production and marketing coops  
   3. _____ Service coops (REA)  
   4. _____ Mutuals  
(Note: get respondent to be specific - naming names)
56. Do you think that:

Cooperatives are a form of free enterprise?
____ Yes  ____ No  ____ Undecided  ____ Don't know

A step towards monopoly?
____ Yes  ____ No  ____ Undecided  ____ Don't know

A step towards socialism?
____ Yes  ____ No  ____ Undecided  ____ Don't know

A step towards communism?
____ Yes  ____ No  ____ Undecided  ____ Don't know

57. How much are you concerned about cooperatives and their activities?
____ Much
____ Some
____ Little
____ None

58. Place of Birth. Where? ________________________________

59. Farm  ____ Town  ____ City  ____

60. Age ______

61. Education ________________________________

62. Marital status:
Married  ____ Single  ____ Divorced  ____
Widowed  ____ Separated  ____
63. Children at home.

<table>
<thead>
<tr>
<th>Name</th>
<th>Marital Status</th>
<th>Age</th>
<th>Sex</th>
<th>Years Education</th>
<th>Present Occupation</th>
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</table>

64. Children away from home.

<table>
<thead>
<tr>
<th>Name</th>
<th>Marital Status</th>
<th>Age</th>
<th>Sex</th>
<th>Job</th>
<th>Industry*</th>
<th>Where</th>
<th>Union Non union</th>
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<tbody>
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</table>

*Be sure to find out if self employed, has position of responsibility or is just another employee.

65. What was your father's occupation? ________________

66. What was your wife's father's occupation? ________________

67. Do you own any farm land? ___ Yes ___ No
   If yes, how many acres ________________
68. Work experience

What kinds of work have you done in the past 10 years:

<table>
<thead>
<tr>
<th>Job</th>
<th>Date</th>
<th>Industry</th>
<th>Member Union</th>
<th>Type of Work</th>
<th>Where</th>
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<tr>
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<td>4</td>
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</tbody>
</table>

69. Have you ever worked for a coop?  ____ Yes  ____ No

70. If you are not the owner, where does owner of this business live? _________________________________________

(get town and state)

71. Are any of the employees members of unions?

 ____ Yes  ____ No

72. Does the Company have places of business elsewhere?

 ____ Yes  ____ No

73. If yes, are there union employees at any of these other places?

 ____ Yes  ____ No  ____ Don't know
Appendix A

Exhibit 2

Schedule used to gather data after the public relations campaign.
160

Interviewer __________________________ Schedule No. _____

TOWN SCHEDULE-1951

1. If you were going to send a person to a reliable source of information about Iowa Falls cooperatives, to whom would you refer him? __________________________

2. To whom would you send him for information about cooperatives in general? __________________________

3. What are your present sources of information about cooperatives?

____ Des Moines Register or Tribune
____ Cooperative Consumer ____ Church
____ Iowa Falls Citizen ____ Mail Box Holders
____ Trade Publications ____ Coop News Letters
____ Radio ____ Posters, Signs, etc.
____ NTEA and/or Ia. Bus. Men Assoc.

(Interviewer Note: Place (P) in blank if information is Pro-coop, (A) if Anti-coop)

Personal Contact

(a) ____ With co-op manager
(b) ____ With co-op directors
(c) ____ With co-op members
(d) ____ Friends and/or neighbors
(e) ____ Fellow lodge or club members
(1) What lodge __________________________
(f) ____ Personal observation

4. Do you talk about cooperatives with others?
   ____ Frequently ____ Occasionally ____ Not at all
   With whom ______________________________________

5. Do you think that farmers have had valid reasons for organizing and operating cooperatives?
   ____ Yes ____ No ____ Don't know
   If yes, what? 1. ______________________________________
   2. ______________________________________

6. Do farmers give reasons for organizing and operating cooperatives which you consider unreasonable and not valid? ____ Yes ____ No ____ Don't know
   If yes, what? 1. ______________________________________
   2. ______________________________________

7. What proportion of the nation's business is done by cooperatives?
   Total business ____ % ____ Don't know
   non agricultural ____ % ____ Don't know
   agricultural marketing and purchasing ____% ____Don't know

8. What is the trend in the percentage of the total agricultural business being done by cooperatives in the U.S.?
   ____ Increasing rapidly
   ____ Increasing at moderate rate
   ____ About holding their own ____ Don't know
   ____ Decreasing at moderate rate
   ____ Decreasing rapidly
9. Which of the following best fits your description of a cooperative?

(a) ____ a group of farmers conducting certain aspects of their farm business operation jointly for themselves at costs.

(b) ____ a group of farmers seeking extra income by going into business as merchants.

(c) ____ a device by which the gov't can take over private business.

(d) ____ a form of socialism and communism.

10. Are all businesses that make patronage refunds to customers cooperatives?

_____ Yes  _____ No  _____ Don't know

11. Can any business which does not pay patronage refunds be a true cooperative?

_____ Yes  _____ No  _____ Don't know

12. Should "savings" in a cooperative be returned to patrons in the form of refunds on the basis of the amount of business done or to capital investors as increased interest on their capital?

_____ capital investors  _____ patrons  ____ don't know

13. If a loss results because of selling at too low prices, should the stockholders bear the loss or should it be made up on the basis of patronage?

_____ Stockholders  _____ Patrons  ____ Don't know
13a. What is there about the cooperative way of doing business which makes it possible for them to pay patronage refunds?
1. __________________________________________
2. __________________________________________
3. __________________________________________

14. Do you feel that cooperatives have an unfair advantage in business competition in Iowa Falls?
   ____ Yes   ____ No   ____ Undecided
   If yes, what? 1. __________________________________________
                     2. __________________________________________

15. Is there any difference between a dividend on a share of stock and a patronage refund?
   ____ Yes   ____ No   ____ Don't know
   If yes, what is it? __________________________________________

16. Paying patronage refunds is a way of:
   (a) ____ distributing profits
   (b) ____ distributing to patrons, the earnings in excess of costs which by agreement belong to the patron members
   (c) ____ don't know

17. When voting at cooperative meetings does each member have one vote or may he have more than one vote if he has more than one share of stock.
(a) ___ one member one vote
(b) ___ by stock
(c) ___ don't know

18. When an ordinary corporation declares a dividend on stock it is usually payable promptly in cash. When cooperatives hold back patronage refunds as capital are they:
   (a) ___ acting in "bad" faith with their members?
   (b) ___ acting in accordance with a member agreement?
   (c) ___ don't know

19. Who selects the managers of the local cooperatives?
   (a) ___ the members in general meeting
   (b) ___ the Board of Directors
   (c) ___ the regional wholesale cooperative (CCA)
   (d) ___ don't know

20. Taxes
   Check the taxes paid

<table>
<thead>
<tr>
<th>Organization</th>
<th>None</th>
<th>Property Taxes</th>
<th>Income Taxes</th>
<th>Sales Taxes</th>
<th>All</th>
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</thead>
<tbody>
<tr>
<td>Cooperatives</td>
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<tr>
<td>in General</td>
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<td>F. E. L.</td>
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<tr>
<td>Coop. Ex.</td>
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<tr>
<td>R. E. A.</td>
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<tr>
<td>Mut. Ins.</td>
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<tr>
<td>Partnerships</td>
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<tr>
<td>Ordinary Corp.</td>
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</tbody>
</table>
21. Are cooperatives by law automatically exempt from paying Federal income taxes?
   ___ Yes  ___ No  ___ Don't know

22. If such an exemption exists, can all cooperatives claim such exemption?
   ___ Yes  ___ No  ___ Don't know

23. What proportion of the Iowa Farmers marketing and purchasing cooperatives are actually claiming exemptions from paying income taxes under the Federal law?
   ___ all  ___ about 1/4
   ___ about 3/4  ___ none
   ___ about 1/2  ___ don't know

24. If obligated by agreement to make patronage refunds, cooperatives may exclude such refunds from taxable income. Is this because:
   (a) ___ a special law that exempts patronage refunds
   (b) ___ an arbitrary ruling of the Treasury Department
   (c) ___ the way that courts have defined income
   (d) ___ don't know

25. Does the government calculate taxable income differently for co-ops than for corporations?
   ___ Yes  ___ No  ___ Don't know

26. Can an ordinary corporation also exclude patronage refunds from its taxable income if it had agreed in
advance to make such refunds?

___ Yes ___ No ___ Don't know

27. Patronage refunds which are not paid in cash by co-operatives are taxable?
   (a) ___ to the cooperative
   (b) ___ to the patrons
   (c) ___ to no one
   (d) ___ don't know

28. Most cooperatives tend to buy and sell at the going market price. What changes, do you think, would co-operatives make in the prices charged if patronage refunds were made taxable to the cooperatives? _____

29. What are the most important factors affecting farm incomes?
   1. ______________________________________
   2. ______________________________________
   3. ______________________________________

30. About what percentage of the consumers food dollar does the farmer receive? ___% ___ Don't know

31. How does the average net income made by the dealers and merchants compare with that made by farmers in this community?
   ___ much more than farmers
30. a little more than farmers
31. about same as farmers
32. a little less than farmers
33. much less than farmers
34. don't know

32. Could Iowa Falls be a prosperous business community without the cooperatives?
   ___ Yes ___ No ___ Don't know

33. How do cooperatives affect town-country relations?
   ___ make for better relations
   ___ have no effect
   ___ make for poorer relations
   ___ don't know

34. If you were looking for a rural town in which to go in business, would you choose a town with farmer cooperatives or one without cooperatives in it?
   ___ With ___ Without ___ Not a factor
   Comment

35. Should more discussions and meetings be held in your community to explain the business structure of cooperatives and how they operate (including explanation of taxation and patronage refunds)?
   ___ Yes ___ No ___ Don't matter
36. Who should conduct these meetings in the community?  
___ Local cooperatives  
___ County Extension Director  
___ County Farm Bureau  
___ Vocational Agriculture Dept. in High School  
___ Farmers Grain Dealers Assoc.  
___ CCA  
___ ISC Extension Service  
___ Other, Who ________________________________

37. Would you approve of cooperatives sponsoring an educational program for young people in the community to teach them about the structure and operation of cooperatives?  
___ Yes  ___ No  ___ Undecided

38. If you were a farmer, would you join and patronize a cooperative?  
___ Yes  ___ No  ___ Undecided

39. If undecided or no, would you join a cooperative under any circumstances?  
___ Yes  ___ No

40. In your opinion, what do the farmers in the community think is your attitude toward cooperatives?  
(a) ___ that you are opposed to cooperatives  
(b) ___ that you have a neutral attitude  
(c) ___ that you are favorable toward cooperatives  
(d) ___ don't know
41. How would you classify your own attitudes toward cooperatives in general?
   (a) ___ very favorable ___ unfavorable
   (b) ___ favorable ___ very unfavorable
   (c) ___ neutral

42. Did you see the newspaper ads about cooperative operation paid for by the joint committee of cooperatives of Iowa Falls and run in the Iowa Falls Citizen during the past year? ___ Yes ___ No
   Comment ________________________________

43. If yes, how many (approximately) did you read?
   ___ All ___ 3/4 ___ 1/2 ___ 1/4 ___ None

44. (If respondent read any of these ads) What is your opinion of these ads in regard to the amount of truth or factual material in them?
   ___ ads told the truth about cooperatives
   ___ ads were truthful so far as they went but told only part of the story
   ___ ads contained some untrue statements and/or twisted facts
   ___ most of the material in the ads was untrue and/or twisted to suit cooperatives' arguments

45. Did you find out any information about cooperatives from these ads that you didn't know before you read them? ___ Yes ___ No
46. If yes, what are some of the things you found out?
   1. ____________________________________________
   2. ____________________________________________

47. Did the ideas and opinions of cooperatives expressed in these ads agree with your ideas and opinions regarding cooperatives?
   ___ Yes  ___ No

48. Did you change your opinion in any way in regard to cooperatives because of these ads?
   ___ no change
   ___ more favorable toward cooperatives now
   ___ less favorable toward cooperatives now

49. Do you recall receiving a pamphlet about Iowa Falls cooperatives?  ___ Yes  ___ No
   (Interviewer: If no, display pamphlet to get recall)

50. Did you read all or any part of the pamphlet?
   ___ Yes  ___ No  Comments _________________________

51. If yes to above, What is your opinion of this pamphlet in regard to the truth or factual material in it?
   ___ pamphlet told the truth about cooperatives
   ___ pamphlet was truthful so far as it went but didn't tell the whole story
   ___ ads contained some untrue statements and/or
twisted facts

most of the material presented was untrue and/or twisted to suit cooperative arguments

52. Did you find out anything about cooperatives from this pamphlet which you didn't know before you read it?  ___ Yes  ___ No

53. If yes, what are some of the things you found out?
1. __________________________________________
2. __________________________________________
3. __________________________________________

54. Did the ideas and opinions and attitudes toward cooperatives that were expressed in this pamphlet agree with your own ideas and opinions about cooperatives.
___ Yes  ___ No  ___ No answer

55. Did you change your opinion in any way in regard to cooperatives because of the ideas in the pamphlet?
___ no change
___ more favorable toward cooperatives now
___ less favorable toward cooperatives now

56. Have you read the recent ads in the Iowa Falls Citizen opposing cooperatives?  ___ Yes  ___ No
Comment _______________________________________

57. If yes, what is your opinion of these ads in regard to the truth or factual material in them?
___ ads told the truth about cooperatives
___ ads were truthful so far as they went but didn't
tell the whole story
___ ads contained some untrue statements and/or
twisted facts
___ most of the material presented was untrue and/or
twisted to suit the arguments of those opposed
to cooperatives

58. Did you find anything out about cooperatives from
these ads which you didn't know before you read
them?  ___ Yes  ___ No

59. If yes, what are some of the things you found out?
1. _______________________________________________________
_________________________________________________________

2. _______________________________________________________
_________________________________________________________

60. Did the ideas and opinions and attitudes toward co-
operatives expressed in these ads generally agree
with your own ideas and opinions of cooperatives?
___ Yes  ___ No  ___ No answer

61. Did you change your opinion in any way in regard to
cooperatives because of the ideas in these ads?
___ no change
___ more favorable toward cooperatives
___ less favorable toward cooperatives
65. Do you think that:

Note: Get respondent to be specific — naming names.

Steps toward communism:

Yes — No — Don't know

A step toward socialism:

Yes — No — Don't know

A step toward monopoly:

Yes — No — Don't know

Are cooperatives a form of free enterprise?

66. If you think that cooperatives are endangering the American way of life, which cooperatives do you refer to?

Yes — No — Don't know

67. Are cooperatives a threat to ordinary business?

Yes — No — Don't know

Types of cooperatives:

Wholesale coops — (2)

Retail coops — (1)

Consumer coops — (1)

Production and marketing coops — (2)

Service coops (REAs) — (2)

Mutuals — (4)
66. How much are you concerned about cooperatives and their activities?
   ____ Much  ____ Little
   ____ Some  ____ None

67. Place of birth. Where? __________________________

68. Farm ___  Town ___  City ___

69. Age __________

70. Education ________________________________

71. Marital Status:
   Married ____  Single ____  Divorced ____  Widowed ____
   Separated ____  No. of children ____

72. What was your father's occupation? ________________

73. What was your wife's father's occupation? __________

74. Do you own any farm land?  ____ Yes  ____ No
   If yes, how many acres _______________________

75. Work experience
   What kinds of work have you done in the past 10 years:

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</table>

76. Have you ever worked for a coop?  ____ Yes  ____ No
77. If you are not the owner, where does owner of this business live? ____________________________ (Get town and state)

78. Are any of the employees members of unions?
   ___ Yes   ___ No

79. Does the Company have places of business elsewhere?
   ___ Yes   ___ No

80. If yes, are there union employees at any of these other places? ___ Yes   ___ No   ___ Don't know
<table>
<thead>
<tr>
<th>Organization</th>
<th>Length of Membership</th>
<th>Offices Held</th>
<th>Participation</th>
<th>Voice</th>
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<tbody>
<tr>
<td>Church</td>
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<tr>
<td>Veterans</td>
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<tr>
<td>Farm Bureau</td>
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<td>Kiwanis</td>
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<td>Rotary</td>
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<tr>
<td>Lions</td>
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<tr>
<td>Off the Record Club</td>
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<tr>
<td>Iowa Assoc. Businessmen Inc.</td>
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<tr>
<td>(ad sponsors)</td>
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<tr>
<td>Trade Groups</td>
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<tr>
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<td>Professional Groups 2.</td>
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<td>Professional Groups 3.</td>
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<tr>
<td>Chamber of Commerce</td>
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<tr>
<td>Junior Chamber</td>
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<tr>
<td>NTEA</td>
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<tr>
<td>Fraternal 1.</td>
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<tr>
<td>Fraternal 2.</td>
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<tr>
<td>Other (national, state, local)</td>
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</tbody>
</table>

Since January 1950

* Offices held - P - President equivalent; VP - Vice President or equivalent; S - Secretary; T - Treasurer; C - Committee member; CC - Committee chairman; O - Other.

** Participation on basis of total meetings held. 3/4 or more, 1/2 to 3/4, 1/4 to 1/2, less than 1/4.
Appendix B

Exhibit 1

The pro-cooperative advertisements sponsored by the Joint Cooperative Committee, Iowa Falls, Iowa.
"FARM CO-OPS PROMOTE OUR PRIVATE BUSINESSES"

Mr. and Mrs. Lyle Pettenger are shown discussing problems of their private farm business at Mr. Pettenger's desk in their home southwest of Iowa Falls.

"What burns me up is to have people say our co-ops are socialistic or communistic!" Lyle Pettenger, who farms eight miles southwest of Iowa Falls often tells his friends.

"Certainly no one in his right mind could say that we farmers are socialistic or communists. We operate our farms privately. The land and capital we use is our private property. If we don't make a good living, it's our own hard luck. We're not trying to overthrow our American economic system. We're trying to operate better in it. How, then, can anyone figure that we have suddenly become socialistic or communist when we pool some of our private resources in a joint private enterprise to give us things we'd otherwise never have had in the world?"

"It's not having co-ops that helps pave the way to socialism. If we do our part through our co-ops, we won't have to ask for government help.

"Our co-ops are incorporated under Iowa laws as private business like other corporations. The co-ops are the property of the members not of the state or government. They're run by the members through their elected directors, not by the government. Each of us benefits according to our patronage, not on a communistic basis. If we couldn't make the thing pay, it'd be up to us to make good, not the government or the taxpayers.

"Our farm co-ops are no more socialistic than the Associated Press (one of the biggest co-ops in the U.S.), the Mutual Broadcasting Company, and the Railway Express Agency, Inc. Besides, how about the co-op wholesale companies organized by independent grocers, druggists, hardware merchants, and others? And don't forget businessmen's mutual insurance associations.

"All of these are owned and operated by their member companies for their mutual benefit as patrons, like our farmer co-ops.

"So where does the loose talk about our co-ops being socialistic come in? It seems that some folks have the un-American habit of calling anything they don't like 'socialistic' or 'communistic'."
"CO-OPS HELP ME RUN MY FAMILY FARM"

Playing with the tinker toys holds real fascination for the younger of Russell Williams two sons, Jerry and David, on their family farm north of Iowa Falls. Williams gives a lot of credit to his Iowa Falls co-ops for the part they play in enabling him to have a fine home for his children.

"Family farms are something we all agree on," Russell Williams, whose family farm is north of Iowa Falls, points out. "In our scheme of farming, I not only operate my farm, but my whole family lives on the place, like you see in the picture. Besides, all that are able, also work. Our farm is a family affair.

"A 'farm family' not only provides labor, but capital and management, too. Some of us also hire some extra help. We understand all these viewpoints — so act as a 'balance wheel' in our economy.

"The farm family is also the basis of community and social life in the country. And co-ops help bring the farmers in the community together. What would country life and country towns be like if land was farmed by great corporations using gang labor?

"Although my family farm has many social and economic advantages, it also has many disadvantages.

"That's where my co-ops fit in. They let me enjoy the advantages of the family farm, but they also give me many of the advantages of the buying and selling departments of a big corporation. They help me get away from inferior products, and help me modernize my farm. Some of these services wouldn't have been available to me without my co-ops. Or else the costs would be so high I couldn't afford them. When my neighbors and I provided them for ourselves through our co-operation, we get the services for what it costs us to produce them.

"By co-operating, we also get a better understanding of the problems of businessmen. We learn about costs, competition, risks, and the other business problems. Anything we save by co-operating raises our level of living and spending, and that shouldn't hurt the businessmen of Iowa Falls.

"All these things — and more too — add up to the reasons why my co-ops help make this a better community for all of us."
"PRODUCTION IS ONLY HALF THE JOB"

George Hansen, who farms southwest of Iowa Falls, stacks bales of straw to be used for bedding his large number of breeding sows this winter.

"More than 96 percent of us farmers around Iowa Falls belong to at least one co-op." George Hansen, who farms four miles southwest of Iowa Falls, proudly relates.

"We farmers have made a lot of progress in production. We've made 'two blades of grass grow where one grew before'. We farmers of the U. S. produce more per man than the farmers of any other country in the world.

"But production is only half the job. The other half is getting the products sold at a profit. Unless we make the same progress on the buying and selling side of farming as on the production side, we may still lose money.

"We farmers around Iowa Falls are only doing what progressive farmers everywhere are doing. Our co-operatives are a sign of enterprise and progress.

"By working together through our co-ops we're better able to keep pace with progress in other industries and to hold our own in our markets. Only in this way will we have the purchasing power to make a good market for the products of other industries and the businessmen of Iowa Falls.
"$35,000,000 IN TEN YEARS"

It's television night at the Marion Jones residence east of Iowa Falls. Sitting on their father's knee, Jones' twin boys are intent upon the screen during a tense moment. Television is just one of the many luxuries farmers now enjoy, thanks to their co-ops.

"$35,000,000 — that's how much my marketing co-ops have brought back into Iowa Falls in the last ten years," Marion Jones, who farms east of Iowa Falls, likes to point out.

"That's how much they've paid me and the other co-op patrons for our farm products and in patronage refunds. And most of that money we've spent right here in Iowa Falls because it's our town and it's where we like to shop.

"Without co-ops, how much of that money would have come to Iowa Falls? No one can prove what the conditions would be now if there were no co-ops, of course. But research men at Iowa State College tell me that the local co-ops keep money in the community that would have been drained out by buying agencies of corporations owned in big cities. They also tell me that we farmers can increase the market value of our products by improving the quality. That brings added income and wealth to farmers and the community.

"Through our co-ops we can concentrate our business into more efficient units. The result is more net income for us to spend in the community.

"Naturally, the extra money we make through our co-ops helps raise our standard of living - helps give us a more desirable community to live in."
“MY CO-OPS ARE MY BUYING AND SELLING AGENTS”

“I look at my co-ops as the buying and selling agents of my farm business,” Clarence Richtsmeier, who farms six miles east of Iowa Falls, says.

“Most large manufacturing businesses have buying and selling departments of their own. They buy their supplies at wholesale. But because each of us farmers operates a family-size farm, we can’t each have a separate buying and selling department and we used to have to buy our supplies at retail. So now we get together and share the costs and responsibilities of operating and using such departments jointly. That’s what our co-ops are.

“Now, we deliver our farm products to our co-ops and they market them for us. The managers keep up on prices and places to sell for us. We can also buy our supplies at wholesale, like other manufacturers. Our co-ops scout around and help us get the best deal on farm supplies. Our farm businesses are much more efficient — and give us more income — when we have our own cooperative ‘departments’.

“If I didn’t have my co-ops to act as my agents I’d be at a big disadvantage. I don’t have the time or experience to keep up on market conditions, prices, quality of products, and the like. Be-companies who are experts at that sort of thing.”
"My R. E. A. co-op supplies our farm with electricity we need to run our farm equipment and our household appliances." Frank Anderson, who farms with his son Evan five miles south of Iowa Falls, says.

"R. E. A. power makes all the difference in the world on our farm. It runs our milking machines, pumps water, and powers Evan’s shop equipment like the welder. Electricity from our co-op has really changed our life altogether as far as saving work and being handy. It’s directly raised our standard of living and the standard on all the farms in this area.

"My Hardin County Rural Electric Co-operative is owned by its members who are also its patrons. We elect a board of directors and hire a manager. Between them, they run our business for us. The savings we make on electricity are used to pay the interest and principal of our government loan that got us started. All in all, we have 2,800 members — 96% of all the farmers living in the area we serve. Before the R. E. A. only a handful of farmers felt they could afford to use electricity. As for direct benefits to Iowa Falls business, what would you estimate our R. E. A. does for electric appliance dealers?"
"Fire can be disastrous for us farmers," Rollie Van Patter, farmer who now doubles as secretary for the Farmers Mutual Insurance Association, is quick to point out. "Being a long way from a fire department means that an ordinary small fire can soon get out of control. And buildings, stock — everything — might go up in flames before anything could be done about it.

"That's why farmers in the Iowa Falls area got together sixty years ago to form the Farmers Mutual Insurance Association. They did it so they'd have adequate protection at a price they could afford to pay. Because we take the risks, we get the insurance at cost.

"Today, our Mutual protects $25,000,000 worth of farm buildings and homes belonging to its more than 3,000 members. It covers not only buildings, but machinery, livestock, stored grain, and seed. And it gives us this protection for much less than it would otherwise cost us.

"Instead of a premium, we all pay a yearly assessment in advance to cover any losses. Last year we paid $28,000 in claims.

"Mutual insurance is a good idea not only for farmers, but for businessmen, too. Lots of local businesses are insured with mutual companies for exactly the same reason we insure with our Mutual. In fact, the first fire mutual in this country was organized by Philadelphia businessmen in 1752. Benjamin Franklin was one of its founders. It's still operating.

"Like other co-ops, our Mutual Insurance Association elects a board of directors — each policyholder having one vote. The board makes adjustments, and, through the secretary, carries on our business."

Rollie Van Patter, secretary for the Farmers Mutual Insurance Association, leans back in his desk chair to talk about co-ops in general and about the benefits of the Mutual in particular.
“Corn is King around Iowa Falls, as in the rest of Iowa. Our farming is built around corn,” Edward Kline, whose farm is just south of Bradford reminds friends. “Of course, we also raise a lot of oats, soybeans, and hay, too. Most of these crops are fed and sold as livestock products. We also buy a lot of feed, fertilizers, coal, gas and oil, building materials, fencing, and a lot of other supplies.

“So it’s only natural that we’d need a co-op to act as our agent in handling our grain, hogs, and supplies. That’s what our Farmers Elevator does for us. In the last ten years, it has handled nearly four million bushels of corn, two and a half million bushels of other small grains, and 310,000 hogs for us and paid us farmers all the market returns less expenses and reserves.

“To carry on our business for us, we elect a board of directors at our annual meeting. They hire the manager and he hires the help needed to run the business.

“To serve our 1,100 members better, our Farmers Elevator also operates branches at Bradford and Macy. Because we farmers do three million dollars of business a year through our elevator co-op, the expense of doing business amounts to only about 2.5 cents for each dollar of business. The money we save and the additional money this co-op brings into this area and leaves here helps make this a better community for all of us.”
"MY CREAM GOES TO MAKE BUTTER"

Clarence Strauss shovels grain for his top-quality dairy herd on his farm southeast of Iowa Falls. Strauss markets his cream through his Iowa Falls Creamery.

"My cream goes to make butter," Clarence Strauss, whose dairy farm is southeast of Iowa Falls, explains. "And because a group of us farmers own the Iowa Falls Creamery, we're able to get more for our cream. We get more because the volume of cream we bring together at our creamery is about twice the state average. This saves us $10,000 to $15,000 a year on costs at the creamery. Another reason we get more is because we're careful about quality. This brings us another $10,000 to $15,000 extra income each year. Some of the older men who are in dairying tell me about the time before we had our creamery when the profit margin on butterfat was quite a bit wider than it is now. Besides, they tell me about how they used to "split" their cream between different cream buyers because they had some doubts about the way their cream was weighed and tested. So, altogether, we figure we're getting at least 3 to 5 cents a pound more for butterfat than we would without our creamery. I'll let you figure what that means on the 10,880,000 pounds of butter our creamery made in the last ten years.

All these savings are a part of the five and a half million dollars our creamery has paid us for cream in ten years. That's a lot of money. A sizeable part of it would not have come to Iowa Falls, or stayed here, if we didn't own our creamery.

"It's true that our creamery is not incorporated under the co-operative law, but it's operated like a regular co-op. We cream producers own it jointly, and no one can own more than one share of stock. So, like any co-op, each member has one vote. And we farmers get just what the butter sells for, less the expenses and reserves.

"I said we're strict about quality. My creamery and a group of other creameries stand the expense of a man whose only job is to check up on how clean and sweet the cream is, and to help us correct anything wrong on our farms. This not only brings us more for our cream, but consumers get better butter."
"EGGS BRING PREMIUM PRICES AT MY CO-OP"

Mrs. Henry Kastendieck, who lives just west of Alden, feeds her flock of Leghorn hens. Mrs. Kastendieck sells her eggs at the Farmers Co-op Exchange because it passes on to her the better price it gets for her high quality eggs.

"I take care of the chickens on our place," Mrs. Henry Kastendieck, who lives just west of Alden points out.

"We get the top market price for our eggs at the Farmers' Co-op Exchange. Not only that, but at the end of the year we get an extra payment — a patronage payment of the saving we make by having our own marketing co-op.

"It is interesting to watch how our egg cases are taken by the Exchange and every egg candled so our co-op can sell them at the top price — and pass the extra on to us. Because we now produce better eggs which sell for higher prices, more money comes into this area from Eastern markets."

"The other day I found out that the Exchange sold over ten million dozen eggs in the last ten years. It's paid farmers around here more than five million dollars in the same time — four million for eggs and the rest for poultry our co-op has sold for us.

"When you stop to think about it, it's easy to see how much that co-op has meant to our community, since that egg check goes for something or the other every time I'm in town. The things I buy make living nicer on our farm, naturally, and they help make this a better area for all of us to live in, too."
"ALL MY CO-OPS PAY THEIR SHARE OF TAXES"

C. J. Kelsey, prominent farmer southeast of Iowa Falls, inspects a load of bromegrass seed on his place. Kelsey has long been an active supporter of Iowa Falls co-ops.

“There’s been more heat than light in the ’ruckus’ about co-operative income taxes,” C. J. Kelsey, who farms southeast of Iowa Falls in partnership with his son Dean, observes when someone asks about the taxes his co-ops pay.

"Locally, my co-ops pay the same taxes as anyone else — taxes like real and personal property taxes, sales, excise, transportation, communication, social security, and unemployment taxes.

"All the controversy comes over two points, first, the so-called patronage ‘dividend’ and, second, the exemption from all income taxes granted some co-ops.

"As for those ‘dividends’, that’s easy. They simply aren’t profits as defined by law. They’re more like discounts, refunds, or rebates paid by other businesses. Any business may exclude such adjustments from its taxable income if it had agreed in advance to make them. My co-ops had agreed in advance to make a settlement with members for any charges or any sales proceeds over cost, dividends on stock, and reserves.

"Then, too, these refunds are made on the amount of business I do — not on my investment. That money always belonged to me — it never was income to my co-ops. And, since that money adds to my income, it’s my business to pay income taxes on it.

"Non-exempt co-ops must and do pay income taxes on any income they realize. Such income includes money paid as dividends on stock and money held back as reserves. Any income realized on non-member business is taxable to my co-ops.

"The fact that patronage refunds are not taxable as income to co-ops (or any other corporation) has nothing to do with the exemption section of the Internal Revenue Code. They would not be taxable even if the exemption section were repealed.

"There, however, are co-operatives that pay no Federal income taxes. They are the ones that have applied for exemption and meet the strict requirements. If they meet the requirements, they usually would have little or no taxable income, anyway. Exempt co-ops are permitted to pay limited dividends on stock and build up certain reserves. But the requirements for exemption are so strict that only about 25% of all Iowa farmers’ co-ops meet them."
"By co-operating, we family-size farmers are able to overcome some of our disadvantages in both production and marketing," says William Carpenter, who farms four miles south of Iowa Falls. "Besides that, we are able to correct some of the weak or bad spots in our markets.

"Before we had co-ops, farmers couldn't always get the quality of supplies or kinds of services they wanted. I can't say there would be higher prices now if we didn't have co-ops, but I feel there would be.

"Before we had co-ops, farmers sometimes scattered their patronage among too many dealers. The volume of business of each man was so small that his costs were too high.

"Then again, sometimes the dealers got together and agreed on prices and margins, usually higher than farmers thought necessary. Or else we had to deal with a monopoly.

"Sometimes dealers weren't interested in improving marketing methods, competitive practices, quality, and so on. They were more interested in their margins and profits than in the prices we received or paid.

"It is usually less trouble for a dealer to pay a flat price to all than to pay according to quality. Under such a system, producers of high quality products were penalized. Some of our co-ops were organized so we could ship to a market that paid premium prices for quality.

"When we co-operate, we members have to take the risks and responsibilities of owning and operating the co-operatives. If the results aren't what we expected, we lose. If we succeed, we improve marketing methods and set the competitive pace. In that case we benefit the public as well as ourselves."
96% OF US FARMERS BELONG TO CO-OPS

"CO-OPS ARE A PART OF MY FARM BUSINESS"

"Lots of folks don't know what a farmers' co-op is," Douglas Granzow, who farms five miles northwest of Iowa Falls points out when he's talking about his co-ops. "They aren't just sure where co-ops fit in.

"My investment in my co-ops are as much a part of my farming business as my investments in my barn, my tractor, or any other equipment on my farm.

"The only difference is that where I own and use my tractor myself, I own and use my co-ops jointly with my neighbors. I don't operate the tractor to get a dividend on it. I get the use of it at what it costs me to own and operate it.

"In the same way, I get the services of my co-ops at what it costs me and my neighbors to own and operate them jointly.

"When my friends ask me for a formal definition of co-ops, I tell them a co-op is an 'agreement among a group of people to act together in buying or selling, to own and use the needed facilities jointly, and to share jointly the costs and responsibilities of owning and operating them.'

"Every state in the country has a law for co-ops of that kind. The Iowa Co-operative Law requires:

• One vote to each member — but no more.

• Limited returns, if any, on capital.

• Any proceeds over costs, reserves to protect creditors, and returns on capital, if any are paid, must be returned to members according to the amount of business each has done through the co-op.

• Only farmers may be members of farmer co-ops.

"Any profit made on business done with non-members is subject to Federal income taxes.

"As farmer-members, we bear the risks of losses or of costs being high. Our co-ops are private business as much as our farms are private business. We are free to join or quit them. They are, therefore, a part of our free, private-enterprise system and have nothing in common with socialism or communism."
Appendix B

Exhibit 2

The pro-cooperative pamphlet published
by the Joint Cooperative Committee,
Iowa Falls, Iowa
JOE M. BOHLEN

What About Those

Iowa Falls Co-ops

A Booklet For Businessmen

Published By
The Joint Co-operative Committee
Iowa Falls, Iowa
What Do Co-ops Do?

Here in Iowa Falls, the farmers' co-ops are the marketing agents for the farmers. They sell the products they produce on their farms. They also act as the buying agents for the farmers. Some of the co-ops supply services for farmers.

The Iowa Falls co-ops sell for their farmer-members grain, hogs, eggs, poultry, and cream. Last year, for instance, the Farmers' Co-op Elevator sold $2,300,000 worth of small grains (including soybeans) and one and a half million dollars worth of hogs. The Farmers' Co-op Exchange sold $700,000 worth of eggs, and the Iowa Falls Creamery, Inc., sold $500,000 worth of cream in the form of butter. In the last ten years co-ops have paid farmer-members in this community $35,000,000.

Two other Iowa Falls co-ops sell only services. The Hardin County Rural Electric Co-op provides power for 2,600 farmers in the Iowa Falls vicinity. When this co-op was started in 1938 only a handful of farms had power — or were potential markets for appliances, electric farm machinery, or the luxury items powered by electricity.

The Farmers' Mutual Insurance Association of Hardin and Franklin Counties provides fire, explosion, and lightning insurance for farmers. Mutual insurance companies are not new in this country; Benjamin Franklin helped found the first one in Philadelphia. Today hundreds of these companies protect not only farmers, but small businessmen as well.

What Do Farmers Get Out Of Them?

As a businessman in Iowa Falls, you're an expert in buying. You see that you get all the discounts coming to you, and you watch carefully for good buys.

That's what the co-ops do for the farmers. They're his purchasing department and his selling department. Unlike you in your business, the farmer doesn't spend his time purchasing and selling goods; he's busy with another phase of our economy: production. And working long hours on production means he doesn't have a chance to keep up with the markets. Besides, he's no match for the huge corporations that often buy his products.

Farmers, by their very nature, are in a bad squeeze. You buy your goods wholesale and sell them — with service — at retail. You know you'd soon go broke if you reversed that procedure. Yet that's just exactly what the farmer does. He buys at retail the equipment and supplies he needs, and then sells wholesale. His co-ops simply help him make a better living because they help overcome this disadvantage. They're a specialized department of his farm business concerned with marketing.

Because co-ops encourage the farmers' interest in quality products. Eastern buyers pay more money for the things produced in the Iowa Falls area. And this added income is spent by the farmers for more of the things you sell that can make his life easier and more enjoyable.
Do Co-ops

GENERAL TAXES:

YOU'VE PROBABLY HEARD some of the propaganda balloons floating about, but perhaps you don't realize that, like most propaganda, the whole thing is making a mountain out of a molehill.

In the first place, there's no question about local taxes. Co-ops pay the same local taxes any other business pays. Last year, for instance, Iowa Falls co-ops paid $10,590 in local property taxes alone. That's their full share; there's none of the so-called "tax favoritism" here. And, counting Social Security and Iowa Old Age Pension taxes which eventually come back to Iowa Falls, co-ops poured $3,000 more into the community.

Not only that, but co-ops pay sales, excise, transportation, communication, and numerous other taxes which any other business would have to pay.

Here in Iowa Falls, one of the organizations which considers itself a co-op — and is by all but the strictest legal definition — is actually organized under corporative law. It's the Iowa Falls Creamery, Inc., and of course it pays ALL the taxes any other corporation would pay. Yet both the Farmers' Co-op Elevator and the Farmers' Co-op Exchange paid more in taxes last year.

If co-ops pay all these taxes, then where does the 'ruckus' about co-op taxes come in? The whole argument centers around two entirely separate points:

1. The fact that patronage refunds are not taxed to co-ops.
2. The fact that some co-ops are exempt from Federal income taxes.

Pay Taxes?

INCOME TAXES:

REGARDING PATRONAGE REFUNDS: There is no statute which exempts patronage refunds from the corporate income taxes co-ops pay. Patronage refunds simply are not income to any business if it had previously agreed to make them. This rule has been established by the courts. It applies not only to co-ops, but to any business. The rule is based on the idea that if you receive or handle money as a trustee or agent or under an agreement that does not give you the right to keep it, use it, or dispose of it AS YOUR OWN, it is not income to you. No true co-op has the right to keep any proceeds over costs and reserves. Farmers must pay income tax on the money they get as patronage refunds, however.

Non-exempt co-ops must pay income taxes on any proceeds which they are not required by prior agreement to refund to patrons. They, therefore, pay income tax on money kept for reserves or paid as dividends on stock. They also pay on proceeds resulting from non-member business.

REGARDING EXEMPTION: There are some exempt co-ops, though less than a quarter of Iowa Farmers' co-ops are exempt. A co-op must apply for exemption; it does not come automatically. If it meets the strict exemption requirements of the law it would have very little, if any, taxable income. It must operate at cost, and treat non-members the same as members. Since these co-ops can pay limited dividends on capital and accumulate needed reserves they do have a little tax advantage, but it is much less than is ordinarily supposed.
**Are Co-ops Private Enterprise?**

**YES!** When farmers co-operate their purpose is to improve their welfare rather than to reform our American economic system. Iowa Falls farmers use their co-ops in order to operate better under our present system. Certainly no one in his right mind could say farmers are socialistic.

<table>
<thead>
<tr>
<th>PRIVATE ENTERPRISE</th>
<th>CO-OP BUSINESS</th>
<th>SOCIALISM</th>
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<tr>
<td><strong>NON-CO-OP BUSINESS</strong></td>
<td><strong>CO-OP BUSINESS</strong></td>
<td><strong>SOCIALISM</strong></td>
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<tr>
<td>• Owned by Private individuals.</td>
<td>• Owned by private individuals.</td>
<td>• Owned by the government.</td>
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<tr>
<td>• Profit is the incentive to produce.</td>
<td>• Profit to members is the incentive to produce.</td>
<td>• Operated by the government; business profit no incentive.</td>
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<td>• Competition with other business controls size and prices.</td>
<td>• Competition with other businesses controls size and prices.</td>
<td>• No competition. Government sets the prices.</td>
</tr>
<tr>
<td>• Risks taken by owners, not taxpayers.</td>
<td>• Risks taken by owners — the co-op members — not taxpayers.</td>
<td>• Taxpayers take the risks.</td>
</tr>
<tr>
<td>• Profits go to owners on basis of capital investment.</td>
<td>• Savings become profit for individual members on the basis of patronage.</td>
<td>• Profits, if any, go to the government.</td>
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Co-ops aren't found only among farmers. Consider the Associated Press, the Mutual Broadcasting Company, and the Paducah and Illinois Railroad Co. Then, too, what about the co-operative wholesale grocery and hardware companies, or the businessmen's mutual insurance associations? They're all operating as capitalist businesses in order to make maximum profits.
Are Co-ops Unfair Competition?

SOME PEOPLE SAY that co-ops are unfair competition. They claim that co-ops have an advantage because they don't pay income tax on patronage refunds. They say that co-ops therefore, have lower costs than dealers. But this argument doesn't hold water when you look at it closely.

In the first place, most of the businesses which compete with the co-ops in Iowa Falls are not corporations and therefore they don't pay any corporate income taxes at all.

Besides, a corporation that pays income taxes does not for that reason have higher costs than the one which realized no income at all and paid no income tax. Costs are deducted before the taxable income is arrived at. Therefore the tax does not affect the cost of business. (That means it can't be because of higher costs due to income taxes that a competing corporation is at a disadvantage.)

Co-ops should have an advantage over dealers in attracting members and their patronage when the members feel they are getting better service, better prices, or service at less cost.

But is this an UNFAIR advantage? A competitive advantage that's based on greater efficiency is not unfair according to the principles of free, competitive enterprise. You yourself have that kind of advantage over less efficient businesses. Many inefficient co-ops have failed just as inefficient businesses of other types may fail. Those that have survived have stood the competitive test.

Do Co-ops Do ME Any Good?

HERE IN IOWA FALLS, the welfare of the whole community depends on how well the farmers are doing. If farm prices are fair, then Iowa Falls has a good level of business, and you can sell enough goods you can make a comfortable living. If farm prices are low, then business here in Iowa Falls drops off. Remember the depression? It's easy to see how a town the size of Iowa Falls depends heavily on the farmers.

And that's how the co-ops do you a lot of good. They help the farmer earn more so he can have more to spend when he goes shopping in Iowa Falls. They help raise the whole standard of living in this area. Co-ops help the farmer improve the quality of his products so more money comes into this area, and so more money can be spent here for equipment.

Co-ops help in another way, too. Through co-ops, farmers are able to keep their family farms up to the high level we have come to expect. They can raise their children and see that they have the things they need. If it were impossible for the individual to make a living farming with his family, we might have huge, sprawling farms operated with gang labor. If that were true, can you imagine what would happen to your business and to the whole town of Iowa Falls?
Are Co-ops Squeezing Small Business Out?

Among some businessmen there is a vague, unreasoning fear that co-ops are forcing out small businessmen. Here in Iowa Falls, as over the country, it is easy to show that this simply isn't true, nor likely to be.

For instance, while there are no more co-ops today than there were ten years ago in Iowa Falls, everyone can think of several new businesses and businessmen who have started in here. Not only have new businesses been started, but each of them has had to stand the test of competition, as a co-op must. That evidence, multiplied in many towns, shows there is little danger.

Small independent businessmen have been at a disadvantage in competing with chain stores and some other systems. These have been more of a threat to small businesses than farmer cooperatives have been. But in many cases small business have met this threat by forming cooperative wholesale purchasing associations, credit bureaus, insurance mutuals of their own. This is exactly what farmers have done to protect their interests.

Businesses that are owned by local people will probably leave more of the earnings in the community than businesses that are owned by outside people. Both small and large businesses have advantages as well as disadvantages. Cooperatives among farmers as well as among small businesses have their place in establishing a desirable competitive balance between them.

What Are The Limits To Co-op Growth?

Agricultural Co-op activity in the United States seems to be approaching a plateau. Since 1929, the percentage of the total farm marketings which were handled by farmers' co-ops has fluctuated between one-fifth and one-fourth. In 1947 it was 22.5%.

Co-ops tend to have some major obstacles in their way because of their very nature. When a co-op has exerted its competitive influence on dealers, farmers feel keenly the need for supporting their co-ops. Since co-ops are democratically controlled organizations, they are subject to most of the potential weaknesses of such organizations. The biggest drawback is the apathy of members. Moreover, advantages may be lost by the delay caused when important decisions must await action by the membership.

Farmers tend to be conservative, and often are unwilling to assume the risks involved in many lines of business. And much, of course, depends on how efficient and progressive competing businesses continue to be and their willingness to provide satisfactory service at a reasonable profit.

In England, where a socialist government is in power and where co-ops have vastly more importance than they are ever likely to have here in America, the co-ops still handle only about 12% of the business.

In much the same way that competition and other economic laws limit all business, co-ops have not only a function in our economy, but a limit to their growth.
A Co-op Is:

- A part of the farmer's farm business, owned and controlled by him and his neighbors, run for their benefit, not as investors of capital, but as patrons.

- Controlled on a one vote per member basis, regardless of the amount of stock held.

- Required by law to return any savings to members on the basis of the amount of business each does through the co-op, after allowing for reserves to protect creditors and a limited return on capital.

- A way of conducting jointly some farm activities to increase the income from farming.

- Private business as much as a farm is private business. Farmers bear the risks and share the benefits to the extent that they use the co-op.

- Consistent with the essentials of free, private enterprise.

Farmers Co-op Elevator - Farmers Co-op Exchange
Hardin County R. E. A. - Iowa Falls Creamery, Inc.
Farmers Mutual Insurance Association
Appendix B

Exhibit 3

The anti-cooperative advertisements sponsored
by the Iowa Associated Businessmen, Inc.
Ames, Iowa.
Defense against our country's enemies is everyone's responsibility!
EVERYONE MUST HELP PAY THE COST!

But...everybody isn't!

Congress allows billions in business—millions in profits—to escape without paying any, or very little, Federal income tax. Congress does so by continuing to grant INCOME TAX EXEMPTIONS to the business incomes of COOPERATIVE CORPORATIONS and many MUTUAL COMPANIES. Congress permitted this tax favoritism all through two World Wars...still shirks its responsibility NOW when our national defense program needs every dollar from every tax source possible.

Iowa Associated Businessmen, Inc.
463 Westwood Drive
Ames, Iowa

CONGRESS IS TALKING ABOUT INCREASING INCOME TAXES ON YOU AND OTHERS TO BRING IN THIS NEEDED REVENUE. WRITE YOUR CONGRESSMAN AND SENATORS. DEMAND THAT THEY FULLY TAX THE UNTAXED BEFORE INCREASING YOUR OR ANYONE ELSE'S INCOME TAXES.

CLIP, SIGN and MAIL this to your Congressman...

No business should be permitted to make a tax-free profit. I urge you to FULLY tax the untaxed, even by repealing the pertinent paragraphs of the Internal Revenue Law by which co-ops and many mutuals escape income taxes and by declaring the income of these business concerns to be taxable income at the corporate level before distribution in any manner.

(Your Name)

2-22-61

(Your Address)

Mail to Congressman in care of House Office Building, Washington, D.C.
Mail to Senators in care of Senate Office Building, Washington, D.C.
Mr. Congressman:
You raised my income taxes last Fall. Now I read you are
talking about doing it again. But you still let billions in
business and profits escape paying to support our nation.
How come you permit these businesses--such as co-ops and
many mutuals--to go scot free, or nearly so, year after
year while raising my income taxes again and again? You are
responsible. Tax these tax-exempts first before doing any
more talking about raising my taxes, or anyone else's!

Iowa Associated Businessmen, Inc.
483 Westwood Drive
Ames, Iowa
YOU PAY MORE TAXES—
because Congress continues to allow a “favored few”
big businesses to pay little or nothing!

Congress is playing favorites with federal income taxes. Congress recently RAISED your income tax...collects it in advance...out of your paycheck. But, while Congress was quick to boost your tax, it did NOTHING about taxing thousands of BIG BUSINESSES on their huge profits. These TAX PETS of Congress are co-operative corporations and many mutual companies. Congress lets them escape nearly a billion dollars a year in income taxes by granting them special exemptions. But the government has to have the equivalent of that billion dollars, so Congress adds it on to YOUR tax bill. You will pay MORE because Congress allows co-ops and many mutuals to pay little or nothing.

It is time for you to protest this injustice!

Write your Congressman and Senator TODAY. Protest the failure of Congress to tax the business profits of co-ops and mutuals, while raising YOUR tax higher and higher.

Iowa Associated Businessmen, Inc.
453 Westwood Drive
Ames, Iowa

Clip, Sign and MAIL this to your Congressman NOW!

No business should be permitted to make a tax-free profit. I urge you to FULLY tax the untaxed, now, by repealing the pertinent paragraphs of the Internal Revenue Law by which co-ops and many mutuals escape income taxes and by declaring the income of these business concerns to be taxable income at the corporate level before distribution in any manner.

Iowa Associated Businessmen, Inc.
453 Westwood Drive
Ames, Iowa
WHY should any business be classified a “TAX 4F”?

Congress has created a vast horde of these tax 4Fs by granting them Federal Income Tax Exemptions that enable them to escape without paying anything—or very little—to the support of government and the strengthening of our defense. Congress drafts men and boys...drafts your income in the form of higher taxes...but continues to allow these business tax 4Fs to escape scot free, or nearly so. Almost a billion dollars a year in income taxes is thereby lost...must be added onto the tax bill of everyone else...including YOU!

CHECK THIS LIST OF “TAX 4Fs” then...write and protest to your Congressman and Senators

Cooperative Corporations doing a business volume of nearly $12 billion a year...making profits of nearly $1 billion...escaping Federal income taxes of more than $300 million every year. Congress lets the list of “tax 4Fs”...Congress should immediately tax their business profits FULLY just as other business profits are fully taxed...just as salaries and wages are fully taxed. Congress is responsible for the present injustice.

Savings and Loan Associations...there are more than 6,000 of them, federally and state chartered. They have assets of nearly $12 billion and annual earnings of $400 million. If they paid Federal income tax like other commercial financial institutions, they would pay $125 million a year to Uncle Sam. But Congress lets them remain “tax 4Fs”...so they pay nothing in most cases.

Mutual Savings Banks having total resources of almost $20 billion and annual profits of $375 million. There are 530 of these tax 4Fs escaping $130 million a year in Federal income taxes. It’s time that every income taxpayer protest this preferred treatment for which Congress is directly responsible.

Other Cooperative Financing Organizations include 500 Production Credit Associations, 1,250 National Farm Loan Associations, and 9,000 Federally and State chartered Credit Unions. Their combined assets exceed a billion dollars upon which they earn $25 million in profits annually...but pay little or no Federal income tax.

Many Mutual Fire and Casualty Insurance Companies...including some that are totally exempt from income taxes. Others pay some tax on a special tax formula that is different than that which applies to capital stock companies. Together, mutual fire and casualty insurance companies are able to escape more than $33 million in income taxes annually.

Congress lets these “Tax 4Fs” escape even though they have ample ability to pay Federal income taxes just like any other commercial business or financial institution. In many cases their earnings are GREATER and their resources much LARGER than competing taxing businesses and institutions. Certainly, they have more ability to pay than has the wage earner and salaried person whose income taxes have just been raised while the “Tax 4Fs” are still allowed by Congress to pay little or nothing of our staggering national tax bill.

IOWA ASSOCIATED BUSINESSMEN, INC.
463 Westwood Drive
Ames, Iowa

Clip, Sign and Mail This to Your Congressman...
No business should be allowed to be a “TAX 4F.” Business tax exemptions must be ended—NOW! Please act to FULLY tax the business incomes of co-ops and other “TAX 4Fs” at the corporate level before distributions as patronage dividends or in any other manner.

(MY NAME)
3-16-51

(MY ADDRESS)
Mail to Congressman in your State Office Building, Washington, D. C.
Mail to Senators in your State Office Building, Washington, D. C.
CONGRESS recently raised your income tax to bring in additional revenue for war and defense costs... now is planning to raise income taxes again to provide further necessary strengthening of our national military and defense establishment.

Yet, this same Congress that seeks to raise YOUR income tax AGAIN, still fails to tax the billions in profits of TAX-EXEMPT businesses such as Cooperative and many Mutual corporations.

Congress allows them to get away with paying very little or NOTHING in Federal income taxes on their huge business incomes, just as they did all through World War II when YOU were taxed to the hilt... and still are! What these TAX-EXEMPTS do not pay, Congress ADDS on to YOUR tax bill... increases YOUR taxes!

IOWA ASSOCIATED BUSINESSMEN, INC.
463 Westwood Drive
Ames, Iowa

Let's get the whole battery firing!

Write your Congressman and Senators now.
Demand that they act immediately to TAX THE UNTAXED FIRST before increasing your or anyone else's income taxes.

Clip, Sign and Mail This to Your Congressman

I protest any increase in my income tax—or the tax on anyone else—until you first act to FULLY TAX the tax-exempt commercial businesses in this country. Business income of co-ops and mutuels should be FULLY TAXED on their business incomes at the corporate level before distribution as patronage refunds or in any other manner.

, (MY NAME)

(MY ADDRESS)

Mail to Congressmen in care of House Office Building, Washington, D. C.
Mail to Senators in care of Senate Office Building, Washington, D. C.
Mr. Congressman...

It must not happen again! no business should be permitted to make a tax-free profit!

Throughout the whole of World War II, Congress permitted thousands of big businesses to escape all, or a great part, of the federal income taxes collected from other businesses and individuals, including YOU. These Tax PETS of Congress include co-operative corporations and many so-called mutual companies—all of them either wholly excused from supporting our government or given special favors that enable them to escape most of the tax. During World War II, co-operative corporations, alone, escaped payment of nearly one billion dollars in federal income taxes.

Today—now greatly expanded on tax-free profits—co-ops and other tax-exempted businesses are able to avoid approximately that much in federal income taxes EVERY YEAR. What they do not pay is, of course, added to the tax bill of everyone else. In the present emergency, Congress still lets them get away with it... still adds it on to your already staggering income tax bill.

The responsibility for this tax injustice rests squarely upon Congress. Write your Congressman and Senator. Demand that this tax discrimination be ended immediately. Co-ops and other tax-exempt businesses must not be permitted to make a tax-free profit. They must be required to support our government—fully—just as you are required to do.

Iowa Associated Businessmen, Inc.
463 Westwood Drive
Ames, Iowa

Clip, Sign and Mail this to your Congressman!

We business should be permitted to make a tax-free profit. I urge you to REPEAL the unjust law by which co-ops and many other businesses escape income taxes and by declaring the income of those business amounts to be taxable income at the corporate level before distribution in any manner.

(Your Name)

Iowa 3-29-51

Mail to Congressmen in care of House Office Building, Washington, D.C. U.S. Chamber in care of Empire Office Building, Washington, D.C.
WHY this TAX DISCRIMINATION AGAINST ME by the Congress?

Pay envelopes...FULLY TAXED in advance! Salary checks...FULLY TAXED before you even get them!
New increases voted by Congress: More coming, so Congress says!
But, at the same time, little or no income tax at all on the profits of giant Cooperative Corporations, many Mutual Companies, Building and Loan Associations, Credit Unions. Congress has petted and coddled these BIG BUSINESS enterprises by giving them tax exemptions through TWO World Wars...still has done nothing to make them bear their fair share in the present emergency. But with you, it's different. Congress discriminates against you...forces YOU to pay MORE because Congress allows these big TAX-EXEMPT BUSINESSES to pay little or nothing.

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463 Westwood Drive
Ames, Iowa

Clip, Sign and Mail This to Your Congressman

I protest having my income tax raised while Congress continues to let certain business enterprises—co-ops and others—pay little or nothing. Repeal the pertinent paragraphs of the Internal Revenue Law under which these businesses escape the income tax. Define their profits as taxable at the corporate level before distribution as patronage dividends or in any other manner.

I protest having my income tax raised while Congress continues to let certain business enterprises—co-ops and others—pay little or nothing. Repeal the pertinent paragraphs of the Internal Revenue Law under which these businesses escape the income tax. Define their profits as taxable at the corporate level before distribution as patronage dividends or in any other manner.

(MY NAME)
4-5-51
(MY ADDRESS)

Mail to Congressman in care of House Office Building, Washington, D.C. Mail to Senators in care of Senate Office Building, Washington, D.C.
Billions in BUSINESS—millions in PROFITS—permitted to ESCAPE income tax through two World Wars...now AGAIN in time of our country's great need!

Congress has allowed cooperative corporations and other so-called mutuals to become our FINANCIAL 4-Fs throughout two World Wars. Still has done nothing to make them pay their share in the present emergency, although not hesitating to increase the income taxes of everyone else. What these tax-exempts do not pay has been added onto what YOU and other income taxpayers MUST pay. Now Congress is talking about raising income taxes AGAIN! Adding more to your tax bill, but doing nothing to tax these tax-exempt businesses!

I protest the action of Congress in increasing my income taxes while failing to tax cooperatives and other big tax-exempt businesses. Repeal the pertinent paragraphs of the Internal Revenue Law under which co-ops and many mutuals escape Federal income taxes on their profits. Define their income as taxable income at the corporate level before distribution as patronage dividends or in any other manner.

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