Future Commonwealths:
Civic Identity and Economic Rhetoric in Cooperation, 1914-1924

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ABSTRACT

This study explores the changing relationship between civic identity and economic rhetoric between the recession of 1913-14 and the years immediately following the recession of 1920-21 as represented by the main organ of the American consumer cooperative movement, *Cooperation* (originally called *The Co-operative Consumer*). Published originally by the Consumers’ Cooperative Union and later by the Cooperative League of the United States, *Cooperation* promoted a revolutionary political economy and culture against “the evils of private capitalism and private profit.”1 Targeted at cooperative organizers and members, the purpose of *Cooperation* was to facilitate cooperative organization and education, to report events concerning cooperatives, and to be a vehicle for cooperators, both nationally and internationally, to share ideas and strategies. Examining the ways in which this dialogue served to construct and refine cooperative thought in terms of revolutionary strategy and technique, this essay argues that cooperators’ thought ultimately transcended consumer organization and translated into an alternate conceptualization of civic and political participation that attempted to balance radical communitarianism with an ideal of commutative justice.

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INTRODUCTION

This study explores the changing relationship between civic identity and economic rhetoric between the recession of 1913-14 and the years immediately following the recession of 1920-21 as represented by the main organ of the American consumer cooperative movement, *Cooperation* (originally called *The Co-operative Consumer*). Published originally by the Consumers’ Cooperative Union and later by the Cooperative League of the United States, *Cooperation* promoted a revolutionary political economy and culture against “the evils of private capitalism and private profit.”¹ Targeted at cooperative organizers and members, the purpose of *Cooperation* was to facilitate cooperative organization and education, to report events concerning cooperatives, and to be a vehicle for cooperators, both nationally and internationally, to share ideas and strategies.² Cooperative theory, for the founders of the magazine, had to be rooted in collective experience and dialogue, such that the successes and failures of each cooperative could educate the others.

At the turn of the century, debates over the relationship between civic identity and economic identity became more urgent. Responses to the questions of whether economic policy should revolve around the citizen as producer or as consumer, what specific claims or protections consumers should have, and the nature of the right to consume in relation to political and productive processes developed in a context not only of the expansion of the labor market in non-manufacturing occupations (e.g. white-collar and retail jobs), but frequent economic crises,


² For the purposes of this essay, “cooperators” will be used not only to designate those who were members of cooperatives, but more specifically those who were philosophically committed to the cooperative movement and aided in developing its theory. This usage is in line with Warbase’s definition of the cooperator as one who “has once had an understanding of the philosophy, history, methods, and possibilities of consumer cooperation, and taken a hand in cooperative action.” James Peter Warbasse, *Three Voyages: The Story of an Inquiring Soul Exploring His Way Through Life and Living It as He Goes Being Fragments of an Autobiography* (Superior, WI: Cooperative League of the U.S.A., 1956), 143.
extreme disparity in wealth between classes, and violent conflicts between labor and capital. The rise of monopoly capital and the corporatization of large-scale manufacturing by the early twentieth century provoked concerns among many that the extensive economic bargaining power of big businesses could undermine political democracy. With the limitations and exclusions of political representation, particularly for women and much of the non-white population, there was much controversy over whether strategies for amelioration should privilege strategies of collective self-help or legislative reform. In addressing the “social problem,” the Cooperative League of the United States opted almost solely for the former during the 1910s and early 1920s.

Not only was the League committed to political neutrality, it insisted that economic revolution alone could produce a democratic, cooperative society. In other words, for the League, industrial democracy could not be legislated into existence. Rather, citizenship itself had to be reorganized on the basis of the identity of interests. In his 1919 book, *Consumers’ Coöperation*, Albert Sonnichsen, the editor of *Cooperation*, argued that political democracy, or majority rule, was too superficial and arbitrary to engender a democratic society organized on the basis of mutual interests. For this reason, the cooperative movement could neither be established on the basis of political legislation or on the basis of big finance. For Sonnichsen, because the “interest of the consumer [was] universal, all-inclusive, as broad as the earth itself,” civic identity and participation had to be rooted in the shared interests of citizens as consumers.³ Consumer cooperation, then, was conceived as a training ground for genuine democratic participation. Capitalism could only be countered and replaced through small beginnings and

gradual revolution; to do otherwise would be a futile attempt at building “a house from the roof down,” as one editorial in the *Co-operative Consumer* put it.⁴

The theory of revolution in *Cooperation* had more affinity with the intellectual traditions of decentralist libertarian and gradualist socialism than with class-struggle socialism. While cooperators suggested that it was possible for cooperation and political socialism to work together against capitalism, they saw no such possibility for such an alliance with syndicalism or other programs for anti-capitalist action based on class struggle. Cooperators believed that economic and political action should be founded on the people’s interests as members of society, not their interests as members of a class. In this regard, as Sonnichsen argued, cooperation shared common ground with forms of political socialism that recognized the significance of the consumer identity in economic organization.⁵ At the same time, the voluntary, decentralized economic reconstruction advocated by cooperators clashed with the methods of political socialists, even of the gradualist variety (such as the Fabian socialists). To the extent that political or economic centralization was based on coercion (public or private), cooperators argued, it could not be considered any different from imperialism.

*Cooperation* thus represented what might be called the “radical wing” of the consumer cooperative movement. The League, as well as the wider movement, championed a model of distributive cooperation based on that of the Rochdale Society of Equitable Pioneers. Established in 1844 in what was then Lancashire county (now Greater Manchester) in northwest England, the Rochdale Society advocated cooperative stores based on open and voluntary membership; democratic control (one member, one vote); patronage-based distribution of surplus value to members after costs in maintenance and interest; cash-only exchange (precluding the purchase of

⁴ “Co-operative Recreations,” in *The Cooperative Consumer* 1, no. 8 (December 1914): 59.

⁵ Further examination of some of the articulations of consumer-centric political socialism is undertaken in Chapter 3.
goods on credit); the education of members in cooperation, self-help, and mutual aid; limited interest on funds invested in the society; the sale of high-quality goods; and, lastly, political and religious neutrality. Founded during a time of economic crisis, particularly for those in the textile industries, the Rochdale Society sought to create, as historian G. D. H. Cole suggests, “not a mere shop for mutual trading, but a Co-operative Utopia.” The Cooperative League and Cooperation, advocated Rochdale cooperation while, in terms of its theoretical basis, adopting its Owenite utopian and Christian Socialist elements to a collectivism and voluntarism that borrowed selectively from Jeffersonian democratic principles as well as the social philosophies of Peter Kropotkin, Mikhail Bakunin, and others. “Coöperation,” Albert Sonnichsen suggested, “…is Anarchism rationalized.” The project of Cooperation was to create a collective dialogue between the elements of the cooperative movement that were historically “typical” and those that were ideologically “essential,” to borrow Jesse Cohn’s terminology, as a sustained interrogation of cooperative theory and consumer activism regarding the manner of their implementation for cooperators and fellow-travelers in changing political, cultural, and economic contexts.

By 1920, Cooperation under the Cooperative League had approximately 50,000 subscriptions. Having entered the International Cooperative Alliance in 1917, the League was now the “international voice of American cooperatives.” Cooperation, as well as the writings of the more prominent members of the Cooperative League (particularly its president, James P. G. D. H. Cole, A Century of Co-operation (London: George Allen & Unwin, 1944), 1-2.

Albert Sonnichsen, Consumers’ Coöperation, 204.

The terminology of the “typical” and the “essential” being borrowed from Jesse Cohn’s distinction: “When I say typical, I am referring to anarchism as a material fact of history; when I say essential, I am referring to anarchism as an idea.” Jesse Cohn, Anarchism and the Crisis of Representation: Hermeneutics, Aesthetics, Politics (Selinsgrove, PA: Susquehanna University Press, 2006), 15.


John Curl, For All the People: Uncovering the Hidden History of Cooperation, Cooperative Movements, and Communalism in America (Oakland, PM Press, 2009), 145.
Warbasse, and the editor of *Cooperation* Albert Sonnichsen), reflected not only the concerns and motives of Progressive Era cooperators during a time of profound change in terms of state power, civic identity and economic organization, but also the ways in which cooperators in the United States viewed their movement in an international context. In this sense, *Cooperation* was concerned not only with the optimization of consumer cooperation as economic praxis, but also as a theoretical framework, a distinctive narrative for understanding political, economic, and cultural structures and events.

**Historiography**

The historiography of the cooperative movement in the United States has largely focused on cooperation as praxis rather than discursive ideology. Works such as Florence E. Parker’s *The First 125 Years* (1956); Clarke A. Chamber’s “The Cooperative League of the United States of America, 1916-1961” (1962); Joseph G. Knapp’s two-volume *The Rise of American Cooperative Enterprise* (1969 and 1973); Dana Frank’s *Purchasing Power* (1994); and John Curl’s *For All The People* (2009), address the Cooperative League and consumer cooperation as a tradition of business practice, as well as communal self-determination and mutual aid. What is left out is the unique theoretical and philosophical reformulation of consumer cooperation as revolutionary economic democracy as developed by the Cooperative League in relation to this tradition. In other historical accounts of the rise of the consumer society, the labor movement, and consumer reform movements of the early twentieth century, consumer cooperatives remain on the periphery. One exception to this pattern is Kathleen Donohue’s *Freedom from Want* (2003) and her earlier article, “From Cooperative Commonwealth to Cooperative Democracy: The American Cooperative Ideal, 1880-1940.” Both address the consumer cooperative movement of the Progressive era as part of a longer intellectual tradition.
In *Freedom from Want*, Donohue argues that, by the 1910s, the consumer and consumption were prominent objects of economic and political thought. Cooperative theorists, she suggests, were part of a larger intellectual movement of “new liberals” who sought to reconstruct classical liberalism.11 Broadly speaking, two new liberal schools of thought arose to address the problem of extreme economic inequality in the early twentieth century. Both, Donohue remarks, shared the same classical liberal idea of prosperity as the measure of the “good society” and faith in enlightened self-interest. The first camp argued that competition was the solution to the problem of inequality, that the only way to cure the problem of inequality was to rebuild a competitive economy. Within this camp there was significant disagreement over how exactly this was to be done, as many were still committed to a laissez-faire policy framework while others believed the government should take an active role in stoking competition. The second school, as represented by *New Republic* liberals, argued that the market should be regulated not by competition but by government oversight. “The *New Republic* liberals rejected the classical liberal faith in competition,” Donohue writes.12 Rather, they argued, competition reduced productivity by multiplying suppliers of the same goods and services. Moreover, in their view, competition produced antisocial behavior between competitors, encouraging adulterated goods and dishonest business practices.

Here a fruitful juxtaposition might be made with Charles F. McGovern’s distinction between “consumer republicanism” and the “democracy of things.” The latter, McGovern argues, was largely promoted through commercial advertising and suggested that the market, rather than or at least as substantially as political democracy, was the primary force of social

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12 Ibid.
equality because mass production and marketing brought about a condition in which “modern worker-consumers enjoyed benefits once reserved for royalty or nobility.”\textsuperscript{13} In this liberal individualist frame of thought, democracy was attained through individuals’ consumption choices in the marketplace. Authority, then, and by extension national representation, was claimed by businesses on the basis of the “common culture” shared by customers through commodities. “Consumer republicans,” on the other hand, challenged this notion, while nonetheless centering economic representation on the consumer, arguing that government or the community, rather than business, should regulate relationships between consumers and commodities for the consumers’ benefit. Similarly, then, the economic “vote” for both consumer republicans and liberal individualists was in consumption. But in the former, the consumer interest had to be “liberated” from business interests; the citizen could only make authentic use of consumption as the economic franchise by making informed choices without the pollution of business interests and marketing.\textsuperscript{14}

A useful combination of the two “planes” of consumer-oriented liberalism indicated by Donohue and McGovern – for Donohue, between pro-competition and \textit{New Republic} liberals, and for McGovern, between liberal individualists and consumer republicans – might be drawn. What critically set apart the theorists of consumer cooperation in the Cooperative League was their integration of a producerist, radical labor ethos with a consumer-oriented political economy. Arguing that the consumer cooperative movement was also a labor movement, the Cooperative League aimed for a society in which “each individual is a producer and a consumer to an equal


\textsuperscript{14} Kathleen Donohue, \textit{Freedom from Want}, 16; \textit{Ibid.}, 207.
degree.” Nevertheless, they argued, a revolutionary movement could not be built on the basis of one’s identity as a producer, but on the shared interests of workers as consumers. Moreover, for cooperative theorists, the economic “franchise” was not based in spending but in the democratic structure of the cooperative (although this definition of economic democracy developed gradually under the Cooperative League from the more liberal conception under the Consumers’ Cooperative Union). Rather than their money, the vote of the member of the cooperative enterprise would establish the “dictatorship of human beings above that of capital.”

As for competition, on the one hand cooperative theorists viewed competition between cooperative stores and private stores in terms of both the cooperative ethos and historical context. On the other hand, competition between cooperative and private stores could play a role providing critical insight into how to make cooperative stores more effective. Petitioning the state for privileges for cooperatives against competition, Warbasse argued, would undermine both the voluntarist ethic of cooperation as well as valuable insights into how cooperation could improve to outdo private businesses in the market. In this way, the “creative destruction” inherent in competition could be used against capitalist enterprise itself. Still, by and large, competition was considered wasteful and antisocial. As the early editor of Cooperation Albert Sonnichsen wrote in his 1919 work, Consumers’ Coöperation:

If one shoe manufacturer recognizes another shoe manufacturer as a brother capitalist, as he does in his manufacturers’ association, deeper down, even though it be only subconsciously, he also hates him as a rival. When was any class struggle so bitter or so well defined as a rate war between railroads?

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16 Ibid.

17 Albert Sonnichsen, Consumers’ Coöperation (New York: Macmillan, 1919), 188.
Although consumer cooperation thus did not reject worker identity, and nor did working-class movements inherently reject the consumer identity of workers, Donohue argues that the persistent consumer-centrism of the cooperative movement placed it “on the same slippery slope as other consumerist critics of capitalism,” viz. the “rejection of the working class in favor of the middle class.”

In her study of cooperatives among the working-class in post-World War I Seattle, however, Dana Frank suggests that the eventual decline (with a resurgence during the 1930s and 1940s) of consumer cooperation among working-class organizers had less to do with a “rejection of the working class” by cooperative leaders and more to do with the unstable economic conditions of the time. Under the conditions of the depression following the war, cooperatives were not able to offer prices sufficiently low to ensure the loyalty of unemployed and underemployed workers. “[S]eattle worker’s precarious financial situation meant that they were unable to buy stock in the cooperatives, and this inability, in turn, cut into the cooperatives’ pool of capital, crucial now in times of retrenchment,” Frank writes, “It was a fatal downward spiral.” But, as Frank points out, the decline of union rank-and-file support was not entirely economic. “Throughout the depression the city’s unions managed to come up with money to donate to handicapped children, striking miners, or the starving unemployed,” Frank adds, “[c]ooperatives…lost the rank-and-file enthusiasm that had been crucial to their initial success.” The collapse of cooperative stores during the depression due to precarious investment

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and membership thus made labor organizations, including the initially enthusiastic American Federation of Labor, more reluctant to support cooperative efforts.

In her earlier article, “From Cooperative Commonwealth to Cooperative Democracy,” Donohue argues that the Cooperative League, particularly through the writings of Sonnichsen and Warbasse, made cooperation more appealing for Americans by “defining ‘class’ out of existence” in order to justify the privileging of the consumer identity in terms of democratic participation. Furthermore, she argues, consumer cooperation, as theorized by Warbasse and Sonnichsen, was based on the classical liberal vision of the “good society” based on Lockean propertarian values and distrust of activist statism turned against capitalism itself in order to replace “a system designed for profit” for one “devoted to the manufacture of beautiful things for use.” Here again, however, Donohue over-conflates the terms through which consumer cooperators and consumer-centric liberals argued.

On a closer reading, the philosophy of Cooperation, based not only the poles of liberalism Donohue draws but also on those of McGovern, does not fit neatly on the consumerist liberal spectrum. Cooperation’s theorists rejected both political authority and the “franchise” of purchasing power. Authority was claimed through the democracy of consumers themselves over the production and the consumption processes. Even if, as Donohue suggests, consumer cooperation was, in the end, “more Smithian than Marxist” (although cooperative theorists never aspired to a pretense of either) she mistakenly conflates Adam Smith’s notion of purchasing power as constitutive of the economic franchise with cooperators’ notion of the vote.


22 Ibid., 125.

23 Ibid., 146.
within the cooperative as the source of the citizen’s (the producer acting as consumer’s) economic representation.

Thus, while Donohue makes valuable insights on the relationship between the discourse of the new cooperative theorists of the 1910s and 1920s and the changing spectrum of liberalism in the early twentieth century, she concludes too quickly that cooperators’ emphasis on organizing as consumers ultimately meant advancing the interests of the “consumer instead of the producer.”24 Donohue ignores altogether the internationalist ethos of consumer cooperation, implying erroneously that Warbasse, Sonnichsen, and other cooperative theorists and activists were advancing a new stock of sublimated consumer nationalism under the guise of radicalism. Her account, then, exemplifies as a history of American consumer cooperation what historian Peter Gurney has criticized in some accounts of cooperation in Britain: the assumption, first, that consumer cooperation (and, moreover, consumer movements in general) was essentially a de-radicalizing force that would, in the long run, contribute to the decline of revolutionary alternatives.25 Yet, surprisingly, very little of the historical work on the consumer cooperative movement in the years prior to and after the First World War has actually given much attention to the theoretical development of the movement beyond the business principles of Rochdale cooperation, despite the fact that the modern cooperative movement essentially began during this period. The wealth of thought represented in the main organs of the new cooperative movement – *The Co-operative Consumer* for four years and then *Cooperation* until 1943 – has largely remained unexamined, with historians most often referring mostly or even solely to Warbasse’s

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24 Kathleen Donohue, *Freedom from Want*, 149.

1923 work, *Cooperative Democracy* (and sometimes Albert Sonnichsen’s 1919 *Consumer’s Coöperation*).

**Sources and Methodology**

The 48 issues of *The Co-operative Consumer* and 67 issues of *Cooperation* published between May of 1914 and July of 1924, as well as the published works of the leading intellectuals of the movement – Warbasse, Sonnichsen, Emerson Pitt Harrison, and others – comprise the major primary sources in my examination of the cooperative movement’s philosophy of civic identity and political economy. This historiographical move towards an intellectual history of the cooperative movement does not set aside the material conditions of the time or the development of cooperatives as businesses. Rather, the purpose of analyzing the discourse of the cooperative movement is, in large part, precisely to re-affirm the importance of material life and, in particular, “economy” as a meaning-generating process, that is, as representation, of material processes as both actualizing and generating representations.

My interpretation of cooperative discourse begins with the idea, as expressed by Jesse Cohn, that “[a] text is not something that exists apart from the world of deeds and consequences, but is itself an ‘act’ performed ‘in a concrete situation’ with consequences of its own.”

26 In taking cooperative theory as a set of *acts* in specific historical situations, keeping in mind Antonio Gramsci’s contention that “[o]ne’s conception of the world is a response to certain specific *problems* posed by reality, which are quite specific and ‘original’ in their immediate relevance,”

27 their role in the cooperative movement must be taken as inextricable from the economic program or commercial activity of the movement, not, in some way, peripheral to or

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26 Jesse Cohn, *Anarchism and the Crisis of Representation*, 83.

merely representing them. Thus the texts of *The Co-operative Consumer* and *Cooperation*, then, as well as the writings of leading figures in the cooperative movement, are themselves instantiations not of a higher, unifying ideal of the movement but of the diversity of the movement itself as expressed and unified solely by the difference and individuation of cooperative theorization and rhetoric as social, temporally-situated practices.

Thus the question of reading the texts of cooperative theorists in social context is not a technical question, or a question of what conditions engender the possibility of cooperative texts, but a question of what situations or problems are elicited, realized, in the text as meaningful social action. As Cohn reminds us:

> By establishing relationships between the things it orders, a text, perhaps regardless of (or even contrary to) the intentions of its author, *embraces* certain ideas about how the universe is ordered; it performatively *enacts*, rather than constatively *conveys*, certain ideas, certain meanings.  

In short, we can read the texts of the cooperative movement in terms of the ways they reconstruct or create (or reproduce) semiotic relationships that structure what Kenneth Burke calls the “dramatic alignment. What is vs. what.” This process, for Burke, begins with the examination of the *equations* of the text – the distinctive ways in which the text reconstructs language itself in the act of structuring reality through associations and dissociations of meaning. These equations cannot be presupposed but, Burke writes, must be found inductively through the implicit or explicit synonymic and antonymic relationships the text itself creates. In this way, interpretation can focus on the text as a *motivated* or ‘dramatically aligned’ enactment. Thus while the central ‘dramatic opposition’ in *Cooperation* and related works is between profit and

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service, for example, the equation sets that reinforce this opposition modifies their relationships in unique ways ‘internal’ to the rhetoric of cooperation. Profit-making is equated, on the one hand, with the ‘unsocial’ character and psychology of modern society. Most often, it signifies not merely a technical differential between cost and price but a disinvestment in social interests (equated with consumer interests) for individual material gain at the community’s expense both materially and in terms of rupturing the identity of interests that creates community. The profit motive is in this way equated with the debasement of social relationships under the capitalist system.

My mode of analysis in interpreting the primary sources for the first decade of the modern cooperative movement is, therefore, a reading that emphasizes the ‘dramatistic’ ways in which the cooperative movement generated and reproduced meanings in terms of the relationship between the economic landscape (the rhetorical critique of capitalist “reality” and the construction of a cooperative conception of economic relationships) and civic identity (of the potential within the economic landscape to reconstruct political relationships between citizens as consumers). Essentially, this methodology focuses, in Joan W. Scott’s terms, “not on the reproduction and transmission of knowledge said to be arrived at through experience, but the analysis of the production of that knowledge itself.” ³¹ In doing so, I emphasize the ways in which the reality-ordering constructions of semiotic relationships (that is, in terms of natural and social conditions, culture, and agency) are deployed as historical acts.

Outline and Discussion

This work concentrates on three main rhetorical threads through which cooperators conceptualized the economy as a field of action for civic agency and consumer identity. The first is their understanding of economic and political systems in the ways they condition or form the

terrain for tactics of social justice.\textsuperscript{32} Second is their understanding of such systems as they affected the agency of political and economic participants, the basic question of how cooperators viewed the relationship between social conditions and the character of their participants. Third is their understanding of the relationship between the tactics of social justice and the agents of those tactics, that is, the educational effect of practices on the agents that impacts the terrain of economic and political conditions.

The first theme will be explored in Chapter 2, following a description of the politico-economic context, the institutional history of consumer cooperatives and the Cooperative League, and the biographical and sociological backgrounds of the leading writers of the \textit{Cooperative Consumer} and \textit{Cooperation}, particularly James P. Warbasse and Albert Sonnichsen. This first chapter describes the evolution of consumer cooperation from its late nineteenth century development from cooperation among the farm and labor movements to the beginnings “coordinated” cooperation thereafter.\textsuperscript{33} While the earlier cooperative leagues formed to promote almost purely local rather than federated consumer cooperatives, “coordinated” cooperation, as represented by the Consumers’ Cooperative Union and the Cooperative League, sought to unify and federate the Rochdale cooperatives into a coherent movement. The Union (originally called the Cooperative Propaganda Publishing Association) published \textit{The Co-operative Consumer} as a way of building communication between cooperative societies, of organizing and advising local stores, and promoting cooperation generally. The Consumer ceased publication briefly after the Cooperative League subsumed the Union in 1916 due to low funds. The League did not begin as

\textsuperscript{32} What might Burke might describe as the “scene-act ratio”: “We can discern the scenic reference if the question, ‘On what grounds did he do this?’ is translated: ‘What kind of scene did he say it was, that called for such an act?’” Kenneth Burke, \textit{A Grammar of Motives} (Berkeley, Los Angeles, and London: University of California Press, 1945), 12.

a federation of cooperatives, as Florence E. Parker suggests.\(^34\) Like the Union, the League was initially organized primarily for the promotion of cooperation. The decreasing real wages of workers brought on by the war, however, stimulated organized labor’s interest in cooperatives, resulting in a proliferation of Rochdale cooperatives and other worker- or consumer-owned businesses. In 1918, the Cooperative League became the national federation of cooperatives. Many members of the League were concerned that the boom of other joint-stock or non-Rochdale stores would threaten the unity of the cooperative movement, but the boom quickly wavered in the recession following the war. The League still promoted cooperation as a movement for workers, but by 1924 the economic conditions of the working-class were too precarious to move beyond short-term, pure-and-simple unionism.

Chapter 2 examines cooperators’ criticisms of and sympathies with various anti-capitalist, particularly union-based, socialist, communist, and reformist, tactics. While on the one hand cooperators believed that labor-based movements were necessary as protective measures against capitalist abuses, they also argued that defensive measures might, in the long run, merely perpetuate conflicts between capital and labor. The capitalist, as one article in *The Co-operative Consumer* argued, lands “two blows on [the worker] to his one [the strike],” because workers were exploited at the point of production, on the one hand, and at the point of consumption on the other.\(^35\) For this reason, it was argued, workers had to organize as consumers – to defend from the second blow. The problem with movements based on class conflict, cooperators argued, was that a labor-based movement displaced the ultimate end of economic organization (meeting human consumption needs) with the defensive interest created by the capitalist system itself. The

\(^34\) *Ibid.*, 56.

struggle for economic democracy in the capitalist context would have to invest in ways of organizing economically that resisted the specific interests perpetuated by the capitalist system; democratic economic action, where the means were consistent with the ends, required a form of action that would operate in the interests of the ‘universal’ citizen. This analysis will move on to cooperators’ conceptualization of action to promote the interests of the ‘universal’ citizen in the context of the politics of the state. While the political sphere was an important field of resistance to capitalism, as long as “every minority vote [was] lost” in majoritarian politics, cooperators argued, economic action should be the primary field of action for social justice. As Warbasse argued in *Cooperative Democracy*, the political action of cooperators should focus on “[e]ducating statesmen to desire something above and beyond political action….” The risk of making cooperation a friend of the politics of the state was the risk of the state appropriating cooperation and using political power to undermine its voluntarist principles. In short, political citizenship meant using political action to create the *conditions* for democratic economic organization in excess of the state. Cooperators argued that cooperation had to be both an economic strategy against capitalism and a subjectivity-forming process for shaping democratic citizens politically and economically. Citizens had to practice democracy before they themselves could become democratic or work towards the shared interests of their community, and the only citizens capable of dismantling capitalism and replacing the functions of the state through collective organization would be democratic, socially-minded citizens.

Chapter 3 focuses on cooperators’ reflections on the impact of capitalism and the state on the desires and character of citizens. Because capitalism was based on the profit motive, rather than serving human needs, the capitalist economy was based less on service and more on the


displacement of desires in order to get consumers to buy more commodities. A central contradiction of capitalism, cooperators argued, was the fact that it was perpetuated on the basis of creating more desires for the consumer to pursue rather than satisfying already-existing needs. Under capitalism, then, desire and agency were essentially displaced. Otherwise “honest salesmen” who merely sought to satisfy their own consumption interests were required to act against the interests of other consumers in order to make a living, in order to bring profit to the company. In order to satisfy their consumption interests, workers organized to demand higher wages from capitalists, who would but raise prices to maintain profits at the expense of consumers (the organized workers themselves and other workers). Capitalist political economy operated, then, primarily by alienating the interests of citizens as consumers from their interests as producers. The state, cooperators argued, further divided the interests of citizens. Patriotism and loyalty to the state acted against solidarity with one’s immediate community, creating a “narrow, irresponsible individualism,” in which obligations toward the state replaced obligations to other citizens. Under centralized authority, then, the individual withdrew from the community, acting against the interests of others both economically and politically.

Initially, cooperators acknowledged, cooperative societies could only appeal to the “selfish individualistic interests” of members. But in the long run, they asserted, the members would “realize that it is their society, run by their collective effort, giving them common advantages” and would begin to work toward cooperation as an economic system. The aspiration of consumer cooperation as an economic strategy was to be the consubstantiation of the producer and consumer identity, from which a new civic identity would emerge based on shared interests and the integration of political and economic participation.

38 Ibid., 367.

CHAPTER 1: THE GOSPEL OF TRIAL AND ERROR

In September of 1918, 185 delegates representing 386 cooperative societies gathered in Springfield, Illinois for the First National Cooperative Convention.¹ Five months earlier, the Cooperative Consumer had published a notice and issued pamphlets to societies in the United States and Canada to announce the congress, requesting that readers “supply us quickly with names and addresses of cooperative societies known to them.”² While representatives from producers’ cooperatives and unions were encouraged to attend and contribute to the discussion as “fraternal delegates,” only those from consumer cooperatives would be allowed to vote. Allan S. Haywood, the president of the Witt United Mine Workers’ Union and the Witt Cooperative Association (as well as future director of organization for the Congress of Industrial Organizations), suggested that the convention be used as an occasion for labor unions and cooperatives to centralize their efforts and unite into “one national union [of cooperatives]…affiliated with the International Cooperative Alliance, all striving to attain the same end….³ The most significant consequence of the convention was the conversion of the Cooperative League, formerly devoted mainly to education and propaganda, into a national federation.

The Cooperative Convention signified an epochal shift in the strategic and ideological motif of the consumer cooperative movement. In previous years, beginning in the late 1860s up until the 1890s, federated cooperatives were largely the preserve of the farm and labor movements. In 1867, Oliver H. Kelley and six other organizers founded the Order of the Patrons

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² “The National Cooperative Convention,” The Cooperative Consumer 4, no. 6 (June 1918), 110.

³ Ibid., 111.
of Husbandry in Washington, D.C., as a cooperative association for farmers. Thereafter the Order was called the National Grange. Kelly, who had himself been a farmer in Minnesota until becoming a clerk for the Department of Agriculture, was primarily concerned with the poor conditions of farmers in the South in the years following the Civil War. Organizational growth was slow until the Panic of 1873, when, as agricultural economist Murray R. Benedict suggests, a “new class consciousness on the part of farmers…made them receptive to any medium that would make possible organized expression of their views.”

Largely comprised of granges, or local farmers’ associations, the Illinois State Farmers’ Association declared at its convention in April of 1873 that the railways had “proved themselves arbitrary, extortionate, and as opposed to free institutions and free commerce between states as were the feudal barons of the middle ages.” The monopoly power of railway corporations enabled them to charge inflated freight rates that hurt both workers and farmers by decreasing the earnings of farmers and increasing food prices generally.

In 1873, the new head of the National Grange, Dudley W. Adams, sent a letter to William H. Earle, a Worcester fruit farmer, asking him to manage the organization of grange cooperatives in Massachusetts. In the process of organizing with other farmers, the question of admitting workers outside of agriculture into the association arose. “The more I studied this question,” Earle recounted, “the more thoroughly convinced I became that…there was no good reason why all persons of good character engaged in industrial pursuits…should not be eligible.” In January of 1874, he met with industrial workers in Springfield to found the Order of Sovereigns of

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Industry. Unlike the cooperative efforts of previous workers’ organizations such as the Knights of St. Crispin and Knights of Labor, the Sovereigns distinctly emphasized consumers’ cooperation following the Rochdale model.

Despite high initial growth (and to some degree because of it), the Sovereigns wavered under the burden of the worsening economic conditions of the mid-1870s. The combined impact of the Coinage Act of 1873, which demonetized silver (causing great distress to silver mining in Western states), and the financial collapse of the Jay Cooke and Company bank triggered an economic crisis that engendered a surge of farmer and worker organizing. By 1875, there were almost 22,000 farmers’ cooperative stores belonging to the Grange.⁷ For the Sovereigns, membership peaked in the winter of 1875-76, but as the depression wore on industrial workers began to “[transfer] their patronage to private dealers giving credit, and stopped paying dues.”⁸ In essence, growth had come too rapidly. Unemployment made it difficult for workers to pay for goods in cash, and local cooperatives did not have the resources to grant credit. As a national organization, the Sovereigns dissolved in 1879, although many individual cooperative stores that had been members remained intact. The Grange lasted longer, but by the 1890s the movement, which had at its peak expanded into insurance, wholesales, warehouses, and transportation, was largely reduced to scattered individual stores by the 1890s (some of which remained successful years later, as had several of Sovereigns’ stores).⁹


⁹ Florence E. Parker, The First 125 Years, 11.
While in previous years cooperative associations thus had some success in promoting the establishment of cooperative stores and related enterprises, in the long term the standing institution of the movement of the late nineteenth century had been the independent, often isolated, cooperative store. The depression of the 1890s, along with its concurrent labor militancy and the growth of leftist agitation, however, stimulated interest in cooperation in the context of a broader discourse on the morality of capitalism and alternative economic-political systems.

One of the most perplexing problems of private waste, inequity, and abuse, particularly for those hesitant to support the nationalization of industries, was the attainment of an economic system that could sustain in balance both private industry and social responsibility. As expressed by Progressive economist Richard T. Ely, a significant problem of reforming private industry was the problem of the “twentieth man.” In his example, if there are twenty barbers who prefer to stay closed on Sundays, it would only take one – the twentieth barber willing to open the shop on that day for the competitive advantage – to eventually coerce the others via market pressure into doing likewise, making it impossible for one unwilling or unable to remain closed on Sundays to earn a living.\(^\text{10}\) While apologists for laissez-faire liberalism, such as William Graham Sumner and Simon Newcomb, tended to view the state as the sole source of coercive power, for Ely and other critics of laissez-faire, the “freedom of contract” under the liberal regime was not unlike the “freedom of a slave, who chooses to work rather than to suffer under the lash.”\(^\text{11}\) Public and often vituperative debates between the “old school” of laissez-faire and the “new

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school” of Ely and the American Economic Association engendered a new era in American economic thought signified most substantially by, as economic historian William J. Barber remarks, a “striking…openness to pluralism” in economic methodology and theory. This new pluralism changed the terrain of both academic and popular economic thought and catalyzed the emergence of a new eclectic political economy from the middle-class.

Dissatisfaction with unrestricted capitalism and the growth of an economic counter-orthodoxy contributed substantially, but not entirely, to a resurgence of interest in cooperatives in the very late nineteenth and early twentieth century. As exemplified by the pinnacle of membership and activity for the Knights of Labor and the founding of the American Federation of Labor in 1886, the economic boom of the late 1880s provided rich soil for the growth of labor agitation. Moreover, with the decline of the independent entrepreneurial middle-class under the emerging regime of corporate capitalism, the middle-class, as Alan Dawley suggests, “had less and less reason for complacency,” and increasingly challenged the power of finance and monopoly capitalists. To a growing extent, the middle-class was beginning to feel a sense of solidarity with the causes of militant labor.

The onset of the devastating economic depression from 1893 to 1897 prompted further questioning of the laissez-faire orthodoxy and the profound political and economic power of big business. The industrial and railroad expansion that had created a socio-economic ‘space’ for such unrest and organization had been based to a significant degree on credit – to such an extent that, as historian John D. Hicks suggests, a depression was “already almost overdue” by the late 1880s. “With expenditures and investments rising each year to higher and higher figures,” Hicks

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writes, “it was inevitable that they should ultimately exhaust the resources available for such purposes.” For many, the destructive consequences belied the notion of the free market’s ability to cull inefficiency and instead instantiated a disastrous irresponsibility begotten by an economic system driven by unbridled unrestricted profit-making. Few believed that the latter could only be solved by the elimination of capitalism, but many argued that, at the very least, economic power required regulation.

**Cooperation: Utopian and Scientific**

The resurgence of interest in cooperation at the end of the nineteenth century was the fruit of the search for a countermeasure against the socio-economic problems caused by capitalism and an increased shared feeling among the working and middle classes that the principles of democracy and equality needed to be extended to the economic system. Lasting for approximately fifteen years, this wave of the consumer cooperative movement was unique in that it encompassed not only new efforts at federated cooperation in the farm and labor movements, but also endeavors into cooperation from several new movements. These movements stemmed, broadly speaking, from three sources.

First, there were the cooperatives organized by the Socialist Party, which viewed cooperation as one of the three “pillars” of socialism (the other two being political reform and trade unionism). The first explicitly Marxist political party in the United States was the Workingmen’s Party of the United States, established in 1876, which had aided and organized strikers during the mass railroad strike of 1877. Though the party was short-lived, many who had been involved in the party moved on to “pure and simple” unionism, into the anarchist movement, or into the Socialist Labor Party (SLP) of North America. While the SLP experienced

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limited success in the electoral realm, its organizational efforts, particularly combined with the work of the more radical International Working People’s Association (or, as it was often called, the “Black International” for its anarchist leanings), contributed to the slowly growing body of leftist literature in the United States in the late 1880s. Works like Henry George’s *Progress and Poverty*, Edward Bellamy’s *Looking Backward*, Henry Demarest Lloyd’s *Wealth Against Commonwealth*, and Robert Blatchford’s *Merrie England: A Plain Exposition of Socialism* garnered a wider American audience for alternatives to and critiques of *laissez-faire* capitalism. These works contributed substantially in bringing socialist conceptions of justice to English-speaking audiences in the United States, where in prior years the socialist press had been largely dominated by ethnic, particularly German-American, newspapers.

The depression of the 1890s and the failure of several non-socialist reform movements, particularly the defeat of William Jennings Bryan in the 1896 presidential election, brought, as Ira Kipnis suggests, “a trickle of American reformers” into the SLP and newer socialist parties, like the Social Democratic Party of America. After a factional split in the SLP, the Socialist Party (SP) was founded in 1901 to unify several smaller factions and parties. From its inception, the SP promoted trade unions and cooperatives as essential steps toward the “abolition of wage slavery and the establishment of a cooperative state of society.” Many of the foreign-language socialist federations contributed substantially to the formation of cooperatives in the early years of the SP, but it took several years for the central party to devote serious resources to cooperative organization. Once the party established a National Translator’s Office in 1906 and fully integrated foreign-language federations into the party in 1912, the foreign-language socialist

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federations gained much more influence. These socialist federations not only added 20,000 new members to the party, but, largely due to the influence of the Finnish Socialist Federation and the Coöperate League, shifted its policy toward more substantial support for cooperatives.  

Secondly, there were several independent attempts to establish regional or national cooperative organizations, most notably the Coöperate Association of America, the Pacific Coast Cooperative Union, and the Right Relationship League. These organizations comprised the more purely “cooperationist” wing of the cooperative movement, advocating, in the long term, the absorption of all industry and political organization into a “cooperative commonwealth” (a term coined by socialist Laurence Gronlund in his 1884 work of the same name). This strain of the consumer cooperative movement drew heavily on the collectivist consumerism embodied in the utopian fiction of the previous two decades, particularly Edward Bellamy’s *Looking Backward*, as well as the growing “social gospel” movement instantiated in the works of Walter Rauschenbusch and Charles Sheldon. The founder of the Coöperate Association of America, Bradford Peck, was a disciple of both.

Peck’s own self-published utopian novel, *The World A Department Store*, follows largely the same dramatic pattern as Bellamy’s. Like Bellamy’s protagonist, Peck’s character Percy Brantford falls asleep in the late nineteenth century and wakes up decades later in a society where poverty has been eradicated and “every opportunity for refinement” is offered. The organization that “has completely revolutionized the entire method of living,” as one character in Peck’s novel states, is predictably called the Coöperate Association of America (revenues from

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sales of the novel were, in fact, put toward the founding of the organization).\(^{19}\) Central to Peck’s, as to Bellamy’s, narrative is the accommodation of collectivism to consumerism, what is essentially, in the words of Jean Baudrillard, a “democracy of social standing,” wherein the “democratic principle is…transferred from a real equality of capacities, of responsibilities, of social chances and of happiness…to an equality before the Object and other manifest signs of social success and happiness.”\(^{20}\) More significant in the long run of the cooperative movement, however, is the emerging notion of cooperation, exemplified in Peck’s novel, as a kind of technology, a mode of social change through a particular technique. The cooperative method not only makes labor and distribution more efficient, but even ecumenicizes religion and culture in the process. Under the Coöperative Association, Brantford is told, denominational creeds have been discarded in favor of a “true Christianity” actualized in the practice of the cooperative method. All work, consumption, and leisure are organized through the cooperative store and its auxiliary departments. Thus while Raymond Williams describes the impulse of Bellamy’s utopia as one of rationalization without desire, one might describe Peck’s utopia as one of desire rationalized.\(^{21}\) The locomotion between value and social action, for Peck, is embodied solely in cooperative membership.

A year after the publication of Peck’s novel, the CAA store was founded in Lewiston, Maine. By the following year, the CAA had its own weekly publication, The American Coöperator, in which it promoted the ideas of Bellamy and Henry George, the Socialist Party, and reported on the development of collectivist business enterprises. Many of the members

\(^{19}\) Ibid., 117.


became discouraged, however, by the immense degree of unilateral authority Peck had in the operations of the association. However hesitant they were to admit Peck’s dictatorial tendencies, the CAA board of directors, as one historian suggests, “had to concede that really the Coöperative Association of America was only a private corporation whose philanthropically inclined directors chose to pay high wages but whose employees had no legal right to force any policy or action.”22 Those interested in a more democratic cooperative association in the Rochdale tradition increasingly looked elsewhere, and the CAA withered away within a few years.

Exemplifying a troubling pattern of cooperative development in the early years of the twentieth century, the CAA was part of a larger problem in the cooperative movement that the “coordinating” cooperators of the late 1910s and further on sought to address. This problem, as Florence E. Parker reflects, was that “[m]any of the proponents of cooperation in this time were liberals who…were not clear…just what it was they were after.”23 As a result, their methods of organization were often inefficient, even slipshod. Other cooperative associations were clearer in their principles but lacking in efforts at educating people in the financial administration of cooperative societies. “Trial and error,” Parker writes, “were killing, within a few months or years, a majority of such new cooperatives as were being formed.”24 One exception was the Right Relationship League (RRL), which devoted much of its energies to educating people in cooperative methods and accounting in the North Central states. In fact, much of the success of

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23 Florence E. Parker, The First 125 Years, 47.

24 Ibid., 55.
the RRL was due to the fact that it was far less interested in starting cooperatives than in promoting and organizing already existing stores.

Finally, there were the growing immigrant communities that sought to strengthen their economic stability through mutual aid and service. The most developed and longstanding of these cooperative associations were among the Finns in the North Central states, particularly those in craft industries, and among the eastern European Jews in New York (several of whom later helped found the Cooperative League of America). While the influx of Finns to the United States begin in the 1860s, the greatest number came between the years 1893 and 1914. Of the approximately 350,000 Finns who immigrated to the United States between 1870 and 1970, about 90 percent arrived after 1890. The threats of increasingly restricted civil and labor rights, Russian conscription, and frequent unemployment contributed significantly to emigration from Finland. As the labor and social democratic movements in Finland swelled, Finnish immigrants to the United States, coming largely from poverty-stricken rural areas, tended also toward socialism. As Peter Kivisto argues, this particular politics was engendered, on the one hand, by a suspicion of the state on the basis of their experiences with Russian imperialism, and, on the other, by their uses of communal halls as cultural and political centers for organization. Compounding this was the fact that many of the radical Finns, once in the United States, worked

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in relatively isolated occupations such as lumber and copper mining. Finnish workers in the mining ranges of the West, Midwest, and North Central states were propelled further toward labor radicalism and socialism by the miserable working conditions of the company towns, where they faced not only abusive and exploitative management but frequent racism and segregation. As historian Donald G. Sofchalk writes, “Mining bosses, given a free hand by the companies, overcharged the miners for tools and powder, ignored the appalling toll of fatal accidents, and cheated the miners of part of their wages by manipulating the contract system of mining.” “[T]he iron mining industry’s labor policy,” he adds, “could hardly have been more conducive to Socialist ferment.” Although most of the early Finnish cooperatives were established independently, by the 1910s there was a growing inclination toward federation culminating in the founding of the Cooperative Central Exchange in the Great Lakes region in 1917.

Anti-Jewish rioting in Russia drove Russian Jews westward in the late nineteenth century, and many settled in the Lower East Side. As was the case with Finnish immigrants, although Russian Jews were frequently stereotyped as innately radical, many did not arrive in the United States with radical labor or socialist ideologies. Socialism among Russian Jews in New York can be attributed not only to poor working and living conditions, but more substantially to the influence of German-Americans. Immigrant German socialists “welcomed the ‘Russians’ and encouraged them to organize Jewish workers into unions and socialist groups of their own,”


31 Ibid., 215.
offering “financial assistance, publicity, organizational models, and ideological guidance.” For many Jews, socialism not only addressed the problem of economic inequality and capitalist exploitation, but also the problem of ethnic discrimination and exploitation. As socialism began to play a greater role than religion in the lives of younger Jewish immigrants, both anti-Semitism and Jewish nationalism were often perceived as problematic in terms of fostering an internationalist movement. Primarily through trade unions and cooperatives, young Jewish socialists advanced the ethics of both the “cooperative commonwealth” and internationalism. Because Jewish trade unions in the early years of the twentieth century tended to be fairly weak, cooperatives became the more popular mode of advancement. Many cooperatives in New York were short-lived, however, due to the financial panic of 1907. Despite its unpromising start in 1907, however, the Coöperative League of America (often called the Jewish Coöperative League to distinguish it from the later organization of the same name) proved to be of lasting significance in New York as well as the whole cooperative movement.

What would become the League was founded as a small cooperative grocery store in the Bronx by Albert Sonnichsen and twelve others, most of whom were college graduates, with an

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36 Because the League was not actually officially called the “Jewish” Coöperative League, however, I have marked the distinction between the two leagues using the original umlaut diacritic to distinguish the first League, with no diacritic for the later one.
initial capital of $100.\textsuperscript{37} Born in San Francisco, Sonnichsen left home at the age of 15 to become a sailor. During the Spanish-American War, he served as a naval seaman aboard a transport ship, and was taken as a prisoner of war on Luzon for ten months. During his imprisonment he wrote an account of his experiences, which was published in 1901 as *Ten Months a Captive Among Filipinos*.\textsuperscript{38} Following the war, he became a journalist, having decided during his incarceration that he wanted to make a career out of writing. He was exposed to the philosophies of Marxism and socialism extensively while working as a foreign correspondent for the *New York Evening Post*, having worked for two years among national liberation groups in the Balkans. He gained familiarity with the principles of cooperation in England, while on his way back to the United States.\textsuperscript{39} Soon after he returned to New York in 1906, he set about organizing the cooperative store. The timing of its establishment was inauspicious, however, and the store did not weather the 1907 economic crisis. After the store failed, Sonnichsen went to work for the U.S. Immigration Commission as an investigator of social conditions among Bulgarian immigrants in the Midwest.\textsuperscript{40}

In the meantime, one of the store’s other founding members, Hyman Cohn, was working to revive the League, and succeeded in doing so in March of 1909. Born in Russia, Cohn came to the United States at the age of 25 in 1895. When he arrived in the United States, he became a salesman of sewing supplies, dry goods, and clothing. He learned English through the


\textsuperscript{38} Albert Sonnichsen, *Ten Months a Captive Among Filipinos: Being a Narrative of Adventure and Observation During Imprisonment on the Island of Luzon, P.I.* (New York: Charles Scribner’s Sons, 1901), 180.


Educational Alliance, a settlement house that offered religious, occupational, and English classes to help eastern European Jewish immigrants adjust to life in the United States. In 1902, he became a member of the Socialist Party, and became an enthusiastic advocate for cooperation after reading Beatrice Webb’s 1891 work, *The Cooperative Movement in Great Britain*. Because of his efforts to promote cooperation in the Lower East Side, he came to be known as “Cooperative Cohn.”

In the beginning, as Albert Sonnichsen (who became secretary of the League in 1910) writes, the League was “little more than a fictitious organization.” In 1911, it still had fewer than a dozen members. That same year, nonetheless, the League managed to start a hat store on Delancey Street with a capital of less than $300. The store was remarkably successful. By 1912, its membership comprised 446 individual members, 72 branches of the Workmen’s Circle (a political Jewish-American workers’ mutual aid fraternity), and eight labor unions. Three new stores and a factory were opened, but only the first store had enough patronage to remain in business.

**The Awakening of the Consumer**

In the early 1910s, cooperative associations, frustrated by the seeming stagnation of the movement, became increasingly convinced of the necessity of learning from the past successes and failures of the movement. Thus, despite the marginal success of the cooperative movement

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42 Albert Sonnichsen, *Consumers’ Coöperation*, 152.
in the United States, with the exception of California and the North Central states, there was nevertheless a growing print culture on cooperation by the time the First World War erupted in Europe. Alongside its work for the stores, the Coöperative League distributed pamphlets and other literature on cooperation in English and Yiddish, the Right Relationship League published a monthly magazine called Cooperation, Rochdale cooperators in California published the Cooperative Journal (later called the Pacific Cooperator), and new books on cooperative practice and history, such as Isaac Roberts’ Looking Forward, J. W. Sullivan’s Markets for the People, and James Ford’s Cooperation in New England were being published and sold in greater numbers. This new literature not only promoted the cooperative movement in general, but also advanced particular arguments about the nature of the consumer and the producer in the scheme of the whole productive process. In prior years, cooperators were primarily interested in the operations of productive or distributive cooperation, not in the analysis of whether the organization of cooperative members as producers or as consumers was more theoretically or strategically correct. The typical strategy for cooperative associations (those that sought to organize beyond the local store) was to establish consumer cooperatives first, as they required much less of an initial capital investment than producer cooperatives, then organize wholesales and producer cooperatives once enough capital had been raised. Cooperative distribution or production was thus a question of function under conditions of economic constraint.

How, then, did the question of organizing as consumers or as producers come to be of such importance in the emerging theorizations of the cooperative movement by the 1910s? The answer, in fact, has almost nothing to do with the ethic of cooperation itself and far more to do with changing economic and cultural conditions. The efforts of middle-class reformers and Progressives at cooperation in the late nineteenth and very early twentieth century were, as

45 Ibid.
Florence Parker describes, “often a mélange of consumers’ cooperation, productive cooperation, and pure philanthropy, with a little profit sharing thrown in for good measure.” Among the middle class, however, the importance of consumption interests became more pressing as their standard of living that had been enabled by generally decreasing prices in the late nineteenth century was, by 1906, increasingly difficult to maintain as prices began to rise due to inflation. The new standard of living and the challenge of maintaining it elicited, broadly speaking, two general rhetorical responses from the middle class: one response was to return to the older ethic which emphasized self-denial, savings, and restraint, and the other was to find ways to economize in order to ease the financial burden of maintaining the new standard of living. What is crucial here, however, is the way in which inflation was essentially treated in social studies as a middle-class problem. As Daniel Horowitz argues in *The Morality of Spending* (1985), while growing income inequality between 1896 and 1914 negatively impacted the unskilled working class most severely, contemporaneous studies of the effects of rising prices on white middle-class household budgets tended to be both more personal, detailing the personal consequences of financial difficulty on family relationships, and more alarmist, emphasizing the ways in which the middle-class way of life might capsize under the threat of inflation. “As people began to view work more instrumentally,” Horowitz argues, “consumption patterns became the ground on which they struggled to reconcile economics and morality, individual choice and social good.” Increasingly, the economic rights and responsibilities of the consumer became a source of major social concern, both in the effort to retrieve a distinctive

46 Florence E. Parker, *The First 125 Years*, 46-47.


middle-class identity and, in turn, a stable definition of societal prosperity. The rights of the consumer, then, became not merely a matter of personal morals, of the solitary household budget, or of taste, but a much broader question of the rights of the community itself. As one riled magazine writer put it in 1914, “What’s hell being raised generally in the world about now? It’s the awakening of the consumer.”49 For cooperators, this “awakening,” with its resulting socio-political class connotations of producer and consumer identities, prompted the endeavor to define the cooperative movement as struggle for social justice endeavoring to consubstantiate worker and consumer interests.

Once the Coöperative League’s three stores and hat factory were closed, the League was reorganized into the Industrial and Agricultural Cooperative Society in 1914. Although, in the same year, the Right Relationship League ceased publication of Cooperation,50 around the same time several socialists, trade unionists, and members of the Coöperative League, including Hyman Cohn and Albert Sonnichsen, started the Consumers’ Cooperative Union in West New York, New Jersey to continue the Coöperative League’s broader propaganda campaign. Emerson Pitt Harris, the president of a cooperative society in Montclair, New Jersey, was elected president of the Union. Although originally called the Cooperative Propaganda Publishing Association, the members determined that the new name better reflected its purpose of making it “federation of the store societies for propaganda, similar to the British Cooperative Union, rather than an organization of individuals.”51 Despite only a small income through its monthly publication, The

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50 The Right Relationship League was later reorganized into the American Rochdale League.

Cooperative Consumer, the Union immediately set about organizing a convention of delegates from consumer cooperatives.

The convention, held in New York City on October 11th, was attended by the representatives of sixteen societies from Rhode Island, Pennsylvania, New Jersey, and New York.52 Albert Sonnichsen, the editor of the Cooperative Consumer, remarked that, if the cooperative movement were to succeed in transforming economic relations in the United States, the convention would “go into American history for having first lifted the battleflag [sic] of our national movement.”53 His optimism following the convention was based more on his impression of the enthusiasm for the coordination of cooperative principles and practices than on the existing state of cooperative societies. There were many consumer cooperative stores in New York and New Jersey, but none of them had been established more than four years earlier (the Coöperative League opened its store in 1911).54 “Most of us were socialists,” wrote the business manager of the Cooperative Union, William Kraus, recounting the organization of the West New York Cooperative Society, “and we imagined ourselves extending the one store to a chain of stores, which would eventually be supplied by factories and farms, also owned and controlled by the organized consumer, until the system became universal and merged into the cooperative commonwealth.”55 Thus the fresh enthusiasm for federated consumer cooperation was rooted less in the utopian threads of the cooperative movement of the very early years of the twentieth century and more from the alignment of consumer cooperation with other forms of militant organization among socialists and trade unionists.

52 Eight cooperative associations were based in New York, six in New Jersey, one in Rhode Island, and one in Pennsylvania. “Summary of the Convention Proceedings,” in The Cooperative Consumer 1, no. 7 (Nov. 1914): 52.
53 Albert Sonnichsen, “Making History,” The Cooperative Consumer 1, no. 7 (Nov. 1914): 49.
A more recent source of optimism, however, was, in fact, the outbreak of the war in Europe, or, rather, the projected state of cooperation after the war. Cooperators realized that the war would have devastating economic consequences. At the same time they believed that, in the long run, cooperation would emerge stronger than before. By August of 1914 in Great Britain, many private stores were raising their prices in anticipation of economic devastation. Because networks of cooperatives in Britain had organized wholesales to produce below market prices, they were able to sell goods at cost. As a consequence, cooperatives in Britain experienced an immense increase in business and membership. In January of 1915, the *Cooperative Consumer* predicted:

> When the rebuilding begins, the consumers will turn to the institution that has served them in time of distress and danger. Also they will remember the selfish part played by the private merchants, in attempting to profit by the distress of the public...The future is pregnant with possibilities for cooperation.

Because advancements in Great Britain, as well as in Belgium, might mean growth for the cooperative ideal internationally, for many American cooperators the success of the cooperative movement overseas signified potential success in the United States. The formation of a centralized organized and networked cooperative movement, then, seemed not only viable (even if not imminently), but necessary for the progress of cooperation in the United States. “That the time was ripe,” Florence E. Parker writes, “was evidenced by the calls for speakers, for assistance in organizing, and for literature, that began to pour in from all parts of the country.”


57 “How Cooperation Has Stood the War,” in *The Cooperative Consumer* 1, no. 9 (January 1915): 70-71.

58 Florence E. Parker, *The First 125 Years*, 56.
The Cooperative Idea

The task of organizing a federation of consumer cooperative societies had more than its share of difficulties, however. Local cooperative societies were widely scattered and often isolated, and most were not financially strong enough to contribute adequate funding to a federation. A general propaganda campaign seemed more workable, but to maintain financial support the Cooperative Union would have to appeal to individual financial contributors, rather than societies. In fact, the Union was already appealing to individual donors just to keep the Cooperative Consumer in print.

One such appeal would turn out to alter the course of the entire consumer cooperative movement in America. In June of 1911, the Coöperative League co-sponsored a dinner meeting at Greenwich House, a settlement house in Lower West Side New York, with the then-president of the International Cooperative Alliance and formerly of the Scottish Cooperative Wholesale Society, William Maxwell. Albert Sonnichsen invited James Peter Warbasse, a well-known New York surgeon and, at the time, a socialist, to the dinner. After a few days consideration, Warbasse joined the League, though not as an active member. In 1914, Sonnichsen visited Warbasse to ask for five dollars for the Cooperative Consumer. Sonnichsen encouraged him to become active in the consumer cooperative movement, and, as Warbasse would later write, “[H]e came for money and got me.” From the time of that meeting into 1915, Warbasse and

his wife, Agnes Dyer, invited cooperative leaders, including Hyman Cohn and William Kraus, to his home in Brooklyn to discuss cooperative theory and organization.62

Warbasse had first encountered cooperative ideas in Göttingen, Germany, where he was doing postgraduate studies after earning his M.D. at Columbia University College in 1889. He served as a surgeon in Cuba and Florida during the Spanish-American War, during which, as he says, he developed “a strong pacifist leaning.”63 His work for the poor in the early 1900s prompted him to investigate various social causes that sought to remedy economic injustice, including the birth control and women’s suffrage movements. Together with his wife, he attended labor rallies and socialist meetings, and eventually joined the Industrial Workers of the World and the Socialist Party in 1911. Although he opposed Marxism, he believed that socialism was “a useful force to make a capitalist economy workable.”64 His involvement in the socialist movement was more experimental than driven by socialist orthodoxy, a way of learning how best to take action by joining those who were already taking action. He participated in union picket lines, was arrested on one occasion, hid fugitive activists in his home, and gave lectures on socialism and labor issues. For a brief time he became involved in the Single Tax movement inspired by Henry George, but by that time was sufficiently convinced that, even with the socialization of rent on land, the injurious nature of the system still driven by profit would not be sufficiently ameliorated. Thereafter he turned to anarchism. He became enamored with the writings of Peter Kropotkin, Henry David Thoreau, Voltairine de Cleyre, Josiah Warren, and Emma Goldman, as well as those of Herbert Spencer and Max Stirner.65 While he felt that

64 James Peter Warbasse, *Three Voyages*, 78.
65 Ibid., 82.
anarchists had neglected to find an adequate method of social transformation, he nevertheless became a staunch philosophical anarchist. Under existing social and cultural conditions, he thought, the anarchist society was not possible, but should rather be “held up before the mind as a goal toward which to move.”

This is not to say that he advanced a purely philosophical, rather than practical, anarchism. In June of 1913, Warbasse wrote an article for the socialist newspaper, The New York Call, defending the ethics of sabotage, defined as the “cooperative application by workers of measures for the retardation of the profit-making business of employers” for the purpose of “securing…concessions from the latter in the interests of the former as a class.”

When the war in Europe started, Warbasse became active in the New York anti-war movement and joined the American Union Against Militarism. “For all this brutalizing savagery,” Warbasse wrote in a 1914 pamphlet, “…we have to thank…the competitive, profit-making system” and its “three allies: race prejudice, patriotism, and the Christian Church.”

Warbasse did not dismiss short-term ways of resisting capitalist exploitation and abuses of state power for its perpetuation, but felt that a long-term method of action was required for any substantial systematic social amelioration to take place – that, he thought, was what the anarchist movement had failed to develop.

The meetings held in Warbasse’s home with cooperators from 1914 onward convinced him of the soundness of cooperation as a practice, as a method of resistance, and as an economic ideal. With Warbasse’s financial resources, the meetings focused increasingly on the problem of

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66 Ibid., 84.

67 James Peter Warbasse, “The Ethics of Sabotage,” The New York Call, 6, no. 180 (June 29, 1913), 11.

68 James Peter Warbasse, The Great War (Brooklyn: 1914), 1.
organizing a national organization to promote cooperation. A meeting of the Consumers’ Cooperative Union was called in December of 1915 to establish an organization, but it was poorly attended. Another meeting, however, was held soon after, however, and this time there were enough attending members to determine the vote. The decision to start a new organization was unanimously supported, and a committee was elected to draft a constitution. In the meantime, the Union ceased publication of the *Cooperative Consumer* to devote its resources to the establishment of the new organization.

On March 18, 1916, the Cooperative League of America was officially organized in the library of Warbasse’s home. Warbasse was made president, William Kraus made business manager, and Scott H. Perky, a writer and member of the Executive Committee of the New York alumni chapter of the Intercollegiate Socialist League, made secretary (the prominent cognitive psychologist, Cheves West Perky, his wife, was made Associate Secretary the following year). The plan for the League was that, through the financial support of individuals and cooperative societies, it would educate the public on the cooperative ethic and method until the cooperative societies themselves were strong enough to form a national federation of cooperatives. It would

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70 Florence E. Parker, *The First 125 Years*, 56.

71 The organizers of the League were James and Agnes Warbasse, Mrs. And Mr. Scott Perky, William Kraus, Emerson Pitt Harris, Ferdinand Foernsler, Hyman Cohn, Charles F. Merkel, Louis Lavine, Max Heidelberg, W. J. Hanifin, Isaac Roberts, Peter Hamilton, Walter Long, Mrs. And Mr. Ernst Rosenthal, Rufus Trimble, A. J. Margolin, and Albert Sonnichsen. “The Cooperative League of America,” *The Cooperative Consumer* 2, no. 7 (April 1916), 49.

accomplish this through a national campaign to collect “all possible information concerning Cooperation in the United States.”\footnote{The Cooperative League, writes Warbasse, “makes surveys of failures and successes; publishes information; gives advice; standardizes methods; creates definite policies of action; prepares by-laws for societies; drafts bills to be introduced in legislative bodies; promotes favourable legislation; sends out advisers to societies; provides lectures; prepares study courses; conducts a school; publishes books, pamphlets, and periodicals; and in every way possible promotes practical Cooperation.” James Peter Warbasse, \textit{Cooperative Democracy: Attained Through Voluntary Association of the People as Consumers} (New York: Macmillan, 1923), 437.}

Twelve societies comprised the initial membership of the League.\footnote{Horace M. Kallen, \textit{The Decline and Rise of the Consumer}, 259-60.} After obtaining an office on 5\textsuperscript{th} Avenue, the League began its work of propaganda and education. “[Warbasse] gave himself without stint to the propagation of the cooperative idea,” Horace M. Kallen writes in his 1936 work on consumer cooperation, “traveling, lecturing, writing, corresponding, expounding always the orthodox Rochdale method, and developing its implications.”\footnote{\textit{Ibid.}} The \textit{Cooperative Consumer} resumed publication in April, with Sonnichsen resuming as its editor. Affiliated cooperatives societies were asked for a yearly due of five dollars for every hundred members (for individual members, one dollar), but it was soon discovered that the financial support of the societies was not enough to meet printing and administrative costs. While the League expended a great deal of effort in distributing literature and arranging educational lectures, the imminent goal was to make an inventory of where, how many, and what kinds of cooperatives were already in operation. The League was able to stay afloat largely because of the Warbasses’ financial contributions (Agnes Warbasse had a significant inheritance),\footnote{\textit{Ibid.}; Jennifer E. Tammi, “Minding Our Own Business: Community, Consumers, and Cooperation” (PhD diss., Columbia University, 2012), 104.} but also through their persistence in working to promote the cooperative cause through education and propaganda. Even if local consumer cooperatives were established and operated with broader socio-economic aims in
mind, in order to move from experimentation to systematic change the cooperative movement would have to be aware of its own scope and the challenges facing cooperative stores both regionally and nationally.

**A National Movement**

When the United States entered the world war in April of 1917, American cooperators anticipated an accelerated demand for non-profit goods, as had been the case in the warring countries in Europe. The Cooperative League had already been receiving numerous letters of inquiry from labor organizations around the country, including the American Federation of Labor. In order to keep up with and respond adequately to the surge of inquiries, the Cooperative League established a twelve-member Technical Advisory Board in mid-1917. Already, cooperative societies in the Midwest and East North Central states had founded new propaganda leagues and wholesales to promote cooperation and manage society needs regionally, and in November the League established an Eastern section as well.

The inauguration of the Cooperative League as a national federation of cooperatives at the 1918 First National Cooperative Convention came at a grave time for many supporters and leaders in the cooperative movement. Several months later, in January of 1919, “arch-heresy hunter” Archibald E. Stevenson, a New York lawyer, testified before the congressional Subcommittee of the Committee on the Judiciary, also called the Overman Committee, on the possible associations between radical groups, German propaganda, and Bolshevism. During his testimony, he presented a list of sixty-two people whom he claimed were prominent

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revolutionaries and radicals. Those listed were mostly members of anti-war or socialist organizations, that, Stevenson accused, had assisted Germany during the war by speaking against the war or in favor of the Bolshevik revolution. Stevenson recommended that they be deported or imprisoned and their publications suppressed. Although the release of the list sparked some outrage, and was disavowed by War Secretary Newton D. Baker (as many on the list were prominent supporters of Woodrow Wilson’s administration), Senator Lee Slater Overman defended Stevenson’s list. The Overman Committee expanded its investigations of unpatriotic activities to include Bolshevik sympathizers. A few weeks later, the New York State Legislature appointed the Joint Legislative Committee to Investigate Seditious Activities, often called the Lusk Committee, to investigate Bolshevism, with Stevenson as associate counselor.

By the end of the war, then, the Cooperative League encountered both an escalation of interest in cooperation and increased pressure to dissociate itself from some of the very political and economic movements that had contributed to that escalation. In many ways, local hesitations concerning the cooperative movement’s connections with radicalism had more to do with the advocates and the leadership of the major cooperative organizations than with the idea of cooperation itself. The Cooperative League itself was politically neutral, but many of its leading members felt compelled to choose between their commitments to political organizations and the

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82 Legislative Committee of the People’s Freedom Union, *The Truth About the Lusk Committee* (New York: Nation Press, 1920), 4-5.
Warbasse’s appearance on Stevenson’s list of radicals had already resulted in the eviction of the League from its main office. Nevertheless, active members of cooperatives and of the League came from a range of points on the political spectrum, from socialists to Republican “Stand-Patters.” While the League was outspokenly critical of both capitalism and patriotism in its main organ (the Cooperative Consumer was renamed Cooperation in 1919 and Warbasse made editor and Sonnichsen managing editor), its mundane organizing activities focused on the practical financial and administrative aspects of cooperation. In the long run, then, while cooperation may have been viewed as anti-capitalist or, in more reductive terms, anti-profit, it did not usually raise a political ‘red flag’ as an “anti-American” philosophy, but rather seemed to embody, as historian Jennifer Tammi states, the basic Americanist “conviction that individuals could help themselves by working with others to advance shared interests.”

In the meantime, the cost of living continued to rise after the war. Real wages had been increasing since 1915, and wartime conditions of full employment, overtime, and bonuses had enabled most workers to keep up with increasing prices. A recession came only months after the war ended, however. The dismantling of war production, and its concomitant dismantling of

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83 James Peter Warbasse, Three Voyages, 119.
84 James Peter Warbasse, Three Voyages, 119.
85 Albert Sonnichsen replaced Scott H. Perky as secretary of the Cooperative League.
wartime wage regulations, made it difficult for many workers to maintain their standard of living. Consequently, labor unrest and interest in cooperatives surged unprecedentedly in 1919. Union-based cooperation, however, frequently lacked a methodical or organizational basis. For example, the American Rochdale Plan, an Illinois-based union organization, would buy goods in bulk from wholesales and distribute them to union members. By 1920, however, the organization had failed, largely due to overextended expansion. With the recession still in progress, it was difficult for unions to raise sufficient capital to maintain stable enterprises. Moreover, many unions lacked a clear idea of how their cooperative – producer or consumer – should be operated. In addition, there was no stable working-class national political organization or party. Because the Cooperative League insisted on political neutrality and the Socialist Party, which had already been in decline since its peak in 1912, had split into smaller parties after the war, there was but a meager prospect of merging existing nationally coordinated cooperation with a nationally unified working-class political movement.

The Second National Cooperative Convention was held in Cincinnati in November of 1920. At the time, the United States was in the middle of a second, more severe recession, this time resulting from deflation caused by increased interest rates. Tensions ran high among the delegates of cooperative societies, particularly between representatives of union-operated and non-union affiliated cooperatives. Although new cooperative associations were being formed at the time, the Cooperative League, particularly Warbasse and Emerson Pitt Harris, was concerned that too much federative centralization and rapid expansion among new regional federations

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88 Ibid.


would inevitably cause the collapse of these associations (as had occurred in the past). Emerging federated wholesales, such as the National Cooperative Association of Illinois, the Pacific Cooperative League of California, and the Tri-State Cooperative Association of Pittsburgh, had grown rapidly during the late 1919 steel strike. However, these new associations had developed a much more centralized system of management than the Cooperative League and other more European-inspired Rochdale cooperative associations. Rather than keeping the wholesale managed by delegates from cooperative societies, with the administration of the individual societies themselves being entirely separate, the new wholesales would appoint managers of local cooperatives stores through the federation itself, limiting local autonomy. These centralized wholesales eventually began opening their own stores. But they started opening more stores than revenues justified, and many members, both individuals and societies, paid for goods that were never delivered, were never repaid for investments, or invested in new stores that were never established. Moreover, very often the managers selected by the central wholesales were inexperienced in business or had little knowledge of cooperatives.

For that reason, the national convention, as described by Florence E. Parker, who had attended the convention as a specialist on cooperation for the Bureau of Labor Statistics, was “marked by knock-down and drag-out oral battle between the Cooperative League’s representatives (notably its president) and those regional organizations of the Midwest and Far West….” Warbasse and others in the Cooperative League attacked the centralized associations

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91 Florence E. Parker, *The First 125 Years*, 77-8.


94 Florence E. Parker, *The First 125 Years*, v.
as operating under unsound, undemocratic, and, in some cases, underhanded methods. The end result was the expulsion of the National Cooperative Association from the Congress, and the advisement to local societies not to affiliate with the centralized wholesales.95 They collapsed soon after the recession worsened in early 1921.

In 1923, James Warbasse published *Cooperative Democracy*, which for years afterward would serve as the main introductory text to the consumer cooperative movement and to the Cooperative League. By this time, the labor movement had begun to withdraw its efforts at starting new cooperatives, although many already-established union cooperatives thrived. While there was some growth in the number of agricultural cooperatives, the number of cooperatives in urban and suburban areas had basically stagnated by 1924, although existing cooperatives were growing in membership and business. In early 1922, the Cooperative League became officially incorporated in New York as “The Cooperative League of the United States of America Association, Incorporated,” and moved its offices to 167 West 12th Street.96 By 1924, the Cooperative League had 50,000 members and 333 affiliates.97 As the only American cooperative organization recognized by the International Cooperative Alliance, the Cooperative League was considered the authoritative voice of the American consumer cooperative movement.

This did not mean, of course, that the League had transplanted its ideals and long-term goals into all segments of the cooperative movement. The allegiance of many cooperators and cooperative societies to the League as a force for cooperative development did not necessarily mean allegiance to the long-term strategies and goals of the League’s leadership, particularly

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95 Ibid., 79.


97 Florence E. Parker, *The First 125 Years*, 108.
regarding the consumer cooperative movement’s functional relationship to other economic, social, and political movements. Warbasse, Sonnichsen, and others insisted that the League remain independent of other movements, lest cooperation cease to be a “consumer’s” movement. Of all the different points of debate about revolutionary tactics in the cooperative movement, the principle of political neutrality was the most contentious. To defend it, cooperative theorists had to argue for the incompatibility of cooperative tactics with some of the tactics of other movements while at the same time asserting that social change through cooperative tactics would achieve many of the shared goals of sympathetic movements.
CHAPTER 2: GETTING A HORSE AND A MULE TO SING IN CHORUS

James Warbasse and Albert Sonnichsen were the primary theorists of American cooperation as a politico-economic philosophy, but they were also, equally importantly, educators, propagandists, and organizers. *The Cooperative Consumer*, *Cooperation*, and the “textbooks” on cooperation were not intended to merely illuminate the operation of social forces for the purpose of honing cooperative practice, but, in large part, to argue for what cooperative practice could do compared to other radical movements under existing conditions given limited resources for social change. Discussions of cooperative practice in the early years of the *Cooperative Consumer* tended to emphasize cooperation as an ally to other movements, particularly labor. Nevertheless, they strongly distinguished cooperation as a radical movement in emphasizing its commitment to “evolutionary,” or gradual and non-violent, social change.

In the pages of the *Cooperative Consumer* and *Cooperation*, the more rigorous defense of gradualism against the proponents of “overnight adventures” came largely after the founding of the Cooperative League in 1916.\(^1\) After the First World War and during the surge of revolutionary enthusiasm following the Bolshevik Revolution, leaders in the cooperative movement, such as Albert Sonnichsen and Emerson Pitt Harris, and academics in favor of cooperation, such as James H. Tuft and Gordon S. Watkins, produced more substantial defenses of gradualism in full-length works on the history, theory, and practice of consumer cooperation. At the same time, there was a greater emphasis on the revolutionary character of the cooperative movement. In the political climate following the war, active membership in and advocacy for cooperatives became a ‘safe’ alternative form of organization for many trade unionists as well as

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\(^1\) *Ibid.*
members of the Socialist Party and the recently organized Communist Party USA. Particularly after the anarchist bombings of April and June of 1919, suspicions against political movements, as well as ethnic communities (particularly Eastern Europeans), associated with revolutionary ideologies ran high. Despite the revolutionary rhetoric of the Cooperative League’s publications – their insistence, for example, that the consumer cooperative movement was anti-capitalist and “one in aim and spirit” with socialism - the gradualist approach of the movement largely spared it from paranoid anti-radical fervor after the war. In 1920, a representative from the National Republican Campaign Committee met with an official from the League requesting its support for Warren G. Harding’s presidential campaign. When asked why the Committee would seek the support of an organization that was overtly critical of private enterprise and state politics, the representative replied, “[You] make a big mistake if you think [Harding] doesn’t realize that you are opposed to [private business interests.] They haven’t any reason to love Cooperation, but Cooperation is the only thing that can save the country from bloody revolution.” The notion that consumer cooperation’s intention was to “save the country” from revolution, however, was precisely what had worried some leftist radicals years before. Winfield R. Gaylord, the chairman of the Socialist Party’s committee on cooperation, reassured other socialists that consumer cooperation was “most mightily and truly a movement for the working class” as consumers. The more intensive fleshing-out of a cooperative theory of revolution after 1916 was, in large part, an

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5 “Political Action,” *Cooperation* 7, no. 8 (Aug. 1921), 121.

attempt both to distinguish cooperation as a methodology from other movements that advocated violence and class struggle as a means of revolution and to address accusations that consumer cooperation was not revolutionary enough.

“Ye Shall Have Evolution, or Revolution”: Theory and Agency in Cooperation

As a body of theory, cooperation as developed in the pages of the Cooperative Consumer and Cooperation could be separated neither from the practical rules of consumer cooperative organization (viz. the Rochdale Principles) nor from the extrapolation and application of these rules as a procedural guide for the ways in which theory ought to be translated into practice.

“During the past few years, but especially during the war,” Sonnichsen writes, “Consumers’ Cooperation has been sharply defining itself…From what it has already achieved materially we are able to deduce a theory of industrial reorganization complete within itself…. “8 Their theory was at its “purest” in two modes, the first of which might be described as a procedural meta-theory of revolutionary agency, the other as an analysis of means of action other than consumer cooperation in terms of the social relations and civic culture they might produce.

The former mode of evaluating tactics for social reform invoked both the essential and the trans-historical. With respect to the Rochdale Principle of “open and voluntary membership,” for example, there were frequent arguments between Warbasse, Sonnichsen, and other consumer cooperative theorists against those of the trade union, political socialist, and other working-class movements. Those who believed that cooperation in itself was a revolutionary movement, not a supplementary factor to another political or social movement, took voluntarism and nondiscrimination (or open membership) not only as organizing principles for cooperative societies, but as procedural necessities, as, in essence, rules for translating any theory of the

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7 Albert Sonnichsen, Consumers’ Coöperation, xiv.
8 Ibid.
means of social change into practice. It is in this sense – as a “moral philosophy” as well as a “humanitarian ambition” – that the cooperative theorists in the 1910s and 1920s take on meta-theoretical dimensions in their analyses of various modes of social change.\(^9\)

Historically, cooperators argued, the immediate goal of cooperation was not to overthrow the capitalist system. There was no need to overthrow the system, because, in Warbasse’s words, it was already “overthrowing itself.”\(^10\) It was this economic argument, rather than any moral one, that led cooperative leaders to denounce violent revolution. Instead, cooperation’s role was to gradually lay the foundations of a sustainable economic system during and after the decline of the capitalist system. The urgency of establishing cooperatives during this decline lay in the fact that “[i]n proportion to the economic pressure…,” as Sonnichsen writes, “[y]e shall have evolution, or revolution,” the result in the case of the latter predicted to be either complete collapse or the state appropriation of the previous functions of capitalist enterprises.\(^11\) The war, some felt, had accelerated capitalism’s decline. Warbasse argued that corporate profiteering during the war had effectively ended competition between big businesses. If the state could prompt businesses to reduce profits until the cost of living fell, Warbasse suggested, the economy might recover. However, he added, “[T]he forces which control the government are dedicated to maintaining the interests of profit-making business.”\(^12\) Later, in *Cooperative Democracy*, he argued that increasing prices were also the result of the growing proportion of employment in commerce over production, signifying the increasing dependence of the economy on speculation for markets:

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\(^10\) James Peter Warbasse, *Cooperative Democracy*, 79.


\(^12\) James Peter Warbasse, “Puttering with Profiteering,” *Cooperation* 5, no. 10 (Oct. 1919): 145.
The printing presses are issuing security certificates at a rate which surpasses the printing of paper money ever dreamed of by the warmest advocates of inflated currency. Money is no longer the circulating medium of business. Credit is now based largely on interest-bearing securities. These have taken the place of money, and their multiplication is breeding the same financial crisis that the inflation of money breeds.  

Built upon the inflation of credit, the economy, Warbasse predicted, would not last another generation; the “bubble” would burst. Inflation through credit and speculation had given the economy only a temporary appearance of health, so long as speculative demand was treated the same as wealth in transactions for actual goods. For Sonnichsen, the economic turmoil and surge of labor radicalism following World War I signified a popular loss of confidence in the capitalist profit-making system. The realization that capitalism was “inadequate in repairing such damage as the war has caused,” he argued, led to Bolshevism in Russia and Hungary, and in increased government economic regulation in the United States and England.  

Although such solutions might seem to provide relief in the short run, Sonnichsen argued, they could not provide a sustainable economy without an already-existing material and cultural foundation. The decay of capitalism required the economic organization of consumers in order to secure the broadest social basis for the groundwork of a stable economic system.

The second mode was essentially futuristic, as the analysis of different means of action in terms of the social relations they might produce. The economic organization of consumers against capitalist enterprise, Sonnichsen and other cooperators suggested, would ultimately result in political conditions favorable to labor, even while the cooperative movement itself remained

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13 James Peter Warbasse, *Cooperative Democracy*, 220.

14 Albert Sonnichsen, *Consumers’ Coöperation*, x-xi.

15 A similar idea is found in John Dewey’s *Human Nature and Conduct*. “Political and legal institutions may be altered, even abolished; but the bulk of popular thought which has been shaped to their pattern persists…Habits of thought outlive modifications in habits of overt action. The former are vital, the latter, without the sustaining life of the former, are muscular tricks.” John Dewey, *Human Nature and Social Conduct: An Introduction to Social Psychology* (New York: Henry Holt, 1922), 108.
politically neutral. While cooperators viewed consumer cooperation as a *labor* movement, they did not view it as a *class* movement. Labor, as defined by the cooperative movement, was not strictly the labor movement or the working class in the popular sense, but anyone, organized and unorganized (regardless of wealth), that did not earn their income through profit.\(^\text{16}\) In this sense, it was argued, cooperation tended to “increase the numbers of the working class” by out-competing private capitalist stores, the owners of which might “reappear” as managers or store clerks – “social servants on a wage basis, therefore workers.”\(^\text{17}\) In this way, cooperators saw their movement as a means of universalizing the working class and eliminating the capitalist class (by eliminating income from profit), but they did not view cooperation as a form of struggle between classes. Rather, it was a struggle between consumer and capitalist interests, with the cooperative movement, as Warbasse wrote in late 1916, using the “weapons of capitalism to fight for itself” to “secure possession of production…by producing for a guaranteed constituency of consumers.”\(^\text{18}\) Because consumer interests were “universal” while capitalist interests belonged only to a few, it was argued that, using the “weapons” of competition and organized consumer purchasing power, the capitalist interest could be removed. Cooperation could never entirely remove private enterprise from the economic system. Cooperation would not deny remuneration to “[t]he poultryman who devotes himself to the breeding of superior fowl, the gardner who can produce a frost-defying cucumber, or who can impart special flavor to a strawberry.”\(^\text{19}\) So long

\(^{16}\) “The status of worker or capitalist is in the nature of the source of his income,” Sonnichsen writes, “whether that be from physical or mental labor, or whether it be from trade profits, rents, interest on invested capital.” Albert Sonnichsen, *Consumers’ Coöperation*, 209-10.

\(^{17}\) Ibid.


\(^{19}\) Albert Sonnichsen, *Consumers’ Coöperation*, 200.
as larger industries were organized cooperatively, small private businesses could operate freely without deleterious economic and social effects.

Thus the essential thesis of cooperative tactics was that cooperative industry could outcompete large-scale capitalist industry. As members of cooperative societies, consumers would gradually learn to further the democratization of industry by practicing cooperation and withdraw their purchasing power from capitalist enterprises. “True co-operation cannot rise higher than the general level of the democracy,” Sonnichsen reasoned. “Co-operative practice is the training which will raise the level of the democracy, up to that point, we hope, where private capitalism will be submerged.”

This training in democracy required more than a simple transformation from one business model to another. As a practice of education for democracy based on shared needs and interests, cooperation could not begin, in Sonnichsen’s analogy, by sending a “six year old child to a university” – that is, by establishing large cooperatives where the customer base had little knowledge of cooperative principles.

Also, because it would be counterproductive to establish cooperative stores in competition with one another, establishing stores with an overlapping customer base was also discouraged. In short, because the movement sought to advance cooperation both as an ethic and as an economic system, their basic currency was the small, local store, with unionized employees or working conditions approximating those generally desired by unions, appealing primarily to the working class. The competitive advantage of consumer cooperatives, it was argued, was that by eliminating profit and distributing surpluses as dividends they could simultaneously attract consumers away from

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capitalist enterprises while simultaneously enhancing the purchasing power of the customer base. With sufficient revenues from local consumers, it was thought, these local stores could establish regional wholesales to achieve economies of scale and surpass private capitalist enterprises.

**Revolution, Labor, and Socialism**

From the beginning of the publication of *The Cooperative Consumer*, Sonnichsen and others distinguished between cooperation as a worker’s movement, on the one hand, and as a movement for workers on the other. Cooperation, it was argued, was a movement for workers in the sense that consumption was another front that could be used to resist capitalist appropriation. At the same time, cooperators were often critical of the methods of organized labor, mainly because of its exclusionary tendencies and limitations due to its primarily defensive tactics. Another long-standing criticism of union-based cooperation was that it had the tendency to transform into “trade-union capitalism,” or essentially profit-based union stores marketed as “cooperatives.” Rather, in order for labor and cooperatives to work effectively together, unions had to abstain from the same capitalist practices that undermined consumer purchasing power.

Labor’s and socialism’s emphasis on production, rather than consumption, was a constant target of criticism. “[C]onsumption is the basis of all industry,” Sonnichsen insisted, “Even labor is incidental to that, for it is to supply our needs that we labor…It is essentially a personal, human interest, distinct from a business or trade interest.”24 Because the Consumers’ Cooperative Union and the Cooperative League privileged consumption as the focal point of resistance to capitalist exploitation, class struggle as well as political struggle were viewed as indirect and less effective routes to the same destination.

The kind of socialism with which cooperators aligned themselves was distinctly non-Marxist. In a review of Maurice William’s 1921 *The Social Interpretation of History* (a critique

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of the Marxist view of history and economy), Sonnichsen approved of William’s emphasis on consumer demand rather than labor as the determining factor in industrial development, as well as his re-centering of social conflict from class struggle to the “real struggle…between society as a body of consumers and capitalism [sic] as a class.”\(^{25}\) Cooperators did not dismiss production-side concerns, but generally viewed them as effects, not causes. Some, however, argued that, even if class struggle were a symptom, class interests would nonetheless significantly impact attempts to organize as consumers. Although consumer cooperatives were easier to support on a wider basis than producer cooperatives because of the broader appeal of consumption interests, member loyalty in consumer cooperatives was not immune to class divisions. The main obstacle to consumer cooperation was not directly the capitalist competitor, but the problem of harmonizing interests based on social bonds – such as class - beyond consumption. As Cooperative League assistant secretary Cheves West Perky argued in the *Intercollegiate Socialist* in 1918, “The American cooperative movement must follow lines of cleavage, of least resistance, of transplanted nationalities, homogeneous occupation, and must be bound in the much stronger and closer ties of common interests and enthusiasms.”\(^{26}\) A cooperative movement based solely on consumers *qua* consumers might have a tactical advantage in appealing to the middle class, culturally and economically, but risked being coopted by bourgeois values.\(^{27}\) In this way, it was argued, in order to be an effective instrument of the working class, the cooperative movement had to become sensitive to local conditions, rather than “followed as a formula…external and


\(^{27}\) *Ibid.*
In another article, Roy Shanks, the manager of a cooperative society in Danville, Illinois, criticized local cooperative societies, particularly those organized by unions, for discriminating against black Americans:

The Negro feels this discrimination very keenly. He realizes his position in our present false society. Yet he has sons and daughters for whom he desires to provide more opportunities than were afforded him, as his opportunity has consisted mostly of choosing whether he wanted a job as a janitor or one in the mines or some other position of manual labor. It is astonishing, the number of Negroes that have fought their way through schools against all manner of hardships and acquired an education only to find the doors of business closed to them when they come out.29

The enemy of the interests of black and white Americans, Shanks argued, was not each other, but the capitalist class. Where the cooperative movement as a force against capitalism was concerned, racial and gender discrimination in local cooperative societies could not be allowed to become an obstacle.

In 1923, Cooperation published several critiques of state socialism, centering primarily on the problem of using the state as a means of socializing industry. In an article titled, “The Program for Working-Class Capitalism,” Cedric Long, the secretary of the League and a former union organizer, warned against the notion that merely taking over capitalist enterprises as workers would produce industrial democracy. “When Labor takes over a capitalist business, instead of the business becoming democratic, the workers become little capitalists,” Long explained. “The capitalist business makes capitalists of its owners, no matter who they may be or what class they may have belonged to.”30 In the same way, Warbasse argued in the same issue, a takeover of the state would have little impact on capitalism as an economic system. Moreover, he argued, a free, socialist society could not be legislated into existence. “There is a fundamental

28 Ibid.


fact in human psychology which wishing will not change,” he asserted. “One who has once struggled to power, even in what he believes is the interest of society, never voluntarily relinquishes that power.”31 Criticism of socialism, then, and to some extent the labor movement, was oriented around two poles. First, that a transfer of property ownership from one class to another, even under “workers’ control” did not constitute industrial democracy unless control of business itself was democratized. Second, that, without an already-existing institutional economic foundation, the political state could not be used as an instrument for a democratic social system. Regarding industrial organization, Warbasse argued, “The only sort of tool that fits the hand of the people is one which the people make for themselves.”32 The political state and property regimes were not reduced to economic relations, but were, rather, seen as ultimately limited or conditioned by economic relations. “It is a mistake to suppose that politics govern economic conditions,” one 1915 editorial declared. “The policeman at the street corner regulates traffic; he is the law of the street. But he has not created the traffic.”33

Social systems, it was argued, emerged primarily from economic actions. The implication was not that political action was useless, but that its power was regulative rather than creative. Thus, for cooperators, tactics concerning the relationship between the state and the economy were of secondary importance to tactics concerning the internal organization of cooperatives themselves and the relationship between economic systems as expressed and propagated by their institutions. “Though a revolutionary movement in purpose,” Sonnichsen wrote, cooperation, as an activity, comprised “mainly a series of commercial and industrial enterprises…subject to the


same economic laws that control industry in general.” Political and economic revolution, then, depended not only on the sustainability of “competing” economic institutions (viz. cooperatives and other non-capitalist enterprises), but also on the eventual collapse of the existing system combined with the sustainable foundation for a new one. Defensive economic organization – e.g. in the form of trade unions or political reform – was an indicator of the decay of the prevailing economic system and was a means of ameliorating its effects, but could not in itself bring about permanent results.

In this conceptualization of revolution articulated by the writers of Cooperation, the upheaval of the existing system could not be produced by a catastrophic transition, but only by the slow transformation of a decaying system into a new one. The decomposition of privileged classes could not take place through the replacement of one set of rulers for another. Because, as mentioned earlier, new rulers would be reluctant to relinquish power, revolutionary change would have to be “spontaneous” to a certain degree because it depended on the “organic” deterioration of systematic privilege. In this sense, Warbasse suggested, “Revolution is more of an upper-class than a lower-class phenomenon.” The transformation of capitalists into workers, using the “weapons of capitalism,” was not intended to turn workers into a privileged class, but rather to contribute to the deterioration of the privileged class itself. The possibility of combining evolutionary economic change and cataclysmic political change, however, was heavily discussed in Cooperation and cooperators’ published works during and after the Bolshevik Revolution.

34 Albert Sonnichsen, Consumers’ Coöperation, 121.
35 James Peter Warbasse, Cooperative Democracy, 267.
Cooperators’ assessments of the Revolution in Russia were initially guardedly optimistic, but gradually became more ambivalent. “Not all the efforts of the dominating forces of the world will avail to prevent the Russian people taking industry out of the hands of privilege and administering it to themselves,” a brief article declared, warning readers not to believe the “mass of lies about Russia” spread by the American press. The labor uprisings following World War I were viewed as a sign that the capitalist system was collapsing, and cooperators should operate “in absolute accord with the Soviets” to resist the offensive of capitalist imperialism. The assumption at the time, however, was that cooperatives would remain autonomous from the Soviet state. Even the nationalization of cooperatives in March of 1920, while criticized, was hoped to be a temporary detour from the development of a new economic order based on voluntary and autonomous cooperatives. As one article declared in the same month, “The efforts of the great capitalistic powers to crush democracy in Russia has [sic] failed. The workers have won.” In the United States, Bolshevism had been a major factor in the 1919 labor uprising and surge of cooperative development. Although cooperators were careful to distinguish between Bolshevism and cooperation as separate movements, in some regions there was significant

36 “In Russia the workers have found Co-operation the ideal thing to utilize for their purpose. There the Co-operative Movement is bringing order out of chaos. It is the harmonizing element, enabling the Russian people to enjoy the fruits of their work. There are co-operative societies 50,000 strong, and Co-operators 20,000,000 in Russia. Woe to the disturbers who upset these hives; they will surely be stung. We need not fear for Russia.” Ernest C. Cheel, “The Bees Are Swarming!” Cooperation 5, no. 5 (May 1919), 72; “While for the present [sic] at least the cooperatives must be considered a part of the State machinery of Soviet Russia and have been made use of in order to carry out the policy and aims of the new economic order proclaimed by the Soviets, there is strong reason for hope that in the struggle for the right to serve the interests of the masses of Russia the cooperative idea will emerge as the keynote of the new economic order in that country.” Frederic E. Lee, The Russian Cooperative Movement (Washington, D.C.: G. P. O., 1920), 71.

37 “Russia,” Cooperation 5, no. 2 (Feb. 1919), 30.


39 “Trade with Russia,” Cooperation 6, no. 3 (Mar. 1920), 45.
overlap. When Warbasse was touring the cooperatives of the Northwest, he spoke to a woman working at a cooperative store in Seattle. “I understand that you are pretty red out this way,” he said. “Yes,” she said, speaking loud enough for everyone in the store to hear. “We’re Bolshevik clear through, and we don’t care who knows it.”

Albert Sonnichsen, who by 1919 had been replaced by James Warbasse as editor of Cooperation, was, however, far more condemning of Bolshevism in his 1919 work, Consumers’ Coöperation, than in Cooperation magazine. Bolshevism, and cooperation in alliance with the Soviet state, was not the antidote to economic injustice, but merely a symptom. His 1919 work, Consumers’ Coöperation, pointed out that, although Russian cooperators had often opposed Bolshevik power, the Soviet state was itself dependent on cooperatives. Bolshevism, he argued, had not arisen from a sudden “enthusiasm for social equity,” but rather from a “black despair” and search for the “quickest relief from his [sic] present economic misery.” In such a context, he argued, it was difficult for Russian cooperative organizations to maintain their political neutrality, and the Soviet “compromise” with cooperatives – viz. including cooperation as an ally with state socialism and syndicalism – presented the risk of even ostensibly autonomous cooperatives being absorbed by the state apparatus. Later that year, Cooperation published the American Committee of Russian Co-operative Unions’ rebuttal to several of Sonnichsen’s points, particularly those that questioned the political neutrality of the movement.

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41 Albert Sonnichsen, Consumers’ Coöperation, x.

42 To which Sonnichsen replied: “[I] would say that I know of not a single fact which would indicate that the Committee is not conscientiously trying to maintain a policy of strict neutrality. But this policy does not bind me. I reserve the right to interpret facts regarding the Co-operative Movement in Russia according to my own opinions, and this I have done – nothing more.” Quoted in James Peter Warbasse, “American Committee of Russian Co-operative Unions Neutral in Politics,” Cooperation 191-92
When Russian cooperatives were absorbed into the Soviet state in 1920, Warbasse worried that it might “prove more destructive than the attacks of a capitalist government.” Nationalization, as he saw it, was a form of “coddling that kills, the pampering that prostitutes, and the protection that smothers.” The Soviet government was only enabled to be non-capitalistic by the cooperatives, and yet, he argued, true cooperation, and for that matter true socialism, could not exist as the organ of any state.

Thus while the Soviet state was taken, with some ambivalence, to be a blow against capitalism, the tension between cooperative autonomy and state socialism provoked a more engaged criticism of cooperatives allying with the state. Stressing that cooperation did not belong to any political ideology, but to the economic and social arena alone, Warbasse argued that the politicization of cooperation would ultimately result in conflict between cooperatives and the state, as both sought to organize the same industries. An alliance between cooperatives and a political movement might be expedient if the socialist movement were committed to the cooperative commonwealth as well as the dissolution of the state. Nevertheless, such an alliance was impossible, because, Warbasse argued, the “chief function of the state is to preserve itself.” The coercive tactics of the state, he continued, were antithetical to the voluntary loyalty required by cooperatives.

Ultimately, democratic control of industries could only take place through the state indirectly. However just the intentions of a political party, however popularly supported, once in power the party’s ultimate concern would sustaining its own power, and representing the

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people’s interests as a secondary concern. For this reason, Warbasse argued, cooperators could only be sympathetic to political socialists until they started winning elections. “[A]fter that,” he said, “we must continue to work for the people while the political victors are occupied with running their political machine – the State.”\textsuperscript{47} The perceived advantage of cooperative democracy as a means of social and economic change was that it could be more responsive to support or dissent both through consumer votes and through the loyalty or disloyalty of a voluntary membership.

For many cooperators, the Russian Revolution was a symbol of hope because it had succeeded in overthrowing the Czars and had, even if irresolutely, aligned itself to some extent with the international cooperative movement. “The thinking world was seething with discontent after the tragic war to end war,” Warbasse would later write in his autobiography, “…My own attitude was one of hope, if not of sympathy, toward the Russian experiment.”\textsuperscript{48} However disparate the ideologies of cooperation, political socialism, and communism, for many radicals each, at the time, seemed preferable to apathy towards the social conditions of capitalism after the war. As the true relationship between Russian cooperatives and the Soviet state was increasingly disclosed, however, many became disillusioned with communism. Before attending the congress of the International Cooperative Alliance in Belgium in 1924, Warbasse and his wife, Agnes, went to Russia to observe the Soviet experiment and Russian cooperation. In Moscow, he gave a lecture at the Cooperative Club on the incompatibility of cooperation and statism. He recounted that he had perhaps the “distinction of being the only person to survive”


\textsuperscript{48} James Peter Warbasse, \textit{Three Voyages}, 91.
after making such a speech in Moscow after 1918 because, as Russian attendees at the ICA Congress later told him, his translator had given an entirely different lecture.49

Only a year earlier, Warbasse had expressed some hope for the temporary compatibility of communism and cooperation in Russia, though with the caveat that the success of one necessarily meant the failure of the other.50 Democracy expressed solely through the apparatus of the state was inherently limited by the chief interest of the state in its own self-perpetuation. In this sense, the “ideal” function of the socialist state was not to assimilate democratic economic institutions but to encourage the development of democratic institutions that exceeded state power and could eventually absorb the functions of the state itself voluntarily and non-violently. The establishment of a “socialist dictatorship,” as in the case of the Russian Revolution, Warbasse argued, could not hope to both absorb democratic economic institutions and eventually abolish the state itself; the perpetuation of either would demand the destruction of one or the other.51

For Warbasse and Sonnichsen, state socialism was correct in the respect that it was based on citizenship, rather than labor. In practice, however, they were concerned that, under a socialist state, all industry would either become state property (in essence turning the state into one, central capitalist) or be controlled exclusively by workers rather than consumers. Moreover, it was argued, economic equality in terms of gender and race would be more difficult under state socialist tactics than under cooperation. In organizing consumers, Warbasse argued, cooperation did not arrange needs by the interests of workers or voters but by the equal consumption needs of

49 Ibid., 88.
50 James Peter Warbasse, Cooperative Democracy, 151.
51 Ibid., 366.
individuals and families.\textsuperscript{52} Cooperators acknowledged the difficulty of the gradualist approach given immediate conditions of collective discontent, but a more pressing problem, they thought, was the challenge of changing the cultural psychology of profit-making business and the state.

\textsuperscript{52} Ibid., 11.
CHAPTER 3: MADNESS & THE “MORALITY OF MATERIAL THINGS”

The philosophy of cooperation developed in the 1910s and early 1920s was not only economistic in its orientation to political and social change, but also in its orientation to culture and individual psychology. As James Warbasse wrote in 1920, “All of the great virtues are symptoms, manifestations of material things, as motion and noise are manifestations of the moving wheel.”¹ Similarly, “unsocial” behavior was viewed not as the consequence of a fault in personal character, but as a symptom of social injustice. The organization of material life, then, could be evaluated by the kind of culture and behavior it produced. One who acted either criminally or antisocially, and was not “mentally defective” or “sick,” was the victim of society. When confronted with such behavior, Warbasse argued, society’s responsibility was to “find out what is wrong with itself, make amends to the victim of its wrong, and set about to remedy itself.”² The serious problem produced by profit-driven industry and the political state, then, was not only social inequality, but also intellectual “derangements.”³

Warbasse’s presentation of the primacy of economic causes in cooperative philosophy appears deterministic, or in Kenneth Burke’s terminology behavioristic, limiting individual agents to means of action ultimately driven by biological needs and economic structures. It is important to remember, first of all, that cooperators viewed the consumer interest as essentially pre-economic, that is, as prior to any particular economic system. Economic institutions (e.g. markets, property regimes, finance, contracts, etc.) coordinated the technical processes of production and distribution (organized in the division of labor as individualized techniques or functions) with pre-economic functions (that is, consumption). In short, the commitment to

¹ James Peter Warbasse, “Human Hungers,” Cooperation 6, no. 9 (Sept. 1920): 133.
² James Peter Warbasse, Cooperative Democracy, 207.
³ Ibid., 219.
consumption as an interest preceded the economic system insofar as the economic system instantiated a particular system of technological processes whereby the material needs of consumers could be satisfied. The distinct functions of economic institutions introduce other motivating factors in economic organization, but the primary function remains consumption unless other introduced functions, such as profit and property, affect the economic system as a whole to the extent that they become viewed as objectives in themselves. Insofar as these objectives are taken for granted, they are reinforced through the political system.

When examining the role of economic determinism in the cooperative theory of the 1910s and early 1920s, it is important to address the ways in which its discourse paints social action as both reflecting the material situation by acting consistently within it and as being caused by the material situation itself. The material context – that is, the ‘things’ that comprise the material through which economic action is actualized – is not merely a background against which economic agents work toward their objectives, but is itself directly motivating. In essence, both in Warbasse’s analysis of antisocial and criminal behavior and in the cooperative movement’s general theory of social change, the motivational qualities of individuals’ interactions with others are derived from their interactions with material things, insofar as these interactions are regulated by value-commitments and objectives learned through techniques of economic action (or the acquired economic roles played by individuals) economic institutions organize as the means of acquiring goods and services. In other words, the technical processes that constitute individual economic roles as organized by economic institutions implicitly refer to a broader ideological lore of motivations and values through the social relations they embody. In this way, Warbasse and Albert Sonnichsen argued, economic systems comprise not only particular organizational relationships between economic institutions, but the particular value-
commitments in which people are “educated” through participation in those institutions. Thus while the consumption interest is pre-economic, or prior to any particular economic system, the consequent development of economic systems induces the emergence of diverse orienting cultural psychologies toward labor and consumption that thereby organize individuals’ sense of precedence and responsiveness to their own interests and the interests of others. For that reason, Warbasse and Sonnichsen viewed social conflict, including individual “unsocial” behavior, as the consequence of a break in the continuity of interests between consumption as the end and production as the means. Under capitalism, this meant the subordination of consumption to production and profit as social objectives.

In non-Marxian socialist theory after World War I, the idea that the subordination of consumption interests to production interests was the cause, and class struggle the effect, of the capitalist system was becoming more prevalent. Two works from this era, Maurice William’s *The Social Interpretation of History* (1921) and John Dewey’s *Human Nature and Conduct* (1922), particularly exemplify this conception. For William and Dewey, historical materialism represents the intellectual inversion of cause and effect that emerges from an economic system in which consumption and production have become disjointed as social interests. Both authors argued that Marxist historical materialism was itself an ideological “symptom” of capitalist pathologies, viz. the class struggle and emphasis on production as the driving force of social change, in that it reified those very pathologies as laws of history. While Dewey’s analysis focuses on the social and behavioral consequences of capitalism, briefly mentioning economic crises as an indicator of the “fatuity of separating production from consumption,” William’s study focuses on consumption as the driving force of “Social Evolution” and the ways in which capitalism as a mode of production and class relations shape and are ultimately shaped by the
socially common interest in solving the “problem of existence.”⁴ The cooperators’ critiques of capitalism’s impact on social relations aligned more with Dewey’s approach, and for the most part avoided William’s evolutionary view of history as the progressive advancement of consumer welfare. Nevertheless, their emphasis on consumption as a driving force of economic change closely follows William’s analysis of the relations between industrial capital, commercial capital, and distribution, as well as his argument that however efficient or “socialized” production might become, failure to satisfy consumer needs would result in the failure of the economic system.

For Dewey, the subordination of consumption to production transforms production, along with work itself, into an objective in itself for which, being disconnected from consumption and the “present enriching of life,” there is no criteria other than quantity.⁵ Under this “mechanical reign,” enjoyment is removed from work as a creative process. Leisure, in turn, is a “feverish hurry for diversion, excitement, [and] display.” For the subject classes, consumption is “isolated…from production and…reduced to a barren physical affair or a sensuous compensation for normal goods denied,” while for the classes that control the production process consumption is characterized by “accidental ostentation and extravagance, not a normal consummation or fulfillment of activity.”⁶ “Since this separation of means from ends signifies an erection of means into ends,” Dewey writes, “it is no wonder that a ‘materialistic conception of history’ emerges,” and is “a record of fact so far as the separation in question maintains.”⁷ With the present

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⁴ John Dewey, Human Nature and Conduct: An Introduction to Social Psychology (New York: Henry Holt and Co., 1922), 272. In the context of William’s study, the “problem of existence” refers primarily to the problems of the consumer, while “Social Evolution” refers to changes in the mode of production that advance the welfare of the consumer.


⁶ Ibid.

⁷ Ibid., 272.
“evacuated of meaning,” and enjoyment and rewarding activity neglected indefinitely, the only means of their enjoyment in the present is through deferred ideals and utopian schemes.

For William, whose *Social Interpretation* is primarily a criticism of historical materialism, the “universal law” of social change is that the “end and aim of all social progress is the solution to the problem of existence” and that each new systematic development in society is a “distinct social advance” over previous systems in terms of the “ability of its productive forces to supply the wants of society.”

Thus William argues that economic systems adapt to the social interests of the majority, not to class conflict, in the sense that epochal economic changes respond to their interests as consumers, not as producers. Thus, while capitalism increases economic exploitation at the point of production, it also makes the consumption interests of subject classes more secure while uniting them with their exploiters to the extent that the new system represents an improvement over previous epochs. While the needs of both industrial capital and the consumer lie in minimizing the cost of distribution, this need is “inimical to the needs of the merchant.”

Thus profit-making in distribution is a hindrance to the progress of both consumers and manufacturers. At the same time, manufacturers’ profits rely on the merchant class, to the extent that it relies on production for exchange. Yet because the merchant class buys “for a speculative market,” distribution is characterized by “uncertainty and anarchy.”

This disorder in distribution, William argues, is the primary cause of economic crises.

Although the writings of the leadership of the Cooperative League and the contributors to the *Cooperative Consumer* and *Cooperation* aligned broadly with both these social-

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8 Maurice William, *The Social Interpretation of History: A Refutation of the Marxian Economic Interpretation of History* (Brooklyn: Sotery, 1921), 76-77.


psychological and structural analyses of capitalist economic relations, they tended far more to emphasize the impact of capitalism on the psychology of the worker, the salesman, and the capitalist as individual agents. “[C]apitalism is broken up into countless groups,” Sonnichsen writes, “large and small, each of which is separated from all the others by the same chasm which separates them all together from Consumers’ Cooperation.”

Here Sonnichsen is not talking about class relationships, but relationships of relative economic interests. For Maurice William, as well as Sonnichsen and Warbasse, class struggle was actually the least significant conflict under capitalism. Rather, it was argued, the conflict between the social interests of consumers and those of the commercial capitalist class and the conflict between competing factions of the exploiting classes (industrial and commercial) were the most significant forces driving the social psychology of capitalism. Both conflicts, however, were considered to be the result of making profit the foremost consideration in industry. But alongside their analyses of conflict under capitalism as an economic system, cooperators also emphasized the conflict “between the citizen and the State.” For Sonnichsen, two conflicting tendencies were universal “throughout all organization” – the first tendency being toward the centralization of social authority, the other toward its dispersal. Sonnichsen and other writers in the Cooperative Consumer and Cooperation directed their criticism toward centralized authority as a corrupting influence in social organization as opposed to local autonomy. Warbasse framed the problem more particularly as a struggle between the principles of anarchism and statism. Consistently, however, cooperators emphasized the ways in which the state and especially capitalism operated

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1 Albert Sonnichsen, Consumers’ Coöperation, 189-90.


3 James Peter Warbasse, Cooperative Democracy, 119.

4 Albert Sonnichsen, Consumers’ Coöperation, 201.
as systems of “techniques” conditioning the motives and reasoning of social agents. Thus, in their social critiques, both capitalism and the state were comprised not only of particular economic and political institutions as expressed through patterns of overt social procedures, but as internalized patterns of thought, of expectations, reconciliations, and judgments.

The Profit Superstition

Because cooperators considered capitalism in the ways it affected economic agents both in terms of its institutions and social procedures, it is important to examine their conceptions of these agents not only in terms of their interests in terms of production and consumption but as affected agents, as the “dialectical counterparts” of the economic system that conditions their attitudes and behavior.\(^ {15} \) If capitalism was considered a demoralizing system of social regulation, we must consider the ways in which the agents in this context can be said to have been demoralized in terms of both motivation and behavior. As a “technological” system sustained by particular roles and techniques, capitalism did not require every individual’s willful investment in its ideology, but only that they be moved by economic pressure into fulfilling its roles. In this way, cooperators distinguished between agents’ covert motives and overt economic interests and actions. Also distinguished were the psychological internalization of capitalist objectives – such as profit and work as inherently valuable – and the internalization of the logic of capitalism, that is, the rationalization of capitalist institutions and techniques. For Warbasse and Sonnichsen, the latter was far more damaging, in that while agents might question and seek to resist the profit-making system as unjust, they might nonetheless reproduce the same capitalist value system unless they also questioned the logic of the capitalist structure, that is, the separation of work from consumption.

\(^ {15} \) In other words, the counterpart of an economic context that engenders anti-social behavior is the affected anti-social agent or the agent who behaves anti-socially (depending on the role of motivation). Kenneth Burke, \textit{A Grammar of Motives}, 9.
Competition between private businesses placed not only workers “constantly in jeopardy,” but capitalists and private business owners as well.\(^{16}\) The reason for this risk, Warbasse argued, was that every private business had to survive a multiplicity of antagonistic interests – the capitalist’s effort to maximize profit against the consumer’s effort to acquire goods for the lowest cost, the capitalist’s effort to minimize the cost of production against the worker’s effort to maximize purchasing power, and the capitalist’s effort to out-compete other capitalists in the same industry for profit. With the principle of *caveat emptor* ruling industry, individuals learn to navigate the economic terrain not only with suspicion toward other economic actors, but, in practice, hostility to the extent that their gains must be acquired at the expense of others’. “We must not be too severe in our criticism of the business man,” Warbasse writes, “It is not the man but the business we should condemn.”\(^{17}\) Constant rivalry and competition for profits, then, did not necessarily make individuals more anti-social in their motives, but far less likely to seek the social value in their economic actions.

The result of this constant effort to maximize profits and to avoid financial ruin was the tendency, by workers and capitalists alike, to focus on transaction or point of exchange, rather than the final use of goods and services, as the most immediate focal point of economic action. In practice, this meant that producing goods for use in higher quantities to lower prices was substituted with producing lower quality goods at minimum cost—“diseased and adulterated food, short weight, shoddy goods, and all the catalog of humbug”—in order to maximize profits.

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in the short-run. Under such a system, then, producing for others and serving their needs charitably becomes too costly.

So long as profit-making and private property dictated economic relations, charity and altruism were not only of little use, but potentially harmful in the long run. Speaking of those who by an ethical impulse served the needy and poor, Warbasse writes:

[I]n a world which places a premium upon property above service they have committed one serious sin. By their own profligate sacrifice of service they have encouraged disservice in others. They have taken over voluntarily the services which should have been performed by others. They have made their contribution to the strengthening of parasitism…I am persuaded that if the amount of thought and energy and effort which have been spent in making it easy for other people to be poor were employed in making it difficult for other people to be rich our economic problem might be as near a solution as it now is.19

Warbasse was not suggesting that the impulse to help the needy itself, whether through welfare work, charity, or reform, was misguided, but that, under conditions of severe inequality and exploitation, it was economically incorrect and unjust insofar as it left untouched the exploiting classes’ “parasitism” through the appropriation of wealth created by others.20 Moreover, as a non-commutative economic act, such charity did little to counter the exaltation of property. “To desire to be served,” Warbasse writes, “is the dominant idea created by the prevalent economic system.”21 The notion of sociability under this dominant idea, in turn, contributes to its exaltation by defining service or altruism as the means by which others are enabled to unilaterally consume the products of others’ labor. In this way, both the desire to serve and the desire to be served operate simultaneously under capitalism to glorify consumption through ownership rather than

21 Ibid.
service. Both, in other words, reinforce the capitalist ideal of membership in the class of those who “can live and purchase and command without performing work.”

The psychology of profit-making, moreover, produced the belief that the central motive of economic action was the production of goods for money, rather than consumption. The absurdity of this mentality, Warbasse argued, lay in the fact that it resulted in people producing food to sell in order to buy food to eat, coal to sell in order to buy coal to stay warm, and so on. “When the husband at the table, instead of saying, ‘Please pass me the bread,’ says ‘I want to buy another slice of bread,’” Warbasse writes only slightly sarcastically, “the victory of the profit psychology is won and the end of the human race is in sight.” This “money-making psychology” embodied the divergence of production from use and enjoyment.

Industrialization combined with “misuses” of private property, Warbasse argued, brought about just such a state of affairs. The ability to earn income through property ownership in the means of production, rather than work or service, altered economic organization by converting production for use into production for profit. In this way, the profit-motive altered not only the organization of production and distribution, but also the psychology of economic action.

The worker has lost interest in the social value of the thing he is doing. The people who are performing the services of the world are working for profit. The man who owns the machinery asks, “How little can I pay labour? How cheaply can the thing be made? How much can I exact from the consumer?” The worker asks, “How much money can I get for the least labour?”

Another psychological result of this change was in the valuation of work itself. Rather than valued for its contribution to human needs, work became valued in itself – a “superstition”

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22 Ibid.


24 James Peter Warbasse, Cooperative Democracy, 5-6.
perpetuated by those who earned profit through ownership of the means of production.\textsuperscript{25} Likewise, money became a motive in itself, giving it a “commodity power” to divert capital investments to industries with the highest margin of profit, rather than highest necessity.\textsuperscript{26} When industry became organized not for service or use, but for the purpose of maximizing the difference between difference between cost and price, then, the nature of the relationship between buyer and seller also changed, as well as the quality of the commodities produced. Because of the emphasis on profit rather than meeting existing demand, Warbasse argued, the “ideal of the profit-system is to create wants and then under-produce, to create scarcity.”\textsuperscript{27} This change of psychology from production-for-use to production-for-profit was not the consequence of a difference in character between individuals of different classes. Capitalists themselves were not to blame. The capitalist system, rather, by changing the motivational structure of economic action, channeled social interests into “unsocial” means. Nevertheless, the capitalist system not only produced “false” social and economic motives and interests, but also genuine counter-reactions against capitalism, because the same advancements in industry that had been used for profit could be used for “humanistic” ends. The danger, cooperators thought, was these reactions might understand the madness of capitalism all too well while nonetheless failing to question the sanity of the political state.

**The Dangers, Uncertainties, and Disappointments of the Political State**

During the *Cooperative Consumer’s* publication and in the early years of *Cooperation*, the political state was spoken of only as a means of social action. Sonnichsen and other cooperators were more concerned with what could or ought to be done through legislation as an

\textsuperscript{25} *Ibid.*, 7.

\textsuperscript{26} *Ibid.*, 233.

\textsuperscript{27} *Ibid.*, 237.
auxiliary support for economic action than with the legitimacy of the state itself. The absorption of the social functions of the state into the democratic structures of cooperatives was a thought for the future, when, as the influential French cooperative economist Charles Gide declared, the centralizing tendencies of the state and the decentralizing tendencies of consumer cooperation would eventually clash. During his editorship of the *Cooperative Consumer*, Sonnichsen concentrated primarily on the risks of over-centralization for cooperative societies, whether in regional cooperative federations or in alliances with political parties. Between 1918 and 1924, particularly once Warbasse assumed editorship of *Cooperation* in 1919, the content (Warbasse’s editorials in particular) gradually became more critical of the state itself not only as corrupt, but a corrupting influence.

*Cooperation*’s criticism of nationalization as a tactic for socialism did not go without criticism from some cooperators. One correspondent, Archibald Craig, argued that the journal had exaggerated the extent of financial capitalists’ manipulation of government. Citizenship, he suggested, was as universal an interest as consumption. “The government,” he continued, “is the only organization that represents all the people….” Such a position could not be further from those of Sonnichsen or Warbasse. For both authors, the fact of the state’s compulsory membership negated its value as a collection of institutions for “representing” the will of the people. If its representation could be refused, it was argued, the true responsiveness of the state to the popular will could be tested. “The assumption that conditions which will make one million human individuals happy must necessarily make two millions of individuals happy is perfectly

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29 The *Cooperative Consumer* had no managing editor in 1918, and was edited collectively by James Warbasse, Scott H. Perky, Katharine de Selding (the Assistant Secretary of the Cooperative League), and Mabel W. Cheel (the Cooperative League’s Secretary). Walter C. Campbell, “Statement of the Ownership, Management, Circulation, Etc.,” *Cooperative Consumer* 4, no. 11 (Nov. 1918): 176.

30 Archibald Craig, Nationalization or Co-operation?” *Cooperation* 9, no. 3 (Mar. 1923): 53.
logical,” Sonnichsen writes, “but absolutely untrue.” Insofar as the chief aim of the state was to
maintain its power, it was nearly impossible to accomplish reform through the state unless that
reform contributed to the state’s preservation or, some cooperators argued, the aims of financial
capitalists. Thus the acquisition of political power, whether as an autocrat or as a representative,
was also the acquisition of the “class” interest in preserving the interests of the state.

Compiled from several years’ worth of articles from Cooperation, the most substantial
critique of the state in terms of cooperative theory is in Warbasse’s Cooperative Democracy. For
Warbasse, political democracy was only possible with economic democracy, adding that it was
impossible for people to hold political power while remaining “servants in industry.” Political
democracy could not be sustained in an economic context wherein private interests could control
voters’ livelihoods. “The politicians try to make the people think that tariffs and taxes, courts and
commissions, parks and prisons, are all vital and pressing matters,” Warbasse writes. “But the
people are only left confused and confounded with the real problem of making the family wage
pay the rent and buy shoes and potatoes.” Political change with regard to meeting economic
demands came only when these demands gained enough power to threaten the stability of state
control, whether through the cumulative power of the masses or through the monopoly power of
minority economic interests. In this way, economic change was not the seismograph of political
power. Rather, as Warbasse writes, “Law is the indicator which records the location of the
economic power.”

In this respect, political power had a “hypnotizing” effect for those who sought a means
of improving their economic condition. That economic interest which could secure the state’s

31 Albert Sonnichsen, Consumers’ Coöperation, 202.
32 James Peter Warbasse, Cooperative Democracy, 116-17.
33 Ibid., 118.
protection was essentially immune to indictment, because insofar as the law determined what was “best” for the citizenry, what was legal could not also be wrong. Not only did the state’s appearance of legitimacy depend on this perception, but its very survival, since the acts of “opposition to liberty” upon which it was based were performed not by legislators themselves, but by the “servants” of the state:

Whenever things are going bad with the State, it proceeds at once to bestow some benefit upon the people. It has always been so. Gladiatorial entertainments, bull-fights, monuments in the public places, parks and playgrounds, libraries, schools, drinking fountains, free lunches, old-age pensions, the franchise, free hospitals, and social legislation are some of the sops the State throws to the people. The more of these things the State does, the better does it protect itself.

What this meant, ultimately, was that, under conditions of the ensured fidelity of the loci of economic power, state interests could be reinforced by violence, and under conditions of uncertain fidelity, through bargaining.

Yet the assumption of these social functions by the state did not so much favor a social spirit “representing all people,” Warbasse argued, but a spirit of “narrow, irresponsible individualism.” 34 Patriotism and citizenship were but statist “absolutions” for genuine communitarianism. The citizen’s obligations to the state served as a substitute for obligations to community, bringing about a state of affairs in which the citizen’s obligations to others were absorbed through the “sociality” of statist politics. The result, Warbasse suggested, was that the areas of life that were not “political,” and not in turn considered social, were relegated to the responsibility of the individual, leaving “[j]ustice and the consideration for others” to the state. 35

This individualism, cooperators asserted, had left the majority of the populace untrained for democratic social organization, whether in industry or in politics. First, given the existing

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34 Ibid., 367-68.
35 Ibid.
profit-driven economic system, economic agents were untrained for production for use and service. This training could not be produced purely through the mere communication of a more “democratic” consciousness, but had to be acquired through the experience of democratically managed industry for consumption.\(^{36}\) Second, because, as political actors, agents were used to vying for influence as a class through economic power, the currently existing system of voting and political participation, however expanded, was insufficient to implant either the spirit of communal responsibility or commutative justice (the discovery of the economic agent that “in working for the interest of the others, lo and behold, he is working for himself”).\(^{37}\) Because of its situation in the existing system as a concrete means of both democratic organization and material improvement on the basis of consumption as a “universal” interest, it was argued, cooperation provided an ideal “training ground” for the development of the democratic society.

**Entrenching the Movement**

The eventual socialization of self-interest, Warbasse’s “revelation of kinship and mutual interest” through cooperative practice, required only that the consumer initially recognize an opportunity for material advantage. The recognition of a “greater collectivism” evolved with the recognition of, on the one hand, the right to produce for one’s own needs, and, on the other, the recognition that one’s own needs were served in proportion to one’s serving the needs of others.\(^{38}\) Although the cooperative society was essentially prefigurative, cooperators did not argue that the behavior and psychology of the individuals involved in cooperative societies was also prefigurative. It is not clear in cooperative writing when precisely the individual’s “revelation” was supposed to occur, whether, for example, it could take hold as a minority movement. The

\(^{36}\) Albert Sonnichsen, *Consumers Coöperation*, 87.


\(^{38}\) Albert Sonnichsen, *Consumers Coöperation*, 11.
majority of those involved in cooperative societies, it was supposed, were more capitalistic than cooperative in their psychology. However, cooperators insisted, the advantage of developing cooperation as a means to a better society was precisely that it did not require a conversion of conscience.

The sustainable reorganization of the economy was based on the essentialization of the consumer interest itself, its refinement through the elimination of profit and money as competing objectives. This term “interest,” whether in the sense of the “consumer interest” or of “self-interest,” was deployed not strictly in a technical sense but quite often with a range of meanings reflecting the particular role, or ethos, of the economic agent described. The description of cooperation as a “moral philosophy,” for example, appears to be in direct contradiction with Warbasse’s later claim that cooperators did not “moralize” and represented “self-interest refined”:

The co-operative idea is quite apart from these schemes of self-help and other-help. We co-operators do not moralize. We represent self-interest refined; and self-interest is the greatest driving force in the world. The doctrine of the co-operator is that he should help himself, it is true, but in Co-operation, the only way he can do it is by helping others…And the harder he works and the better things he gets, the better are the things that the others get…Then he discovers that is working with his fellow men for the advantage of all, and he is lifted into a new joy in the light of this revelation of kinship and mutual interest.39

On the one hand, it is apparent that “self-interest” (implied as economic self-interest) was essentialized first of all as the interest in consumer goods, and, second, as foundational – as a privileged subjectivity of which others were expressed as either variants or as of secondary importance. Cooperation, in this way, was not presented neither as an action or purpose, but as a means of action. The “revelation” that occurs was not the result of the negation of individual

consumption-oriented self-interest as the foundational “driving force.” The “refinement” of self-interest, rather, was its socialization through cooperation.

The “foundational” quality of consumption interests, then, or their “universality,” was not to imply their homogeneity. At the National Cooperative Convention in 1918, Harriett Reid, the former Secretary of the State Bureau of Miners’ Safety and Relief, argued candidly that the tendency of the male sex to “consider its opinion on all points to be of more value than that of the opposite sex” was hindering the propagation of cooperation among women, the chief household spenders.\(^{40}\) Male domination on cooperative committees repeated the mistake of organizing large cooperatives on a top-down basis; however ideologically invested men might be in cooperation as an ideal, she argued, their disconnection from everyday expectations for services and consumption needs made them less competent as store managers. Women had a more direct interest in cooperation because it was “to their advantage to be in close touch with the original purchase, handling and retailing of commodities,” and, as members, could “devote more attention to the store and its problems that the average male member and committeeman.”\(^{41}\)

While the Consumers’ Cooperative Union and Cooperative League expended much energy on educating cooperative members on cooperation as a method of organization, it was never suggested that mere adherence to the “proper” model of enterprise or cooperative society would be sufficient to bring about the broader social goals of the movement. Cooperation, again, was conceptualized as a means of action, the purpose of which was neither to create a consumers’ or workers’ democracy in strictly economic terms, but to socialize shared interests starting with local societies. This socialization, as suggested by Warbasse’s “self-interest refined,” originated


\(^{41}\) *Ibid.*, 172.
in but ultimately transcended economic interests. Through federated cooperation, local
democracy could be transformed into a much broader, even global, “community of interests.”42

42 Albert Sonnichsen, *Consumers’ Coöperation*, 63.
CONCLUSION: A NEW PATRIOTISM

This study has been an examination of the radicalization of the consumer cooperative movement in the United States and the ways in which cooperators’ social theory and economic rhetoric simultaneously articulated a radically alternative vision of civic identity and participation. During the era of “coordinated cooperation,” the Cooperative League and its predecessors, the Coöperative League of America and the Consumers’ Cooperative Union, sought to become the axes of education and propaganda for the cooperative movement in the United States. Although in its early years the Cooperative Consumer focused primarily on the problems surrounding the establishment and administration of cooperative stores, by 1916, and especially after the First World War, cooperators became increasingly concerned with developing the theoretical foundations of cooperation as a means of social action and philosophy of revolution. In the process, cooperators not only argued that the decline of capitalism was inevitable and that consumer cooperation aimed for “radical social reconstruction based on an all-inclusive collectivism,” but that cooperative practice could cultivate a “new patriotism” based on decentralized, voluntaristic authority and commutative justice.¹

Revolutionary consumer cooperation in the United States emerged from the radical labor, utopian, and socialist movements of the late nineteenth century. Decreasing real wages, inflation, and economic crises stirred working- and middle-class interest in cooperation as an alternative to, or at least a means of ameliorating the effects of, laissez-faire capitalism. During this time, efforts at consumer cooperation were largely experimental, and frequently rocked by economic crises and haphazard management. In the early twentieth century, the movement to promote a unified, stable plan for cooperation was organized, broadly speaking, by eastern European

¹ Albert Sonnichsen, Consumers’ Coöperation, 185; James Peter Warbasse, Cooperative Democracy, 87.
immigrant socialists in the East and North Central states. Because trade unions tended to be weak, consumer cooperatives, which required less of an initial capital investment than producer cooperatives, became the most popular mode of organization for the advancement of the cooperative commonwealth. The Consumers’ Cooperative Union, founded in New York, began publication of the *Cooperative Consumer* in 1914 to promote the organization of cooperative societies into a federation in order to effectively coordinate their activities. In 1916, members of the Union organized the Cooperative League of America. The plan for the League was that, through the financial support of individuals and cooperative societies, it would educate the public on the cooperative ethic and method until the cooperative societies themselves were strong enough to form a national federation.² At the First National Cooperative Convention in September of 1918, the League itself became that federation, and in 1919 replaced the *Cooperative Consumer* with *Cooperation*. In the pages of these organs and other publications, cooperators sought to refine the theory and methodology of cooperation both as an economic practice and as a revolutionary movement. By 1924, the League was considered the voice of the American cooperative movement, being the only cooperative organization in the United States recognized by the International Cooperative Alliance.

Though cooperation and socialism were “one in aim and spirit,” cooperators distinguished cooperation as a philosophy of revolution primarily in its methodological emphasis on “evolutionary” economic change.³ Their defense of gradualist economism as a revolutionary praxis had both procedural and prefigurative foundations. In terms of procedure, they argued that the strategic advancement of consumer cooperation was superior to organization based on class


or political struggle for two broad reasons. First, consumer cooperation was an empirically reliable practice for providing relief from increasing commodity prices under capitalism. The significant role of cooperatives during the war, especially in Britain, they argued, had proven the mettle of cooperative practice. Second, while consumer cooperation was a defensive measure against capitalism, it was also argued to be a competing economic system, both structurally and psychologically. As cooperatives outcompeted capitalist enterprises, gradually converting capitalists into workers, the experience of cooperative practice would also transform the economic culture from one of narrow self-interest and exploitation to one of communal solidarity through the commutative satisfaction of consumption needs organized democratically. In terms of prefigurative politics, cooperators were wary of political revolution, arguing that, while economic pressure might pressure exploited classes toward violent insurrection, the end result would not be truly revolutionary in the sense that one class of rulers would be merely exchanged for another. Political plans to gradually disperse the social functions of the state once power was taken were speculative, as the historical tendency of any ruling class was to make self-preservation its chief priority. While initially guardedly optimistic about the Bolshevik Revolution, cooperators felt that their suspicions of the state as the instrument of revolution were confirmed as Russian cooperatives gradually lost their autonomy to the Soviet state. True revolution, they argued, required the development of institutions that countered both the economics and the social psychology of capitalist society, and provided a sustainable alternative social system during capitalism’s decline.

In the social theory of cooperation, economic and political institutions shaped the value orientations of civic agents toward their own interests, the interests of others, and the means of satisfying those interests, even if economic action was itself initiated by “primordial”
consumption needs. The hierarchy of social objectives under capitalism subordinated consumption to production and profit. In terms of orienting economic ‘techniques’ to psychological motives, capitalism bifurcated consumption from production. Thus, for both workers and capitalists, the use value of commodities in production was measured not in terms of their value for consumption but in terms of their “pecuniary reward.”

Cooperators thus regarded social conflict, including class struggle, as the consequence of the break in the continuity of interests between consumption as the end and production as the means. Ultimately, the result was a multiplicity of antagonistic interests, characterized by constant jeopardy and a culture of exploitation, of “producers’, traders’, and distributors’ groups, all rivaling each other in the effort to get profits out of the consumer.”

With the social value of the production process displaced from use to profit, work and consumption without service became idealized as inherent goods in the prevailing logic of capitalism. Because the social value of production was apprehended only in terms of its capacity to produce wages and profits at the point of exchange, the social value of labor and leisure were “evacuated of meaning.”

Further, cooperators argued, the appropriation of social responsibilities by the state fostered a cultural ethos of “narrow, irresponsible individualism” as social functions merged with the state’s primary function of maintaining its own power.

The habits of mind cultivated by capitalism and the state, cooperators argued, could not be easily reversed by political reform, nationalization, or a change of rulers, as such habits of mind would outlast their overt expressions in economic and political practices.

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5 Ibid., 43.

6 “The man who owns the machinery asks, ‘How little can I pay labour? How cheaply can the thing be made? How much can I exact from the consumer?’ The worker asks, ‘How much money can I get for the least labour?’...Life has been neglected in the interest of wages and profits.” James Peter Warbasse, *Cooperative Democracy*, 6; See also John Dewey, *Human Nature and Conduct*, 273.

7 James Peter Warbasse, *Cooperative Democracy*, 367.
Nevertheless, it was argued, a revolutionary change in the psychological habits of capitalist society would have to originate in alternative overt practices. Such practices could not be encouraged by mere moral persuasion, but had to appeal to the material self-interest of citizens as consumers. Cooperative practices would educate their members not only in democratic processes, but, equally importantly, in motivationally connecting the attainment of their own material interests to the labor of securing the material interests of others. This connection represented “self-interest refined,” a radical collectivism based on the “happiness, the free will, of the individual.”8 Gradually, then, as cooperative enterprise displaced capitalist enterprise, consubstantiating the interests of individuals as consumers and workers, it would also displace the profit-making ethos of capitalism for an ethos of cooperation. Because laws and political institutions were shaped by economic power, the state itself would gradually conform to the principles of cooperative democracy. Thus, during the decline of capitalism, cooperators suggested, cooperatives would raise the economic, psychological, and political foundations for a new society.

In *The Social Interpretation of History*, Maurice William warned that, unless they expanded their movement beyond economic action into the political realm, cooperators would find themselves “alone in a fight against powerful foes who will know how to make good use of the State.”9 As secretary of commerce and president, Herbert Hoover advanced a vision of economic order based on the idea that the state should not regulate corporations but facilitate labor-management and intercorporate collaboration to increase the efficiency of the economy. In this way, large businesses reinforced their power even further through consolidations and

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8 Albert Sonnichsen, *Consumers’ Coöperation*, 203.

mergers, making it more difficult for cooperatives to compete with private businesses. Moreover, with the rapid movement of laborers from rural to urban areas in the early 1920s, employers found themselves with an increasing “reserve army of labor,” reducing the economic bargaining power of the working class.\textsuperscript{10} In the meantime, members of the Communist Party gained increasing influence in the Cooperative League, pressuring the Cooperative League toward confluence with the aims of the Communist Party. The result was a divisive conflict between delegates who wanted to maintain the political neutrality of the League and the “Red delegates” who wanted to pass a resolution to make the Cooperative League an extension of the labor movement. The problem was not just whether to maintain the League’s stance of political neutrality, but whether the Communist-dominated cooperative associations could be expelled from the League without financially damaging other cooperatives.\textsuperscript{11} Continuing in the 1930s and 1940s, this destructive controversy limited the cooperative movement’s ability to effectively react to what historian Martin J. Sklar calls the “corporate reconstruction of American society.”\textsuperscript{12}

Warbasse retired as president of the Cooperative League in 1941, and Cooperation ceased publication in 1943. In 1948, the Cooperative League adopted a resolution stating that cooperatives were “not called upon to admit to membership…persons who hold beliefs which render it impossible for them to desire the success of cooperatives as a basic solution to human problems,” including both fascists and communists.\textsuperscript{13} At the same time, rather than “amateur” enthusiasts for the cooperative philosophy, progressively more professionals were recruited to


\textsuperscript{11} Florence E. Parker, \textit{The First 125 Years}, 119.


\textsuperscript{13} Florence E. Parker, \textit{The First 125 Years}, 123.
promote cooperative enterprises. At the end of a four-year expansion plan initiated in 1950, the Cooperative League had occupations open for professionals in “public relations, education, insurance, health, management (regional and local), editors and publicists, and finance.”\(^{14}\)

Gradually, the Cooperative League transitioned from promoting cooperation as a revolutionary political economy to concentrating on cooperatives’ ability as businesses to compete and adapt to changing economic conditions, in particular the expansion of consumer markets, the “postwar prosperity,” and the expanding “frontier” of suburban retail trade.\(^{15}\) “Displaced by the more formal business structure of the post-war societies, isolated by the gradual disappearance of more colloquial ways of interacting, such as meeting over meals or in members’ homes,” historian Jennifer Tammi writes, “many movement veterans lost their former enthusiasm.”\(^{16}\)

As early as 1923, Warbasse had warned that it was foolish for a movement forced to rely on relations with capitalist enterprises to “carry a red flag in one hand and a bill of exchange in the other.” Yet however conservative the cooperative movement might appear, “among the general membership,” he continued, “the most radical activities are going on.”\(^{17}\) Today, in an era of increasing economic inequality wherein, as John Rennie Short remarks, “wealth is justified not simply as a result of luck or connections, but as a ‘natural’ phenomenon and hence immune to political change or social debate,”\(^{18}\) the social thought of the writers of Cooperation remains relevant in its analysis of social relations under capitalism and its conceptualization of economic

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\(^{14}\) Ibid., 185.


\(^{17}\) James P. Warbasse, *Cooperative Democracy*, 371.

and political transformation. The radicalism of cooperative thought consisted not only in its
criticism of capitalism and state politics, but in its refusal to honor hegemonic ideological
boundaries drawn between self-interest and communitarianism, economic action and democracy,
and the social interests of the worker, consumer, and citizen.
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