Consumers' Cooperation in the Early Twentieth Century: An Analysis of Race, Class and Consumption

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CONSUMERS’ COOPERATION IN EARLY TWENTIETH CENTURY AMERICA: AN ANALYSIS OF RACE, CLASS AND CONSUMPTION

A Dissertation Presented

by

Joshua L. Carreiro

Submitted to the Graduate School of the University of Massachusetts Amherst in partial fulfillment of the requirements for the degree of

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ABSTRACT

CONSUMERS’ COOPERATION IN EARLY TWENTIETH CENTURY AMERICA: AN ANALYSIS OF RACE, CLASS AND CONSUMPTION

September 2015

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Consumers’ cooperatives are commonly associated with members of the middle class who use their buying power to support local economies and encourage the equitable production, distribution and consumption of food. However, consumers’ cooperation was initially introduced to the United States in the mid-nineteenth century via labor organizations. Consumers’ cooperation continued to develop as a form of consumer activism during the Progressive Era as the consumer became a more influential figure in American society. One faction of the consumers’ cooperative movement, which sought to transfer power to the working class, was unique compared to consumer movements of the time which were typically led by middle-class reformers who professed to be advocating on behalf of the poor and working class. This movement was also unique in the sense that it was a largely a white working-class movement that did not define class and class conflict in the relations of production, but instead in the relations of distribution/consumption (a definition of class that did not gain meaningful traction in the United States until the post-industrial era). Contemporaneously, another faction of the consumers’ cooperative movement was characterized by black American membership and an explicit and implicit promotion of black self-segregation. The existence of a black consumers’ cooperative movement has largely been ignored or, when acknowledged, treated as part of a single consumers’ cooperative movement. My dissertation treats consumers’ cooperation in the early twentieth century as two distinct movements - one class-based, one race-based - and specifically analyzes both as radical economic development strategies, not as consumer activist reform campaigns more common to the era. The lack of attention paid to segregated black consumers’ cooperation in scholarly literature has had the unintended consequence of limiting sociologists’ analyses of W.E.B. Du Bois. Du Bois, an early and enthusiastic advocate of black consumers’ cooperation, was a leader of the movement and wrote extensively and consistently on black consumers’ cooperation as a foundation for economic development and salvation for black Americans. His advocacy of consumers’ cooperation played a central role in his eventual promotion of black self-segregation. My findings: challenge the dominant narrative of class transformation in the United States and contribute to a refined understanding of historical and contemporary conceptions and locations of class; complicate the common analysis of black consumer movements as integrationist and expand the literature on black self-segregationist movements;
and add significantly to the resurgence in the study of W.E.B. Du Bois, a central figure in the history of sociology, as both a scholar and activist.
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CHAPTER 1
INTRODUCTION

When I first began this project, my focus was the revitalization of the consumers’ cooperative movement in America, particularly as it relates to food politics - a term “referring to a constellation of attitudes and practices centered about the equitable production, processing, and distribution of food” (Sommer 1998). Because of the emphasis on food politics, I focused attention on grocery consumers’ cooperatives, a popular form of consumers’ cooperation. Grocery consumers’ cooperatives, despite their relative commonalty and importance to the history of consumer activism in the United States and elsewhere, are vastly understudied. Before the publication of Knupfer’s (2013) *Food Co-ops in America: Consumers, Consumption and Economic Democracy* only one academic book on grocery consumers’ cooperatives existed, Cox’s (1994) *Storefront Revolution: Food Co-ops and the Counterculture*, and very few books or scholarly articles on the resurgence of consumers’ cooperatives had been published (Knupfer 2013). However, during my initial investigation of the topic I quickly discovered that the early twentieth century American consumers’ cooperative movement, which laid the foundation for the development of the contemporary movement, has also been neglected by scholars interested in alternative forms of consumption, consumer activism and economic organization (Balnave and Patmore 2006). Extensive research reveals that the earlier movement - commonly referred to as the “first-wave” of consumers’ cooperation - was characterized by a commitment to widespread, radical social and economic change as opposed to the contemporary consumers’ cooperative movement, which emphasizes reform in specific areas of economic and social organization (as illustrated by the contemporary movement’s emphasis on food politics). Based on this finding I decided to change course and focus my research and dissertation on the radical
history of the American consumers’ cooperative movement, its place in early twentieth century consumer activism, its relation to other movements for social change and its contribution to conceptions of race and class in the twentieth century.

Consumers’ Cooperation in Early Twentieth Century America

Given the dearth of scholarly research on consumers’ cooperatives in general, it is essential to the study of consumers’ cooperation to fill in historical holes in order to provide a supplement to analyses of the contemporary consumers’ cooperative movement. There are both similarities and differences between the “new-wave” of consumers’ cooperatives, which began in the 1960s, and the first-wave of cooperation in Europe and the United States. Although consumers’ cooperation was practiced before, it is reasonable to locate the origins of modern cooperation with the Rochdale Pioneers, a group of twenty-eight weavers in Rochdale, England who established a consumers’ cooperative in 1844. The Rochdale Pioneers created a set of principles that most consumers’ cooperatives still adhere to. Adherence to the principles is typically used as a benchmark to identify “true” consumers’ cooperatives. The Rochdale principles include: open membership; democratic member control (one member, one vote); member economic involvement; educational programs; cooperation among cooperatives; consideration and concern for community; and political and religious neutrality (no collective endorsement of a particular religion or political party - however, consumers’ cooperatives have often engaged in partisan politics). Faithfulness to the principles is perhaps the only specific commonality between the two eras of the movement.

In the early stages, the new-wave consumers’ cooperative movement appeared to be a continuation of the radicalism of the first-wave. New-wave consumers’ cooperatives grew out of the middle-class anti-war, student and countercultural movements of the 1960s and 70s (Cox
1994; Dodge 1972; Nadeau and Thompson 1996; Ronco 1974). It is estimated that between 5,000 and 10,000 consumers’ food cooperatives were started in the 1970s (McGrath 2004). The principles of cooperation provided building blocks for social activists of the 1960s and 1970s to conceptualize a working model to replace capitalism and the existing relations of production and distribution with collective ownership and participatory democracy. McGrath (2004) notes that in a more general sense, consumers’ cooperation provided dissident young Americans with an escape from modern anomie and a center for radical political activism (p. 2). Recently, however, the consumers’ cooperative movement has distanced itself from its more radical past and is increasingly focused on food politics and reform to the means of consumption (Knupfer 2013).

Compared to the contemporary consumers’ cooperative movement, the first-wave movement should be understood as an alternative economic development strategy. The leadership of the dominant consumers’ cooperative organization of the time, the Cooperative League of the United States of America (CLUSA), and particularly its co-founder and arguably most influential member James P. Warbasse, viewed the establishment of a consumers’ cooperative economy as the first step in the development of a cooperative commonwealth (in which all economic and political institutions in society operated according to cooperative principles). A sizeable (and influential) portion of the first-wave consumers’ cooperative movement advocated a slow, gradual revolution leading to social and economic organization based on the dissolution of the state and the establishment of direct democracy, collective ownership of the means of distribution (and eventually the means of production) and consumption (and eventually production) based on need, not profit. While other radical movements of the time emphasized transformation of capitalist relations of production and/or the state, the consumers’ cooperative movement strategized radical economic, political and
social change via democratic control of the relations of consumption. In contradistinction to other radical social movements of the time, the consumers’ cooperative movement placed the consumer, not the worker, as central to social change, which had a significant impact on their conception of class in twentieth century America. The consumers’ cooperative movement’s conception of class emphasized a person’s relationship to the means of consumption, not production. The movement provides an interesting look at a possible early transformative period of viewing class through consumption, which is typically located, at least in the context of the United States, as occurring post-industrialization, or more generously, post-WWII. An exhaustive analysis of the publications and archives of the Cooperative League of the United States of America reveals a nationwide, radical social movement interested in the complete transformation of American society. Consumers’ cooperatives were not the end goal; they were the means to a much larger end. As such, the early American consumers’ cooperative movement should be analyzed as distinct from its later, post-1960s incarnation and unique in relation to contemporaneous forms of consumer activism.

Shortly after the founding of CLUSA in 1916, a parallel and almost entirely segregated black American consumers’ cooperative movement began to develop in the United States. Black consumers’ cooperation defined as a movement has gone almost entirely unstudied, save for the work of Jessica Gordon Nembhard (her most thorough analysis appears in her 2014 book, *Collective Courage*). Where black consumers’ cooperation is discussed in academic work, apart from Gordon Nembhard’s scholarship, it is usually given insignificant attention and placed within the context of general, early twentieth century consumer activism. It is not, as Gordon Nembhard points out, treated as a specific and deliberate strategy for black economic development. For example Cohen, in her excellent and authoritative book, *A Consumers’ Republic* (2003), devotes a few pages to black consumers’ cooperation, but only within the
context of a short section on black consumer activism (she focuses primarily, as most works on black consumer activism do, on the use of the boycott). Cohen is right to place black consumers’ cooperation within the context of broader black consumer activism. But its inclusion should be used to expand the analysis of the activism, not simply illustrate it. A thorough and substantial analysis of the black consumers’ cooperation necessitates viewing it as a radical black economic development strategy and a movement defined by a philosophy of black self-segregation. My dissertation will contribute to the groundbreaking work of Gordon Nembhard by analyzing the movement as a plan for black economic development and expand her analysis by focusing on the centrality of black self-segregation within the movement.

In order to fully understand the significance of self-segregation to the black consumers’ cooperative movement I provide a thorough analysis of the role that activist scholar W.E.B. Du Bois played in the movement. Du Bois was one of the leading advocates of black consumers’ cooperation in the United States and, as a widely recognized and powerful public figure, had a significant impact on the development of the black consumers’ cooperative movement. My inclusion of Du Bois and analysis of his advocacy of black consumers’ cooperation as an economic strategy as it relates to the development of his theoretical promotion of black self-segregation not only offers a unique contribution to the study of Du Bois, but also provides a context within which to better understand the complexity of black consumers’ cooperation as both an economic movement and a movement for racial uplift and equality divorced from racial integration.

The Consumers’ Cooperative Movement and Class

Very little contemporary scholarly literature exists in regard to the American consumers’ cooperative movement. The research that does exist suggests that the new-wave consumers’
cooperative movement was characterized by middle-class participants and interests. There is a small amount of studies scattered throughout the second-half of the twentieth century that analyze who joins consumers’ cooperatives and why (Bell 1961; Curhan and Wertheim 1972; Marion and Akil 1975; Shaviro 1982; Sommer 1983, 1998). Bell’s 1961 survey of consumers’ cooperative participation provides a glimpse into consumers’ cooperative membership just prior to the new-wave. Bell found that cooperators of the 1950s were interested in both the cost-savings and ideals associated with consumers’ cooperatives. He also found that by the 1950s a majority of consumers’ cooperative members could be classified as “middle-income.” Bell captures what appears to be a transitioning moment as post-WWII consumers’ cooperatives became less associated with the working class, but before they came to be associated with 1960s and 1970s radicals. Bell’s work is supported by a 1947 survey conducted by the American Institute of Public Opinion, which found that a majority of managerial, professional and white-collar respondents were familiar with consumers’ cooperation. By contrast, only 21 percent of respondents who worked in manual positions and 39% of union members were familiar with consumers’ cooperation (Evans 1957:44).

Most of this research, commonly published in marketing and consumer studies journals, looked at the new-wave resurgence. Marion and Akil (1975) found that consumers’ cooperatives were less likely to exist in low-income neighborhoods and were more likely to be successful if characterized by a middle-class membership. Shaviro (1982) sought to determine if consumers’ cooperative members were only interested in “cheap cheese” (those who join or shop at consumers’ cooperatives because of their lower prices) or if they believed in the idealism of cooperation which characterized the first-wave and new-wave movements. Shaviro’s article and conclusions were based on a single case study, not a full analysis of post-1960s consumers’ cooperation. However, Sommer and his coauthors (1983) conducted a more
thorough analysis of consumers’ cooperation in the late 1970s and early 1980s, which found, in agreement with Shaviro, consumers’ cooperative members could not be divided neatly into idealists and those desirous of “cheap cheese.” Like Bell (1961), Sommer et al. found consumers’ cooperative members were increasingly well-educated and middle class. The authors conclude that new-wave consumers’ cooperatives did not maintain formal ties to the early-American consumers’ cooperative movement, which partially accounts for their increased middle-class membership and lack of participation in broad-based consumer or labor movements. Cox (1993) provides an interesting account of the cooperative movement in Minnesota in the 1960s and 70s that paints a slighter different picture than the one provided by other researchers. Cox reports a considerable tension between participants with ties to the student and anti-war movements who saw in cooperation a democratic economic system to provide a basis for a radically different society and those who saw cooperatives as serving the needs of the community from within the current economic system. As the radicalism of the 1960s and 1970s waned, college-educated members of the white middle class interested in food politics and reform, not fundamental social and economic transformation, embraced consumers’ cooperatives. Knupfer’s (2013) analysis suggests that by the 1980s, members of consumers’ cooperative that adhered to the Rochdale principles were more interested in environmental issues, access to natural foods and issues of food justice than consumer activism, the labor movement or radical politics in general.

The amount of research on the new-wave of consumers’ cooperation in the United States is limited, but there is even less scholarly literature on the first-wave movement. A small amount of literature on American consumers’ cooperation was published in the late nineteenth and early twentieth centuries, prior to the formation of CLUSA and the establishment of a true American consumers’ cooperative movement. As I will discuss in Chapter 2, there was no solid
narrative of the American consumers’ cooperative movement until the founding of CLUSA in 1916. Before then, consumers’ cooperatives were promoted by labor organizations and small groups of geographically scattered practitioners and advocates and lacking any significant inter-cooperative organization. However, the existence of early, pre-CLUSA, literature illustrates academic interest in consumers’ cooperation in the United States. At least two articles published in the late nineteenth century recounted the history of consumers’ cooperation in the United States. Both works, “History of Cooperation in the United States” (1888) published by Johns Hopkins University and “Cooperative Stores in the United States” (1897) in the Quarterly Journal of Economics, reveal that beginning in the 1860s various individuals and groups were committed to establishing a consumers’ cooperative movement, but none had succeeded in creating a true national movement or were able to sustain smaller, regional movements. What little organization of a consumers’ cooperative movement that did exist prior to the twentieth century was made possible through labor unions such as the Knights of Labor. Union promotion and organization of consumers’ cooperatives in the late nineteenth century clearly illustrates the class-roots of consumers’ cooperation in the United States. Cross (1911) provides a brief account of consumers’ cooperation in early twentieth century California in The American Economic Review while Stickney (1913) reports on the development of a consumers’ cooperative movement in Chicago in an article published in the Annals of the American Academy of Political and Social Sciences. These analyses help to piece together “quiet years of cooperation” - after labor union-led initiatives, but before CLUSA - when consumers’ cooperatives were organized only regionally, if at all.

Shortly after the formation of CLUSA, analyses of a consumers’ cooperative movement began to emerge. Colston Warne, a University of Chicago economist, published a two-part series on the consumers’ cooperatives of the Illinois miners in The University Journal of Business
in 1924. The miners, often with the support of the United Mine Workers, were early adopters of consumers’ cooperation on a large scale. Warne’s analysis focuses on centralized cooperative efforts - i.e., the establishment of consumers’ cooperative chain stores - and why the miners’ attempts at centralization failed. Warne’s work is likely the earliest to document and analyze the consumers’ cooperative movement as a class-based movement that could strategically be united with the labor movement.

Unlike the new-wave consumers’ cooperative movement, the first-wave movement, through its association with the American labor movement, could be characterized as a class-based movement. Although often tenuous and conflictual, many labor organizations and unions supported the consumers’ cooperative movement. Numerous unions created funded positions responsible for the education of their membership on the merits of consumers’ cooperation and even more unions fostered the development of consumers’ cooperatives among their membership - particularly as an aid to striking workers. During labor conflicts, CLUSA often coordinated relief efforts for striking workers - commonly offering financial assistance as well as food and other material goods. Despite its criticism of production-oriented social movements, CLUSA identified the working class, broadly speaking, as the foot soldiers of the consumers’ cooperative movement. The American labor movement, for its part, has always been amenable to consumer activism. Frank (2003) argues that American workers were unique in that they have a long history of politicizing consumption compared to European countries where labor had considerably more economic and political power. The “so-called labor boycott became a regular, and to many, frightening feature of the landscape in urban America” in the mid-1880s (Glickman 2009:116). The American Federation of Labor (AF of L) promoted boycotts and was the first to use the “union label” to advertise products made in unionized shops. The Knights of Labor published boycott lists in their national journal (Frank 2003) and later newspapers
devoted to promoting ongoing boycotts appeared nationwide. These were working-class consumer movements that challenge the notion that labor-consumer campaigns are only a recent phenomenon. The AF of L and the Knights appeals to boycotts were aimed at their membership, not the middle class, and it was the working class that boycotted during the campaigns. Labor organizations were likely to make use of consumer campaigns due to being locked out of the political sphere. Lacking a political voice, the working class turned to other avenues of recourse. Regardless of the form it took, the labor movements’ use of consumers’ cooperation and its support for the consumers’ cooperative movement reveals a deeper history of labors’ consumer activism that involves more than boycotts and “buy union” campaigns as has been documented (Frank 2003).

Although associated with the labor movement and the American working class, the American consumers’ cooperative movement represents something different than a traditional class-based social movement focused on instrumental gains. Although typically associated with post-industrial social movements, the early twentieth century consumers’ cooperative movement closely resembles what many contemporary social movement scholars refer to as a “new” social movement. New social movements are characterized in part by a lack of class-based membership, the construction of a shared set of values and identities, a revitalization of civil society and the politicization of what was formerly considered non-political (Buechler 1995; Mouffe 1984; Pichardo 1997; Tucker 1991). Due to its unique status as what could be termed an “old” new social movement, the early twentieth century consumers’ cooperative movement challenges the “new” social movement/”old” social movement dichotomy and represents a transformative movement - one that links the old to the new - and as such a transformation in regards to the conceptualization of class in the United States. Because of this, a study of the
The early twentieth century consumers’ cooperative movement creates possibilities for a fresh analysis of the transformation of conceptions and workings of class in the United States.

The Cooperative League at times leaned toward a variation of a Marxian interpretation of class (based on one’s relationship to the means of production) and periodically alluded to the eventual existence of a two-class system as a necessary stage in a trajectory leading to radical economic and social transformation. However, because of its ultimate belief in the centrality of the consumer - in regard to both economic position and social identity - CLUSA and the first-wave consumers’ cooperative movement presented an early conceptualization of class determined by consumption (and by extension lifestyle), not relationship to the means of production. Contemporary scholars typically argue that identification of class via relationship to the means of production decreased with the transition to a post-industrial economy in western countries (Bauman 2005). Many of these social theorists - often referred to as “lifestyle” theorists (Halnon 2002) - have argued that identity based movements, which are commonly linked to consumption, have replaced “traditional” movements based on social statuses and represent the “waning of class.” Dunn (2000), for example, argues that “a loose aggregate of personality traits...assembled through the consumption of goods” has replaced “socially delineated statuses” such as class and race (quoted in Halnon 2002:506). Bauman (2005) argues that in late modernity “society engages its members...in their capacity as consumers” whereas societal members were previously engaged as producers (Bauman 2005:24). The present economy - characterized by flexibility, instability and the decline of the career - decreases class identification and reduces the ability of individuals to connect via work roles. Consumerism, according to Bauman, fills the gap left by the decline of opportunities to identity through production.
However, the first-wave consumers’ cooperative movement illustrates an earlier, industrial-era articulation of class via consumption. The consumers’ cooperative movement identified the working class not by their relationship to the means of production, but by their relationship to the means of distribution - that is, their identification as consumers. According to Balnave and Patmore (2006), labor historians have avoided the study of consumption in analyses of class, specifically the working class, out of a belief that it is nothing more than an indication of false consciousness, not representative of working class identity, reality or solidarity. The authors also posit that labor historians have neglected analyses of consumption due to the belief that it is something that defines the bourgeoisie, not the working class. Glickman (2001) refers to this disregard of the role that consumption plays in regard to class formation and identity as a “bout of amnesia” suffered by historians.

The consumers’ cooperative movement illustrates that movements based on consumption did not blur the lines of class or race, as some contemporary lifestyle theorists argue, but created new demarcations of class and class struggle and, as we will see below, reinforced racial conflict. To use Marxist terms, according to many within the consumers’ cooperative movement the working class could not become a “class for itself” and develop a class consciousness based on their collective experience of the inherent contradictions of the capitalist relations of production, but instead could only develop a class consciousness via their commonality as consumers and their experience of exploitation within the relations of consumption or at the very least an identification as consumer first and worker second. This is a transformation of class distinct from the embourgeoisement thesis - or more specifically the aspect of that theory which posits that increased access to mass consumption blurred the lines between the working and middle classes (Goldthorpe et al. 1968). The ideological basis of the consumers’ cooperative movement suggests that instead of blurring the lines between the
working and middle classes, mass consumption shifted the site of class conflict from the
relations of production to the relations of consumption and as such, according to the ideology of
the consumers’ cooperative movement, the location and identity as consumer replaced in
importance the location and identity as worker in regard to class conflict and consciousness.

*The Consumers’ Cooperative Movement and Race*

It would be a mistake to refer to a single first-wave consumers’ cooperative movement.
Scholars have discussed factions within the first-wave movement and, more specifically, the
Cooperative League of the United States of America, based on ethnicity or political affiliation
(including divides between those for and against political affiliation). Finnish co-operators in the
Midwest - Finnish immigrants brought a strong commitment to consumers’ cooperation with
them to the United States - caused conflict in the movement by endorsing the Communist Party,
which challenged the principle of political neutrality and created a rift between those who stood
with the Finns and those who supported other political parties or political neutrality. Despite
this conflict and others like it CLUSA and the broader consumers’ cooperative movement
remained intact. The bigger divide within the movement was based on race. To refer to a
“divide” is perhaps misleading. As I will illustrate, the CLUSA-led movement and the black
consumers’ cooperative movement were two separate movements. The small number of
scholars who study the American history of consumers’ cooperation - and those who mention it
in passing - typically opt to refer to the black consumers’ cooperative movement, either
explicitly or implicitly, as part of the larger, CLUSA-led movement. This illustrates an absence of
a true analysis of the black consumers’ cooperative movement as what it was - a separate,
racially segregated movement working to create a foundation for black economic development.
My analysis reveals that the movements were separate due to a lack of meaningful inclusion on
the part of the CLUSA and, more importantly, philosophies of self-segregation and independent racial uplift held by leaders and members of the black consumers’ cooperative movement. Ignoring the separate movements misses the intersection of race and class as CLUSA sought the support of the labor movement, despite the practice of racially discriminatory practices of many unions and a racial divide within the labor movement. The existence of a separate black consumers’ cooperative movement illustrates the participants’ insistence on the primacy of racial, not class-based inequality, and a response to the racially exclusionary practices of many labor organizations.

While the CLUSA-led consumers’ cooperative movement was gaining traction and challenging dominant definitions of class, black American leaders, organizations and communities were beginning to study and practice consumers’ cooperation as a viable “economic way out” and alternative to the often segregated and racist labor movement. Black American consumers’ cooperation did not challenge traditional notions of class in the United States, it challenged the centrality of class altogether. Largely self-segregated, the black consumers’ cooperative movement held that class location was secondary to racial oppression and exclusion in regards to exploitation and inequality. Consumers’ cooperatives, many in the movement believed, provided a foundation for distinct and separate black institutions that could provide racial uplift in a way that integration into white America without the full benefits of citizenship could not. Advocacy of black consumers’ cooperation was also an early recognition of the importance of black American buying power in the face of a lack of political, social or labor-based influence.

Most notably, scholar activist W.E.B. Du Bois advocated consumers’ cooperation as the economic foundation black Americans required for racial uplift. Du Bois used his position as editor of the National Association for the Advancement of Colored People’s monthly journal,
The Crisis, to promote black consumers’ cooperation for two decades. Du Bois’s scheme of consumers’ cooperation provides a theoretical framework for understanding the larger black consumers’ cooperative movement. However, more than that, it provides unique material with which to analyze Du Bois’s development of race theory and social theory in general. Black consumers’ cooperation was a consistent theme in Du Bois’s theoretical arc. An analysis of his work on black consumers’ cooperation, which has heretofore been largely neglected, will contribute to a better understanding of his theories of race, racial uplift and black self-segregation.

Viewing black consumers’ cooperation through the lens of racial uplift warrants careful consideration. One dominant version of racial uplift ideology promoted the creation of a black bourgeoisie to “rehabilitate” black Americans’ social image in a racist society and pave the way for racial progress. Uplift ideology, rather than challenging American capitalism and the class stratification and racial inequality inherent to it, often promoted the liberal belief in individualism and the promise of evolutionary equality through social mobility. Kevin Gaines, in Uplifting the Race (1996), identifies the conflict within racial uplift ideology:

When we examine the experience of those who, at the turn of the century, sought recognition as being, as they have put it, a ‘better class,’ we find that a restricted labor market, segregation, the lack of legal protection and full citizenship status, and threats of violence or sexual abuse all fly in the face of conventional notions of bourgeois status (p. 16)

Despite this contradiction, black middle-class adherents to uplift ideology hoped to gain bourgeois rights for themselves - and ultimately black Americans as a whole - through displays of assimilation and achievement meant to illustrate the civility and humanity of black peoples.

The black American consumers’ cooperative movement should be situated within the history of struggles for racial uplift in nineteenth and twentieth century America. Against the backdrop of biological theories of race and a superiority/inferiority dichotomy, educated black
Americans struggled to develop a black middle-class to challenge prevailing ideas of innate black American inferiority. By distinguishing themselves from the mass of black Americans who suffered in extreme poverty and social marginalization, “black elites” attempted to illustrate the humanity of middle-class black Americans and the potential for cultural assimilation (Gaines 1996). The numerically small black elite’s emphasis on culturally distinguishing middle-class black Americans from the uneducated and impoverished mass of black Americans - although meant to illustrate the potential of the race and the social nature of inequality - often served to reaffirm the “dehumanizing logic of racism,” which held that black Americans, as a whole, were uncivilized and not worthy of equality, humanity or full civil rights (Gaines 1996:4). From this perspective, the black middle-class was not an example of the possibility for assimilation, but rather an anomaly to be distinguished from the “true” black nature.

Even Du Bois’s groundbreaking work, The Philadelphia Negro (1899), which documented the economic and environmental - rather than biological - basis of racial inequality at the turn of the century, alluded to the supposed “urban pathology” of northern black Americans. When Du Bois “strayed from quantitative methods, venturing into the more nebulous realm of observation of the sexual morality and behavior of blacks [he] risked echoing caricatures of immoral and disorderly black masses” (Gaines 1996:164). By adopting a moralizing tone - even while emphasizing the economic origins of family dissolution among the black population - Du Bois was following racial uplift ideology’s commitment to class distinction as a sign of racial progress, but simultaneously providing “evidence” to those who upheld the racist ideology of innate black inferiority.

The black consumers’ cooperative movement as a tactic of racial uplift was unique and Du Bois’s advocacy of the movement as a strategy for black economic development represents a break from the themes that dominated his theory of race in the late-1800s and early 1900s. The
movement that Du Bois eventually embraced did not struggle for the creation of a small black middle class or inclusion of black Americans in the existing white dominated economy, but instead sought to create an alternative black economy. Like Du Bois’s educational plan, which emphasized empowerment in a broad sense and encouraged “marginalized people to not only effectively transform their status within the American hegemony, but to deconstruct hegemonic structures altogether” (Hayes:80), Du Bois’s economic plan called for the deconstruction of capitalism over the improved status of black Americans within it.

Du Bois critiqued consumer activism that sought to gain employment for black Americans in a racialized economic system. Consumers’ cooperation, he argued, challenged not only racial inequality within capitalism, but the economic system as a whole. For Du Bois it was not enough for black Americans to gain entry into capitalism as second-class workers and consumers - even if that led to the creation of a black middle class. Black consumers’ cooperation was consumer activism, but it was also much more. It was a plan to unite black Americans via their shared racial identity and status as well as their identity as consumers. The goal was to establish a separate black economy and other black institutions to lift black Americans to equal status vis-à-vis white Americans without seeking accommodation and relying on the hope of eventual significant social change and equality through integration. However, in line with racial uplift theory, Du Bois did argue that the development of a black economy based on consumers’ cooperation could successfully challenge the belief in black inferiority. But he argued the entire race, not just the middle class, could collectively engage in racial uplift and challenged the idea that the success of a black middle class was nothing but an anomaly.

In addition to Du Bois other black American leaders promoted consumers’ cooperation as an economic solution for black Americans. Du Bois’s contemporary, the journalist, novelist
and activist George Schuyler, established the Young Negroes’ Cooperative League (YNCL) in 1930. Ella Baker, a mentee of Schuyler and future civil rights leader, quickly assumed leadership of the League. The YNCL sought to organize black Americans under thirty-five years of age into a network of consumers’ cooperatives. Schuyler’s five-year plan of organizing thousands of black Americans, establishing a network of consumers’ cooperatives and wholesales and eventually black producers’ cooperatives and education cooperatives proved overly ambitious, but the existence of the YNCL did result in the creation of many black consumers’ cooperatives and the national organization of hundreds of young black Americans who continued to serve as cooperative organizers in their communities.

Nationally, black organizations, churches, schools and individuals established consumers’ cooperatives. The national black press consistently covered the expansion of black consumers’ cooperation and often editorially supported the movement. Unlike the almost exclusively white consumers’ cooperative movement, there was no black equivalent to CLUSA, despite the efforts of Du Bois, Schuyler and Baker. The black consumers’ cooperative movement was more of a loose network of intellectuals, practitioners and activists. Nonetheless, the black consumers’ cooperative movement was a national movement that promoted cooperation as a black economic development strategy (Gordon Nembhard 2014). As noted earlier, if not for the work of Gordon Nembhard there would be no serious analysis of black consumers’ cooperation in the United States. A small number of historians have noted black consumers’ cooperation in larger works on the history of consumer activism or biographies of notable participants (Cohen 2003; Greenberg 1997; Knupfer 2013; Ransby 2003; Weems 1993), but none offer extensive analysis of black consumers’ cooperation, discuss black consumers’ cooperation as significantly distinct from the CLUSA-led consumers’ cooperative movement or offer specific analysis of black consumers’ cooperation as a black economic
development strategy. My analysis will contribute to a deeper understanding of the movement as a distinct form of black consumer activism not to be understood in the same way as the use of the boycott and based in black self-segregation, not racial integration.

The Rise of the Citizen Consumer and the American Consumers’ Cooperative Movement

The consumers’ cooperative movement - although analyzed in this work within the context of economic development - should still be situated with the historical context of the developments in consumer activism during the Progressive Era. At the very least, consumers’ cooperation, although often ignored in the literature, did develop alongside the consumer activism of the time. Progressive Era consumer activism was significantly concerned with consumerism in American society as it related to citizenship and the public sphere (a concern that preoccupies scholars today). Despite first-and-foremost being viewed by the movement as an alternative strategy for economic development, consumers’ cooperation was also considered a means to the establishment of a cooperative commonwealth including the redefinition of economic, social and political institutions according to cooperative principles. While most of the literature on consumption, citizenship and the public sphere assumes a liberal reform framework, consumer activism, both historically and presently, has largely been understood as either a complement or hindrance to citizenship and the public sphere. The American consumers’ cooperative movement, although working toward a radical transformation of society, did share with mainstream Progressive Era consumer reformers the belief that while existing relations of consumption were exploitative, consumer activism provided a path to economic, social and political change.

Many historians since the 1970s have encouraged academics to give the consumer equal standing to the producer in analyses of early-twentieth century activism (Glickman 2009).
Progressive Era consumer movement organizations, such as the National Consumers League (founded in 1891), advocated for the collective power of consumers to maintain and possibly expand the notion of citizenship. Instead of viewing consumption as an isolated, alienated and individualized act, the NCL and other progressives believed that consumption was actually a public act in the sense that it expressed social obligation and collectivity through ethical consumption, which supported the welfare of the producer and the consumer (Glickman 2009).

“The NCL’s key insight was that while in an objective sense the new economy linked consumers to ever-more-distant producers, consumers were less likely than ever to be aware of these connections” (Glickman 2009:182). The consumer movement at the turn of the twentieth century was dominated by organizations like the NCL that viewed their role as educating the masses in regard to the power of consumption and the importance of ethical consumption as an expression of citizenship. The NCL, as a reform organization, represents the orientation of the early-twentieth century consumer movement well.

Cohen (2003), in A Consumers’ Republic, argued that the consumerism beginning in the late nineteenth century first encouraged a new type of citizenship through consumption. “Citizen consumers,” as Cohen refers to them, “where regarded as responsible for safe-guarding the general good of the nation, in particular for prodding government to protect the rights, safety, and fair treatment of individual consumers in the private marketplace” (2003:18). Citizen consumers expanded the realm of the public sphere to include conscientious and educated consumption, essentially making consumption a political act and the consumer an engaged citizen. Cohen argues that during the “first-wave consumer movement” (occurring between the late nineteenth and early twentieth centuries) a “proto-citizen consumer” arose. This early citizen consumer was part of an “ideal broad-based constituency desirous and deserving of political and social reforms to limit the dangers of an industrializing, urbanizing, and
politically corruptible twentieth-century America” (Cohen 2003:23). Proto-citizen consumers - largely white, middle-class women - participated in boycotts and formed reform organizations, such as the NCL, to educate consumers, promote ethical consumption and pressure government to improve working conditions, increase wages and end child labor (Cohen 2003).

While Cohen emphasizes the role of white, middle-class women in the development of the citizen-consumer, Mullins (1999) uses archeological data to argue that the black middle-class sought participation in mass consumption as a path to gaining the rights of citizenship and racial equality. Black consumer activism began in earnest in the 1920s, but Mullins documents the consumer behavior of the small, but growing black middle class beginning in the late nineteenth century. For many middle-class black Americans “citizen privilege lay in securing consumer rights as much as labor and production rights” and “material goods and attendant genteel social behaviors reflected African America’s class struggle within and against dominant racist labor relations, communities, state interests, and other consumers” (Mullins 1999:24). Lears (1994) notes that in addition to greater access to the public sphere, participation in mass consumption - and more specifically the consumption of branded products - allowed black consumers to avoid the racial discrimination common in local retail practices. Mullins refers to this participation as illustrating a “conservative desire” for racial equality on the part of the black middle class. Engagement in mass consumption did not challenge the existing class system or contribute to the development of a black merchant class (in fact, participation in mass consumption arguably affected black merchants negatively), but it nonetheless encouraged the expansion of citizenship for middle-class black Americans.

By the 1930s the foundation of the Consumers’ Republic - Cohen’s term for the “strategy that emerged after the Second World War for reconstructing the nation’s economy and reaffirming its democratic values through promoting the expansion of mass consumption” -
was laid (2003:11). During this “second-wave consumer movement,” women, black Americans and other marginalized groups continued to utilize their purchasing power and the newly declared importance of the citizen consumer - whose responsibility it was to serve as watchdogs for fairness and decency in the marketplace - to gain a voice in the public sphere. Because Roosevelt embraced the idea of the citizen consumer, consumers gained the legitimate power they lacked during the first-wave consumer movement. Cohen notes, “By the end of the depression decade, invoking ‘the consumer’ would become an acceptable way of promoting the public good, of defending the economic rights and needs of ordinary citizens” (2003:23). The “consumer” became a stand-in for the “public interest” and was organized to counterbalance the representation of labor and business in the New Deal. Rather than restrict political participation, mass consumption created the means by which citizens could practice direct democracy and create an alternative to the coercion of the state. Consumption, not politics, was a true public sphere and a place where citizenship would blossom, not be stifled.

The history of black American activism in the United States, in part due to exclusion from the labor movement and political participation, is significantly characterized by consumer activism. Black consumer activism in the form of the boycott, such as the “Don’t Buy Where You Can’t Work” campaigns of the 1930s and the segregated streetcar boycotts of the early-twentieth century, illustrate black Americans’ role as citizen consumers. Glickman argues that the streetcar boycotts “offered one of the most impressive displays of consumer activism in American history and played a significant role in the history of the Civil Rights movement” (2009:173). These earlier boycotts laid the foundation for the Montgomery Bus Boycott, which through its notoriety would illustrate the power of black consumption. Most accounts of black Americans’ use of the boycott are placed within the narrative of the Civil Rights Movement’s emphasis on racial integration. As such, analysis of the development of the Montgomery
Improvement Association and its attempts to build off the success of the boycott to establish and strengthen black-owned financial institutions and businesses is typically lost within that narrative. Boycotts for inclusion and integration benefitted the white-owned businesses as much if not more than black Americans (Weems 1998). Successful boycotts fostered black entrance into Cohen’s Consumers’ Republic (2003), but did little to develop a black economic base. Existing analysis of black American consumer activism - in so far as it emphasizes boycott movements - neglects consumer movements that sought to not only flex black buying power, but utilize black buying power to build a black economic foundation from which racial equality - not just integration - could be achieved.

The rise of the citizen consumer was defined in large part by the interests and paternalism of the middle class and the limited expansion of citizenship to that class. The history of consumer activism, Frank (2003) argues, is fraught with problematic class dynamics. The middle class has a history of initiating consumer activism on the part of the working class and excluding the workers whom they seek to assist, or, at the very least, establishing hierarchical consumer activist organizations that place middle-class participants at the top (Frank 2003). The National Consumers League in the early twentieth century and the “Don’t Buy Where You Can’t Work” movement in the 1930s were two examples of successful middle-class initiated consumer campaigns (Frank 2003). The “Don’t Buy” campaign (discussed in Chapter 4), a black American consumer movement, was less demarcated by class because of the smaller black middle class compared to the white middle class, but none-the-less originated in the black middle class and expanded employment rights and job opportunities for that class.

The middle class has always had social and economic resources and power that the (unorganized) working class has lacked. However, this disparity in resources does not require that the middle class give the working class economic improvements in the form of increased
wages and better working conditions, for example. The middle class could instead use its resources to empower workers to bring about the change they desire.

In other words, ideally, through these campaigns consumers would help working people achieve control of their own economic lives and communities however they choose to define that. The ultimate goal...is not middle-class people obtaining justice ‘for’ the working people at the other end but helping working people to do so for themselves - in a long process of planned obsolescence (Frank 2003:365)

Oftentimes, when middle-class consumers boycotted in the interest of the working class, the working class was left out of the negotiation process meant to resolve the particular issue and eventually only received a small share of the rewards (Frank 2003).

Unlike most of the consumer activism that characterized the Progressive Era, the consumers’ cooperative movement placed the power of consumer activism in the hands of the working class. It was not a movement dominated and controlled by a middle class that purported to know what was in the best interest of the working class. The early American consumers’ cooperative movement, which originated in the era of the first-wave consumer movement and developed during the second-wave, reflected the ideals of the citizen consumer. However, the consumers’ cooperative movement was considerably more radical than its first-wave consumer movement counterparts. Therefore, treating the consumers’ cooperative movement simply as an example of first- or second-wave consumer activism is a mistake and sets up an incomplete and misguided analysis of the movement. Like many consumer activist groups of the Progressive era, the consumers’ cooperative movement believed consumerism held great potential in regard to expansion of citizenship. But unlike their counterparts, many in the consumers’ cooperative movement - especially those who held positions of leadership in CLUSA - saw radical, as opposed to reformative, potential in consumerism. While the NCA and labor unions, for example, saw consumer education and boycotts as a means to reform social, economic and political institutions, the consumers’ cooperative movement believed that
consumer activism, through consumers’ cooperation, could wrest control of the means of
consumption from the bourgeoisie and lay the foundation for radical change resulting in
collective control of the means of production and the dismantling or weakening of the state,
which would eventually be replaced by a system based on collective principles, namely,
participatory democracy.

Cohen’s analysis of consumer activism in the first-half of the twentieth century identifies
the mid-1930s as the beginning of the decline of the citizen consumer and the rise of the
“purchaser consumer.” In contradistinction to the citizen consumer, the purchaser consumer
emerged to organize and empower the consumer, not to represent the public interest, but to
increase interest in and commitment to capitalism. The purchaser consumer, faced with
unprecedented choices, was encouraged to embrace mass consumption and utilize purchasing
power as a way out of the Great Depression. By the end of the 1940s, consumers performed a
civic duty:

High levels of consumption distinguished American freedom from Communist
oppression. State-sponsored capitalism in the form of military spending and social
programs such as the G.I. Bill of Rights and federally subsidized housing loans locked the
system into place and created the purchaser citizen (Steigerwald 2006:386)
The purchaser consumer was used to stabilize the economy, restore faith in democracy and the
state and lead the country toward consumer capitalism. The result was the creation of the
“Consumers’ Republic” (Cohen 2003) where Americans “understand their citizenship in relation
to consumption” and “dwell in a largely stultified, commodified public sphere” (Steigerwald
2006:386-7). Mass consumption offered individuals new possibilities for identity and
conceptions of the self, which gave the appearance of democracy, freedom and choice, but
ultimately served the interests of capital. In the Consumers’ Republic, concepts of rights and
justice were determined by access to consumption, not the use of consumption to develop the public sphere or the role of the citizen.

The consumers’ cooperative movement, however, did not succumb to the emergence of the producer consumer. If anything, the consumers’ cooperative movement, and the black consumers’ cooperative movement in particular, carried the torch of the citizen consumer and continued to view and utilize consumption as a means to increase citizenship, expand the public sphere and work toward economic equality. Including analyses of this movement in the context of broader analyses of consumer activism in the twentieth century serves to greatly expand our understanding of consumer activism. The consumers’ cooperative movement belongs within the framework developed by scholars like Cohen, but it should be analyzed as a strategy for alternative economic development, not just advocacy and reform, and a movement that carried its citizen-consumer identity into the Consumers’ Republic.

Current scholars are building off of Cohen’s work and utilizing the concept of the citizen consumer to analyze “alternative” and “ethical consumption” - consumption driven by concern for the environment, sustainability, equitable distribution and the negative effects of the rise of the corporation and globalization - and the relationship between self-interest driven consumerism and the “collective responsibility to a social and ecological commons” (Johnston 2007:229). But just like early scholars, recent research tends to ignore the history and potential of consumers’ cooperation. Since the establishment of the Consumers’ Republic the juxtaposition of the consumer and citizen tends to idealize the citizen who is assumed to put aside self-interest in order to “ensure the survival and wellbeing of others” while villainizing the consumer who “maximizes individual self-interest through commodity choice” (Johnston 2007:243-4). This line of research raises multiple questions: to what extent do consumers exercise agency; do disconnected individuals acting alike equal collective action; does ethical
consumption lead to other, more intentionally collective, political engagement; and, is “voting
with your dollar” more likely to result in real political change or improved corporate public
relations and niche marketing exploiting the “conscientious consumer” (Johnston and Baumann
2010)? Despite the temptation, Johnston (2007) argues that these questions cannot be
answered in an either/or fashion.

Schudson (2007) asks many of the same questions as Johnston through his critique of
what he terms the moralizing trend in consumer studies that contends that consumerism is
responsible for the decline in political activity and “distracts us from civic duties” (p. 238). But
according to Schudson, there is no definite consumer/citizen contrast; using citizen as a stand-in
for public-spirited and consumer as a stand-in for self-centered is flawed logic (Schudson 2007).
Politics, like consumption, is often self-serving and driven by self-interest. Otherwise apolitical
people may be encouraged to engage in political behavior via consumer activism or even simple
consumer activity. Cohen (1990) herself documented the ways that mass consumption
contributed to the breakdown of barriers between ethnically divided workers in the early 1930s,
which led to more effective labor organization.

Contemporary consumer activists are reminiscent of the citizen consumer who
advocated for workers’ rights, boycotted unscrupulous business owners and educated the public
on the dangers of industrialization and urbanization (where contemporary consumer activists
emphasize the dangers of unregulated global markets). Simon (2011) argues that consumer
activism has increased in recent decades due to the rise of the brand, consumerism and the
corporation. In fact, neo-liberalism has opened up this alternative space for civic engagement:

Sensing this transfer of power from the government to corporations, which is a hallmark
of the emerging global neo-liberal order, protestors have decided to focus on brands
rather than on policy makers to get things done. In keeping with this change, it is
almost as if citizens have out-sourced their politics from the voting booth to the
supermarket (Simon 2011:147)
According to Simon, this amounts to a “rough democracy of buying” (p. 147). Consumers are not abandoning politics, they are just shifting venues” (Simon 2011). Zukin (2004), in *Point of Purchase*, argues that shopping is a new way of public engagement, which has replaced older forms, such as political debate. Critics, however, argue that what we are seeing is not a shift, but a narrowing of conceptions of citizenship. These scholars see “a relentless individualism that cut against the grain of engaged citizenship” (Simon 2011:148). Unlike consumer movements of the past, contemporary consumer activism is rarely tied to a larger, on-going movement and is more likely to exist in isolation, leaving the larger political or economic system unchallenged (Simon 2011). Gitlin (1978) argues that participation in the consumer market essentially supports the capitalist relations of consumption. “When the consumers choose,” he argues, “they confirm the legitimacy of the suppliers” (quoted in Schudson 2006:194). To this extent, consumer activism is limited if it only exists within the present structure of consumption. However, this is not necessarily a criticism of consumer activism vis-à-vis political participation or evidence of the superiority of the citizen over the consumer. If voting is the most common expression of citizenship, the choice between two or three political parties does little to affect social relations, but it does legitimate the political system (Gitlin 1978).

This current and recent research can benefit significantly from an analysis of the history of consumers’ cooperation in the United States, as well as contemporary studies of consumers’ cooperation. Providing both is beyond the scope of this project, but I intend to contribute to completing the construction of a historical analysis of the consumers’ cooperative movement in the United States, which will provide a foundation for studies of consumers’ cooperatives moving forward. The ideology of the early American consumers’ cooperative movement foreshadowed Gitlin (1978) and Schudson’s (2006) critiques of consumer activism and provided
an alternative. Consumer activism through consumers’ cooperation eschewed political participation in favor of consumer activism. Many in the consumers’ cooperative movement believed that political participation only endorsed the state, which was seen to operate in the interest of capital. Thus, consumer activism was the expression of citizenship, not its downfall. The consumers’ cooperative movement also worked to establish an alternative to capitalist means of consumption and production not simply reform existing structures and relationships and thus did not “confirm the legitimacy of suppliers,” to borrow Gitlin’s (1978) phrase. More broadly, the consumers’ cooperative movement represents a possibility of avoiding many of the critiques of consumer activism outlined above: it was and can be a strategy for economic development for the poor, working class and otherwise disenfranchised; in a consumer-based economy where consumers’ can vote with their dollar but are often coopted by corporate marketing and end up legitimating consumerism, consumers’ cooperation is both an attempt at influence through buying power and the creation of an alternative to capitalist distribution relations; and consumers’ cooperation is a strategy that brings individual citizens together collectively as consumer activists, which combats the temptation of consumers to eschew united strategies to solve social problems in favor of individualized “ethical” consumption.

Consumers’ cooperation is often lumped in with early twentieth century consumer activism. But the movement was not made up of citizen consumers nor did it seek reform through consumer activism. The movement sought radical social, political and economic change where the consumer was the central actor and not secondary to the citizen. Consumers’ cooperation only partially fits within this popular narrative of consumer activism in the first half of the twentieth century; it should be a part of the narrative, but as something distinct that does not easily fit the narrative, but expands it.
Organization of the Dissertation

The dissertation is organized around three general themes of the early twentieth century American consumers’ cooperative movements. Chapter 2 will explore and analyze the class-based nature of the movement through an historical case study of the Cooperative League of the United States of America. Established in 1916, CLUSA provided the foundation or the consumers’ cooperative movement and analysis of its publications and archives allows for a deep understanding of early twentieth century consumer activism through cooperation. In this chapter I will first look at the ties between the consumers’ cooperative and labor movements. As noted above, these ties reveal a rich, but under-studied history of consumer activism that sought to transform, not just reform, the economy.

An examination of the relationship between the consumers’ cooperative and labor movements also allows for a unique study of conceptions of class and class formation in the United States. The consumers’ cooperative movement illustrates an early, transformative notion of class that is neither entirely based in one’s relationship to the means of production, market situation or identity as a consumer. Contemporary class theorists tend to locate the breakdown of traditional class demarcations in the mid-twentieth century (although there is not a consensus that these demarcations have entirely broken down, if at all). The early-American consumers’ cooperative movement, therefore, challenges the dominant narrative of changing conceptions of class and class formation in the United States and contributes to our understanding of the relationship between class and consumption.

In Chapters 3 and 4 I turn to the early twentieth century black consumers’ cooperative movement. Chapter 3 is devoted to an analysis of W.E.B. Du Bois’s participation in and advocacy of a black consumers’ cooperative movement. The lack of attention paid to Du Bois’s involvement with consumers’ cooperation is particularly striking due to his contribution to the
development of sociology in general and American sociology specifically. As my analysis reveals, Du Bois’s advocacy of black consumers’ cooperation was steadfast - particularly between 1910 and the 1940s. More importantly, black consumers’ cooperation played an integral role in the development of his theory and promotion of black self-segregation. My analysis of his involvement with black consumers’ cooperation contributes to an understanding of Du Bois’s social and economic theory as well as his role as an activist and public intellectual. As a founder of the NAACP and the editor of its widely circulated monthly journal for almost three decades, Du Bois’s association with black consumers’ cooperation as it pertained to self-segregation helps to explain his often conflictual relationship to other activists for racial equality and civil rights organizations, including the often white-dominated NAACP. Du Bois’s advocacy of black consumers’ cooperation as a strategy for black economic development also allows for a new understanding of Du Bois’s theoretical arc. I will argue that black consumers’ cooperation shaped his theoretical transition from his early promotion of a black middle class to his call for black self-segregation.

Chapter 4 will move beyond an analysis of Du Bois as the most prominent black American supporter of black consumers’ cooperation in order to focus on the black consumers’ cooperative movement more generally. In this chapter I will explore the role that the black consumers’ cooperative movement played in the history of black American struggle for civil rights and equality in the first half of the twentieth century. Like the CLUSA-led consumers’ cooperative movement, the black American movement illustrates atypical consumer activism. The movement did not advocate and work towards inclusion in white America (economically or socially speaking) as early consumer boycott movements did (for example, the “Don’t Buy Where You Can’t Work” campaigns); nor did it advocate economic reform. Instead, the black consumers’ cooperative movement was a struggle for the creation of separate black economic
and social institutions based on the presumption that meaningful integration was not possible or that it would not truly benefit black Americans until black Americans gained social and economic resources via the establishment of their own institutions. As an early form of the use of consumer activism, which would come to define crucial moments in the modern Civil Rights Movement, and as a strategy for black economic development through self-segregation, an analysis of black consumers’ cooperation contributes to the creation of a more complete understanding of black movements for economic and social equality in the United States.

**A Note on Methodology**

The data for my analysis come from a wide array of sources. I thematically coded the Cooperative League of the United States of America Records (Manuscripts and Archives Division, The New York Public Library), which include official records, proceedings, publications and correspondence of CLUSA, and their monthly publication *Cooperation* (also known as *The Cooperative Consumer*). Additionally, I used the publications of unions and political parties (such as the AF of L’s *American Federationist* and the Socialist Party’s *American Socialist Monthly*) to round out my analysis of the relationship between the labor movement and the consumers’ cooperative movement.

In regard to my analysis of Du Bois and the black consumers’ cooperative, I relied on the W.E.B. Du Bois Papers (Special Collections and University Archives, University of Massachusetts, Amherst), the archives of the monthly publication *The Crisis* (the official organ of the NAACP), the Ella Baker Papers (Schomburg Center for Research in Black Culture, The New York Public Library) and several black-owned newspapers (*The Baltimore Afro-American*, *The New York Amsterdam News*, *the Pittsburgh Courier* and the *Chicago Defender*). The Du Bois Papers are a vast collection of over one hundred thousand documents, which include a wealth of writings,
correspondence, records and other material relating to Du Bois’s involvement with black consumers’ cooperation. The Baker Papers include a subsection devoted to the Young Negroes’ Cooperative League including records, publications, correspondence as well as other materials. Together, these materials, along with secondary sources, allow me to construct a thorough account of the black consumers’ cooperative movement.
CHAPTER 2

CONSUMERS’ COOPERATION, CLASS AND THE COOPERATIVE LEAGUE OF THE UNITED STATES OF AMERICA

Academic interest in the American consumers’ cooperative movement, though scarce, tends to focus on the “second-wave” of consumers’ cooperation, which began in the second-half of the twentieth century and is largely characterized by reform-minded, middle-class consumers. Consumers’ cooperation in the United States prior to the twentieth century, as I’ll discuss below, tends to be associated with the nascent labor union movement, but lacked an umbrella organization to guide or define the consumers’ cooperative movement. In 1916, however, a small group of consumers’ cooperative advocates and practitioners came together to form the Cooperative League of the United States of America (CLUSA). The League began organizing the consumers’ cooperative movement nationwide, providing structure - both materially and ideologically - to a movement formerly defined by disconnected or loosely associated cooperatives.

In this chapter I will provide an analysis of the CLUSA-led consumers’ cooperative movement focusing on the years between 1916 and the late 1930s. During this time period CLUSA espoused a radical ideology of consumers’ cooperation that emphasized the democratic control and collective ownership of the means of consumption and production as well as the dissolution of the state. (By the late 1930s, the philosophy and membership of CLUSA began to shift toward positions advocating reform over the fundamental transformation of society.) Due to its radical ideology, the consumers’ cooperative movement occupied a unique position vis-à-vis labor, political and other consumer movements of the time. The League’s basic criticisms of capitalist relations of consumption and production were aligned with leftist political parties
(e.g., socialists and communists) and dominant labor movement ideology, but their understanding of class relations and identity differed. At the turn of the twentieth century leftist politics and the labor movement broadly emphasized a Marxist notion of class defined by one’s relationship to the means of production. The working class, dependent upon a wage and with nothing but their labor power to trade for employment, was vulnerable to exploitation by the owners of the means of production. The labor movement, generally speaking, advocated for the organization of workers at the site of production in order to collectively engage with capitalists and increase their ability to demand positive reforms. Operating from the same premise, socialists and communists added the idea that the working class should seize control of the means of production as well as the state in addition to organizing at the point of production.

The consumers’ cooperative movement shared an analysis of capitalism with the labor movement and leftist political parties, but altered their conception of class. Class, consumers’ cooperators argued, was only in part based on one’s relation to the means of production. A person’s relationship to the means of consumption, that is, their location as a consumer, was more important to class relations and identity. In this sense, the consumers’ cooperative movement represents a neglected transformative period of conceptions of class. Theorists represented by Bauman (2005) identify consumption as an essential element of class relations and identity in the post-industrial world as capitalist economies become consumer based and citizens engage with the economy increasingly as consumers rather than producers. However, the consumers’ cooperative movement illustrated the importance of consumption in the first part of the twentieth century at the height of the industrial capitalist economy. Unlike others who viewed the masses widespread entrance into the economy as consumers a means to weaken working-class identity and replace it with a relatively benign consumer identity uncritical of capitalism, the consumers’ cooperative movement saw the growth in the
importance of consumption - and increased identity as consumer - as a means to radicalize the masses and develop an alternative economic foundation to completely transform modern capitalist society.

In this chapter I will chart the history of the American consumers’ cooperative via an analysis of the Cooperative League of the United States. (As noted in the Introduction, a segregated black consumers’ cooperative movement developed contemporaneously with the development of the CLUSA-led movement. This chapter is devoted to CLUSA and thus references to the “consumers’ cooperative movement” refer to the CLUSA-led movement. Chapters 3 and 4 are devoted to the black consumers’ cooperative movement.) My analysis of the consumers’ cooperative movement will focus on the movements’ relationship to the labor movement and radical political movements of the time. I argue that the often neglected presence of the consumers’ cooperative movement, and its interaction with other movements, challenges the accepted notions of class in the early twentieth century and illustrates the early importance of consumption as a contributor to class relations, identity and inequality. My analysis also expands the commonly accepted narrative of consumer activism of the early twentieth century, which has emphasized reform (for example, consumer advocacy and expansion of notions of citizenship), to include radical consumer activism aimed at the total transformation of modern capitalist society.

It should be noted that I rely heavily on analysis of Cooperation, the official monthly publication of CLUSA, which commonly featured the writings of James Peter Warbasse, co-founder and long-time president and executive secretary of CLUSA. In many cases, where I deem appropriate based on analysis of supporting documents, I will generalize Warbasse’s arguments and positions to the consumers’ cooperative movement as a whole. However, Cooperation commonly allowed space for debate and dissenting voices, and the availability of
other historical materials, such as correspondence, public speeches and non-CLUSA publications allow for a robust and thorough analysis of the movement as a whole.

*The Early Years of Consumers’ Cooperation*

Modern consumers’ cooperation began in the early nineteenth century in response to the Industrial Revolution in Britain. Laborers, pulled from their rural way of life and subsistence consumption, sought a way to obtain material necessities and avoid the exploitation of “company stores” and early retailers. Although “utopian” socialists, such as Robert Owen, promoted cooperation as a way toward a “moral” organization of society (Furlough and Strikwerda 1999; Williams 2007), the first experiment in modern consumer cooperation occurred in Rochdale, England in 1844 in the midst of the “hungry forties” (Jacobson 1941). The Equitable Pioneers of Rochdale, like Owen, saw cooperation as a way to a better society, defined by free association, not competition. Rochdale, a textile town, had been the site of labor conflict as the power loom quickly replaced the work done by handloom weavers (Furlough and Strikwerda 1999). Workers in the Rochdale mills had recently struck, unsuccessfully, for higher wages. Defeated in their activism at the point of production, the workers turned to innovative forms of consumption to survive despite low wages (Jacobson 1941). Their consumers’ cooperative proved successful and became the model on which contemporary cooperatives are based. The Rochdale Pioneers established the cooperative principles which guide consumers’ cooperatives to this day (open membership; democratic member control; member economic involvement; educational programs; cooperation among cooperatives; consideration and concern for community; and political and religious neutrality (no collective endorsement of a particular religion or political party). After fifty years in business, the Rochdale cooperative grew from 28 individual members to 12,000 member families and an annual business volume of 1.5
million dollars (Jacobson 1941). The success of Rochdale spread, and by the mid-1800s there were over 400 consumers’ cooperatives in England (Sekerak and Danforth 1980).

Consumers’ cooperation based on the Rochdale principles was brought to the United States in 1847 through the Workingmen’s Protection Union - later renamed the New England Protective Union (Ford 1913; Rozwenc 1941). Like the Rochdale cooperatives, the protective unions were a response to the class-based exploitation of industrial capitalism. By the 1850s there were roughly 400 protective unions in New England, New York, Ohio, and Illinois. The protective unions began to falter in the late 1850s - due in part to a lack of coherence in the central organization and competition from emerging retail stores - and eventually folded after the start of the Civil War. Despite general failure, several of the individual consumers’ cooperative stores survived.

The first consumers’ cooperative in the United States founded specifically on the Rochdale principles, the Union Cooperative Association #1 in Philadelphia, opened in 1864, but closed two years later due to increased retail competition (Leiken 2005). The motivation of the Union Cooperative Association was both material and ideological. First, the cooperative sought to offer quality groceries to workers at fair prices. The cooperative’s second, loftier goal was to improve the “moral, social, physical, and political well-being of American workers” (Leiken 2005:2). Despite its short life, the cooperative contributed significantly to the spread of the cooperative ideology in the United States (Leiken 2005; Sekerak and Danforth 1980). The Union Cooperative Association attracted the attention of labor leaders, including future key members of the Knights of St. Crispin and the Knights of Labor, foreshadowing the tenuous, but lasting relationship between the consumers’ cooperative movement and organized labor.

The Knights of St. Crispin, an association of shoemakers organized in 1867, developed roughly 40 consumers’ cooperative stores in Massachusetts within the first two years of
organization. However, after reaching a membership of an estimated 30,000 to 60,000 workers by 1870, a number of unsuccessful strikes led to the decline of the labor organization starting in 1872 and culminating in its dissolution in 1878. Despite early significant success, the consumers’ cooperatives associated with the Knights of St. Crispin closed once the labor organization disbanded (Parker 1956).

The Knights of Labor, initially a craft union established in 1869 with the goal of uniting both skilled and un-skilled workers into one union (Voss 1989), became a key proponent of cooperation. The labor organization grew out of the Industrial Brotherhood, an organization that was founded in part to establish consumers’ cooperatives (as well as producers’ cooperatives). The Brotherhood’s official pronouncement of support for cooperation was carried over with the establishment of the Knights of Labor (Parker 1956). The Knights of Labor saw self-organization, education and self-help, three principles closely related to consumers’ cooperation, as the key to combating concentrated capital and the threat it posed to democracy (Voss 1989). The Knights of Labor adopted consumers’ cooperation as a mechanism for social change and helped create hundreds of consumers’ cooperatives - many located in towns dominated by a company store - that loosely followed the Rochdale model (Ford 1913; Leiken 1999). Parker (1956) notes that by the 1880s the labor organization’s enthusiasm for consumers’ cooperation waned as they shifted their focus to other forms of organization, which led to the failure of the consumers’ cooperatives to which they were related.

The Sovereigns of Industry were perhaps the labor organization most committed to cooperation. The founding president of the Sovereigns, William H. Earle, was fully committed to consumers’ cooperation and ensured that the organization maintain paid staff to educate and assist the membership in starting cooperatives (Parker 1956). Established in 1874 (and disbanding in 1879), the Sovereigns quickly established just over 300 consumers’ cooperatives
throughout New England and New York with nearly 40,000 members. Unlike their predecessors, the Sovereigns were the first in the United States to truly practice the Rochdale principles. Despite the organization’s short life - it collapsed under its own weight in 1879 - many of the consumers’ cooperatives were financially sound and continued operation well into the 1880s (Parker 1956). The majority of those that outlived the organization adhered strictly to the Rochdale principles.

All three examples of early union experimentation illustrate the poignancy of a later critique made by the Cooperative League of the United States of America concerning the primacy of consumption as the way to understand exploitation under capitalism. The cooperatives associated with the Knights of St. Crispin and the Knights of Labor were essentially union cooperatives. They were largely ancillary to the union’s existence. At the very least, CLUSA would later argue, workers needed to identify and organize as laborers and, separately, as consumers, if not consumers first. Unlike the Rochdale Pioneers who organized as consumers in the face of their failure in organizing as laborers, these union consumers’ cooperatives developed no foundation to serve as an alternative means of organization. In the case of the Sovereigns of Industry, who adhered more strictly to the Rochdale principles, a number of their consumers’ cooperatives did survive after the union disbanded in large part due to the cooperatives’ independence from the union.

In addition to labor organizations, other institutions of the American labor movement contributed to the rise of consumers’ cooperation. For example, Jonathan Fincher, a labor activist with ties to the Knights of Labor, owned and edited Fincher’s Trades’ Review, a popular union newspaper. Fincher, a well-known supporter of both producers’ and consumers’ cooperation, used his paper to spread cooperative philosophy and success stories beyond local communities. Many labor leaders and activists saw potential in consumers’ cooperatives as a
way to not only provide necessary goods to the working class, but also as a basis for a working class community. Despite early support, the relationship between the consumers’ cooperative movement and organized labor strained as the American Federation of Labor (AF of L) gained in membership and power (Williams 2007). The AF of L’s interest in and support for consumers’ cooperatives, discussed in detail below, vacillated considerably in the first half of the twentieth century.

Without direct union involvement, and despite an estimated 76,000 consumers’ cooperative members, the consumers’ cooperative movement lacked significant national organization at the turn of the twentieth century (Parker 1956). It was not until the establishment of the Cooperative League of the United States of America (CLUSA) in 1916 that the consumers’ cooperative movement had some sort of formal organization. Initially intended as a society of individuals interested in promoting consumers’ cooperation via a nationwide propaganda campaign, CLUSA quickly grew to a federation of member associations and provided a means by which a national consumers’ cooperative movement could be organized. Founded by physician James P. Warbasse and a small group of cooperative advocates and practitioners, CLUSA promoted consumers’ cooperatives as central to the creation of “a new social structure that shall be capable of supplanting both profit-making industry and the compulsory political state by the cooperative organization of society” (quoted in Sekerak and Danforth 1980:42).

The founders of CLUSA largely came from existing consumers’ cooperative societies and organizations that emerged after the era of explicit union support for consumers’ cooperation. Several of the founders were members of the struggling Consumers’ Cooperative Union (CCU) based in New York. The CCU grew out of the Cooperative League (also referred to as the Jewish Cooperative League), which began as a consumers’ cooperative store in the Bronx in 1907 and
later operated a collectively owned and operated hat factory and store. The Cooperative
League grew to an association of cooperators who were mostly socialists, labor activists and a
few anarchists who believed in the revolutionary potential of cooperation. By 1910 the first
Cooperative League claimed a membership of 300 - mostly members of small, struggling
consumers’ cooperatives located in the northeast. The Cooperative League became the
Consumers’ Cooperative Publishing Association in 1911 and then, finally, the Consumers’
Cooperative Union in 1914. The CCU published the *Cooperative Consumer* - the largest
publication reporting on consumers’ cooperation of its time - between 1914 and April, 1916
when publication of the monthly magazine was taken over by CLUSA. Upon its creation, the
Cooperative League of the United States of America absorbed the CCU. The CCU had a
significant effect on the formation of CLUSA. Of the 20 founding members of CLUSA at least
seven came from the CCU, five of whom served on the seven-person executive committee of
CLUSA.

The establishment of CLUSA would not have occurred if it were not for the
correspondence between Albert Sonnichsen, a member of the CCU, and Warbasse. Sonnichsen
initially approached Warbasse, who had recently become interested in consumers’ cooperation
after years of involvement in other radical movements (including socialism, syndicalism and
anarchism), seeking a financial contribution to support the struggling CCU. Instead of a single
contribution, and with the urging of the CCU, Warbasse called together several friends and
associates to discuss consumers’ cooperation and the potential formation of a national
consumers’ cooperative organization. Sonnichsen called his job of soliciting the donation, which
led to the collaboration, the “most successful I ever undertook for cooperation” (Parker
1956:56). Warbasse would go on to lead CLUSA as its president from 1916 to 1941 and do much
to unite and organize geographically disparate and disconnected consumers’ cooperatives. And,
with his wife Agnes and her considerable wealth, the Warbasses were able to provide the financial base for CLUSA and assist the League financially during long stretches of economic difficulties. Due to his financial support and long-held position as president of the League there was a concern on the part of some members of CLUSA that Warbasse held a disproportionate amount of power in an organization based on principles of participatory democracy and member equality. Aware of his critics, Warbasse consciously sought to allow for debate within the organization, particularly in the pages of CLUSA’s monthly publication, *Cooperation*, and maintained as much transparency in League affairs as possible. Additionally, the position of executive secretary of CLUSA, arguably a more powerful position than president, was held by seven different individuals during Warbasse’s tenure. CLUSA exists today as the National Cooperative Business Association, which provides educational services and advocacy for consumers’ cooperation in the United States, but is entirely devoid of any ideological positions regarding capitalism, class inequality or the state.

A central tenet of the consumers’ cooperative movement, espoused by CLUSA, was that one’s relationship to the means of consumption and their identity as a consumer was the most significant organization aspect of capitalism. Despite this position, CLUSA and cooperators in general identified with the working class specifically. Not only did they reach out to the American Federation of Labor (AF of L) and other prominent unions, but their propaganda routinely spoke to the “workingman,” the “laborer” and the “working class.” The argument in favor of the labor-cooperator alliance was threefold. First, CLUSA believed that those most marginalized by capitalism were most likely to embrace consumers’ cooperation as an alternative economic structure. Second, CLUSA believed that any gains labor made in regard to wages needed to be protected at the site of consumption through consumers’ cooperation. In this sense the labor movement was seen as incomplete without the consumers’ cooperative
movement. Finally, despite its own struggles in the first part of the twentieth century, the labor movement offered a national network that the consumers’ cooperative movement could utilize.

Despite their support for the labor movement, and their belief that the working class was the class most likely to embrace consumers’ cooperation, CLUSA was concerned that organized labor in the early twentieth century was too conservative and content with gains (e.g., higher wages, reduced work hours and improved working conditions) within the capitalist economy. CLUSA, conversely, held that the working class - and truly all classes - could not escape exploitation within capitalism and that only the dissolution of capitalism and the state, replaced by a consumers’ commonwealth, could free the population from oppression and exploitation. CLUSA also maintained that the designation “working class” was correct in the sense that the class included those who sold their labor for wages, but incorrect in the sense that members of the working class were truly and firstly members of the “consuming class.” Therefore, the working class could only truly liberate itself through organization as consumers and the formation of consumers’ cooperatives - not organization at the site of production. CLUSA’s actions and propaganda indicates that the League sought to create a consumer-oriented movement within the context of the labor movement, but not subservient to it. In the next section I analyze the complicated relationship between the consumers’ cooperative movement and the labor movement with an emphasis on its implications for conceptions of class and societal transformation.

*The Consumers’ Cooperative Movement and the Labor Movement*

The relationship of the consumers’ cooperative movement to the labor movement was tenuous and sporadic in nature. As discussed above, trade union support of and involvement with consumers’ cooperation declined with the rise of the AF of L, an organization fairly
uninterested in cooperation - at least relative to earlier unions. However, union interest in consumers’ cooperatives increased in the twentieth century as illustrated by the AF of L’s adoption a resolution at their 1916 convention that appointed a committee “for the purpose of taking under consideration the question of cooperation” and in 1917 established a one-year position of “lecturer and advisor on the practical work of Rochdale cooperators.” The resolution declared “there is nothing that will accomplish this purpose [protection of the worker as consumer] except organization, and the cooperative movement is the organization that is designed to protect the workers in their relations with the merchants and the business men in the same sense that the trade union movement protects them from the employers.” And in a sentiment that would be echoed throughout the early twentieth century, the AF of L embraced the notion that the consumers’ cooperative movement and the labor movement were “twin remedies.” The resolution pledged the support of the union to “establishing, building up and strengthening in every way possible a legitimate organization of bona fide workers in our country and Canada as part of the great world’s cooperative movement.” In response, CLUSA resolved that “all cooperative societies and those interested in starting such, should act in cooperation with all central labor unions and local trade unions for the establishment and advancement of cooperative societies” (The Cooperative Consumer 1917:154).

The Brotherhood of Locomotive Fireman and Enginemen (BLFE) were, along with the United Mine Workers (UMW), one of the largest union supports and practitioners of consumers’ cooperatives in the twentieth century. The BLFE, a large union with a membership of over 100,000, was conservative in nature and maintained a strict policy of racial exclusion. In fact, the union refused to affiliate with the AF of L in large part due to a belief that affiliation would threaten their exclusionary policies. Illustrating the American Federation of Labor’s own complicated position on racial exclusion and segregation, then president of the AF of L Samuel
Gompers, interested in attracting the BLFE, wrote to then president of BLFE W.S. Carter in 1911 assuring him that the AF of L would not interfere with their exclusionary policies (Albert and Palladino 2001.) Gompers wrote, “Mark you, I am not arguing, certainly not urging your Brotherhood to change its laws and admit the Negro to membership” (p. 250), but Gompers did urge Carter to consider the benefits of organizing black workers (to discourage the use of black workers to undercut union wages and collective action). CLUSA’s willingness to embrace an openly racist union such as the BLFA illustrates its lack of a strong commitment to racial equality. However, as early as 1917, CLUSA reached out to W.E.B. Du Bois and offered support to his campaign for black consumers’ cooperation and later spoke out against members of CLUSA who held segregationist positions and embraced various black consumers’ cooperative organizations and their members.

John F. McNamee (editor of the BLFE magazine), expressing the Brotherhood’s support and commitment to consumers’ cooperation, wrote in the January, 1919 edition of Cooperation:

If we are to perish or be enslaved, we must find a way out and we must find it soon. The Rochdale system is that way out...I have expressed the opinion that the issue before mankind now is world reconstruction or world deconstruction, and I have said that I view Unionism and Cooperation as the factors that can enable us to attain the goal of an emancipated, a free, a happy and a useful humanity (pp. 5-6)

In 1919 alone, the BLFE had started over 100 cooperative societies in all regions of the country (The Cooperative Consumer 1919:131). CLUSA held out the BLFE as a shining example of the success of collaboration between organized labor and the cooperative movement. CLUSA was quick to point out that the success came despite the conservative nature of the BLFE and claimed that through its alliance, the BLFE had opened its eyes to “the whole problem of wages and spending, production and distribution, and the real purpose of industry” (p. 131). The BLFE officially endorsed the cooperative movement and pledged itself to the cause at their twenty-ninth convention, held in 1922. Other unions were not as supportive of consumers’
cooperation, but many embraced the movement generally. In 1926, writing in the *American Federationist* (the official organ of the AF of L), Albert Coyle summarized the prevailing arguments for the labor movement’s embracement of consumers’ cooperation. On the one hand, Coyle promoted the idea that consumers’ cooperation was a useful aid - something secondary to labor activism - to workers during strikes and economic crises. On the other hand, Coyle recognized the equal importance of workers’ relationship to the means of distribution along their relationship to the means of production:

> Neither one [unionism or cooperation] of itself is sufficient - trade unionism without cooperation means that the workers are robbed as consumers by high prices for the necessaries of life; cooperation without trade unionism means that the workers are robbed as producers by being compelled to accept wage cuts because their cost of living is lowered (1926:209)

Coyle’s statement does not go as far as to adopt the ideology of CLUSA and declare the primacy of the consumer, but it does go farther than recognizing consumers’ cooperation as only a tool for the labor movement.

In the mid-Western region, the United Mine Workers (UMW), with nearly 500,000 members, fully embraced consumers’ cooperatives. Illustrating the miners’ support for cooperation, the report on the third annual convention of the Central States Cooperative Society, held in 1917, noted the majority of those in attendance were members of the UMW (Warbasse 1917a). The fact that the majority of attendees were union members also illustrates CLUSA’s dependency on unions for membership. Regardless of their ideological position vis-à-vis the labor movement, CLUSA maintained a strategic alliance with unions and others involved in the movement. Having experimented with consumers’ cooperatives since 1910, the Illinois miners, with the aid of the Illinois State Federation of Labor (headed by J.H. Walker and Duncan McDonald, both eventual members of CLUSA), launched an ambitious plan to establish a chain of consumers’ cooperatives in 1919. By the end of the year the miners established the Central
States Co-operative Wholesale Society with an initial membership of 15 stores. The stores illustrated the potential and benefit of consumers’ cooperatives to laborers and by 1921 the Society grew to over 70 branch stores. In addition to miners, railway workers, steel workers, molders and other unionists joined the consumers’ cooperatives.

Despite the initial success, the Society collapsed in 1922. The failure of the society was due in large part to its business practices, overreliance on union members and increased competition from for-profit chain stores. Like all consumers’ cooperatives of the time, the ability of chain stores to undercut prevailing prices presented a challenge to cooperatives in regard to maintaining membership and sales. In order to better compete, the cooperative stores reduced prices, which left them vulnerable when, eventually in 1922, the miners’ union went on strike. By selling at cost, the miners used the cooperatives to sustain themselves and their families during the strike. Without outside membership, there were too few members with the financial resources to carry the cooperatives while the miners’ spent minimally at the stores. Central leadership by a union undermined the local, community-based strength of cooperation (Warne 1924:454). However, despite the central leadership of the union, many union members did not see the cooperative stores as being “union stores.” The Society began an educational program to confront this problem and stressed that those union members who did not support affiliated cooperative stores and shopped elsewhere where the equivalent of scabs that crossed picket lines and undermined the unity required for consumers’ cooperation to succeed. The case of the UMW illustrates the difficulties of collaboration between the labor movement and the consumers’ cooperative movement. If unions and their members only committed to the material benefits of cooperative stores and did not embrace the ideology of the consumers’ cooperative movement they were more likely to fail compared to cooperatives characterized by an ideologically committed membership. But embracement of the cooperative
ideology relied on laborers to adopt an identity as a consumer, which contradicted their identity as workers via their union membership and participation in the labor movement. In the end, competition and the strain of the strike brought down the Society, but those stores that maintained a balance between union affiliation and a lack of total reliance on union members were able to succeed.

Warbasse and CLUSA understood the potential for consumers’ cooperatives during strikes and typically increased propaganda efforts to attract worker and union support. CLUSA commonly argued that the assistance of consumers’ cooperatives during strikes would help build the cooperative movement and convert striking workers and unions to the cause (Warbasse 1922a). In 1919, reporting on the Seattle general strike (Warbasse 1919a) and large strikes in Illinois and Pennsylvania (Warbasse 1919b) Warbasse was keen to point out that “the cooperators are moving forward to bring help to the suffering workers wherever they are.” Labor, Warbasse argued, should promptly and rapidly unite itself to the cooperative movement - its best ally” (1919b:164-5).

A report on the effects of strikes on cooperatives (Stiles 1923) found mixed results, as illustrated by the United Mine Workers. However, there were successful examples. The Seattle general strike of 1919 resulted in the establishment of several consumers’ cooperatives that continued to thrive in the Seattle area after the strikers returned to work. Striking shipyard workers in San Francisco formed a consumers’ cooperative with the aid of the Consumers’ Cooperative League of San Francisco (an affiliate of CLUSA), which continued to operate successfully post-strike. A yearlong miners’ strike in the Dillonville, Ohio area was sustained in part by the assistance provided by the regional cooperative stores (“More Gains in Dillonville” 1930). The stores extended significant credit to workers, but required enough cash business to keep them out of debt (“Strike at Dillonville” 1928). The stores weathered the strike and
illustrated CLUSA’s argument that workers struggles at the site of production are incomplete without struggles at the site of consumption - that organized labor’s gains must be protected by consumers’ cooperation. Additionally, CLUSA called upon all of their affiliated cooperative societies to send money, clothing and food to the striking miners in Ohio, making sure to point out that the financial support offered by the United Mine Workers was insufficient to sustain the striking mine workers (“The Miner Cooperators Have Always Helped Other Cooperators” 1928). Two years later, CLUSA reported in Cooperation that the Dillonville cooperatives were continuing to grow, despite the setbacks experienced during the long strike (“More Gains in Dillonville” 1930).

In addition to unions, many state federations of labor, organizations that represented the interests of all workers and unions, supported consumers’ cooperation. J.H. Walker expressed the Illinois Federation’s support of consumers’ cooperation in a guest article in the March, 1917 edition of The Cooperative Consumer. Walker’s article echoed the argument of those in favor of labor-cooperator collaboration - that neither the labor movement nor the consumers’ cooperative movement could succeed without the other:

workers have found that it is just as necessary to have a strong union (cooperative organization) to enable them to protect themselves from the avarice and greed of the business men and the merchants, when spending their wages to buy the necessities of life, as it is to have a strong union to protect them from the avarice and greed of the employers when they sell their labor for those wages...If the workers have a strong union and no cooperative society, they may raise the wages as high as they like, but the merchants will raise the prices on the necessities of life (which they must buy) high enough to get those wages back from them except for just a bare living (Walker 1917:17)

The Illinois State Federation of Labor was perhaps the most successful federation in its ability to turn its support for consumers’ cooperation into functioning consumers’ cooperatives, but other state federations showed their support by passing resolutions that endorsed consumers’ cooperation. In 1919 alone, California, Pennsylvania, Washington, Kansas, Missouri,
Oklahoma, Arkansas, Arizona and Minnesota federations of labor all passed resolutions endorsing cooperation. The Wisconsin State Federation of Labor passed a resolution that endorsed consumers’ cooperation in 1921 and despite never passing a formal resolution, the Tennessee State Federation of Labor advocated for consumers’ cooperation and encouraged their membership to establish consumers’ cooperatives.

Clearly a relationship existed between the labor movement and the consumers’ cooperative movement. This relationship, and unions’ use and support of consumers’ cooperation, illustrates at least a partial recognition of the significance of the consumer within the labor movement. However, the two movements did not always agree on the position of the consumer. In many cases union leaders viewed consumers’ cooperation as a useful tool available to the labor movement to aid in achieving the reform-oriented goals of many prominent unions. In other cases, labor leaders more fully embraced the idea that consumers’ cooperation was essential to the success of the labor movement; that one was not more important to the other. Regardless, CLUSA viewed the rank-and-file members of the labor movement as ideal candidates to join the consumers’ cooperative movement and, in doing so, shifted the predominant conception of class as one located in the relationship to means of production to one located in the relationship to the means of consumption.

The Consumers’ Cooperative Movement as a Class Movement

From its inception CLUSA pledged its support to the labor movement and stated its belief in the working class as the vanguard of the consumers’ cooperative movement. Albert Sonnichsen, a founding member of CLUSA, responded to the question, “is cooperation a working class movement?” in an article of the same name in the May, 1917 edition of The Cooperative Consumer. Sonnichsen identified the movement as “quiet” and “unsensational,” but insisted,
“There can be no doubt on which side of the eternal firing line between Capital and Labor the Cooperative Movement stands.” Though cooperation engages in “big business,” the fact is that “cooperation is simply ousting Capital out of its position and putting Labor in its place...not by violence or by confiscation, but by the gradual process of elimination, by transformation. By transforming everybody into working people, and making Capital impersonal, yet the servant of the working class” (Sonnichsen 1917a:32).

Sonnichsen’s definition of who counted as a member of the working class was Marxian in nature. Members of the working class were those that worked for a wage and whose “means of livelihood are dependent on the remuneration they receive for service rendered” (Sonnichsen 1919). The interests of the working class and the capitalist class were diametrically opposed. But unlike Marxian theory, Sonnichsen argued that the working class, while united by their common relationship to the means of production, was only a truly revolutionary class by developing a class consciousness based on their relationship to the means of consumption. Labor was viewed as a means to consumption and secondary to a consumer identity. Identification as a member of the “consuming class,” Sonnichsen and advocates of the consumer’ cooperative movement argued, would illuminate the inherent exploitation involved in capitalism. The working class, transformed to the consuming class, would organize through consumers’ cooperatives as the means to an alternative economic foundation, which would eventually provide the basis for cooperative wholesales to supply goods, cooperative banks (credit unions) to provide capital and eventually producers’ cooperatives and service cooperatives. The worker, in the end, works for him or herself as the consumer.

Others in the consumers’ cooperative movement expressed the general outlook that labor was at the time too conservative to embrace consumers’ cooperation. Ralph Cheney, the publicity director for CLUSA, criticized unions for seeking to “mitigate the lot of the workers in
the competitive system” by focusing their efforts on increasing wages, reducing hours and improving working conditions within the capitalist economy (1917:135). Conversely, the consumers’ cooperative movement is “slowly developing an alternative system based upon mutual interest and service.” Cheyney argued that organized labor accepted the “mastership of employers and the permanent dependency of employees,” but that any “class-conscious person” would not believe that the “nearest approach to Utopia of which we dare dream is Capitalism with these few concessions granted” (1917:135). Collective bargaining and collective buying, Cheney conceded, were complimentary and necessary for social and economic change, but without the radicalism of the consumers’ cooperative movement the working class lacked true social and economic transformative potential.

Warbasse offered a more nuanced expression of CLUSA’s position regarding its relationship to the working class. Expressed succinctly, and buried in a short article on a failed cooperative store in the April, 1920 issue of Cooperation, Warbasse stressed the necessity of organized workers and the radicalism of a group seeking the eventual overthrow of capitalism:

> If I were to ask for the best ingredients in the United States for making a cooperative society, I should say a majority of class-conscious trade unionists, to give backbone and solidarity, and enough socialists to give idealism. That is the best combination we can get here... [Fear of radicalism] will kill any cooperative society in existence, because cooperation is the most radical movement yet let loose in this tottering economy (1920c:52)

Warbasse and other members of the consumers’ cooperative movements’ commitment to the working class was independent of their relationship to the labor movement. The labor movement, according to members of the consumers’ cooperative movement, was influenced to a significant degree by leaders who Warbasse and others viewed as conservative. Even while boldly expressing their support for the labor movement CLUSA lamented labor leaders’ ultimate goal of making gains within the current capitalist framework and thus stifling the radical
potential of the working class. An editorial in the September, 1919 issue of Cooperation addressed the “capitalist menace” and serves as a good illustration of CLUSA’s belief in a coming revolution and the need for labor’s transformation. Writing of the exploitation of “capitalist governments” and big business profiteering, the editorial argued that only one obstacle stands in its way. “That is the rising revolt of the people. The revolt is expressing itself in organization of the workers to take business into their own hands...this is the great struggle” (Cooperation 1919:131). In order to succeed, CLUSA argued that labor must organize at the point of production, organize as consumers and “unite to capture the political government to run it in the interest of those who perform useful service” (p. 131). At the time, however, members of the consumers’ cooperative movement believed that organized labor was “deluded with the ancient notion that the interests of Labor and Capital are the same.” But, eventually, “like the rest of the world, we soon will awaken. The scales will fall from our eyes and we shall behold the way to the Promised Land” (p. 131). At this point CLUSA was still optimistic that transformation of the more conservative elements of the labor movement was possible and that the working class was the best hope for a successful consumers’ cooperative movement. Warbasse went so far as to suggest that CLUSA should be financially supported by unions to provide cooperative educational programs in an official capacity (Warbasse 1920a).

The Cooperative League of the United States of America became more critical of the labor movement and pessimistic about its transformation to radicalism during the 1920s. “The trouble with the labor movement in the United States is that it really approves of the present profit-making economic system” (“When Will the Revolution Come?” 1922a). CLUSA began to stress their belief that organized labor asked for higher wages, better working conditions and reasonable hours, but did not prepare itself for CLUSAs predicted inevitable failure of capitalism. “Labor needs to...get a vision of something beyond wages. It needs to take a stand for a
reorganization of the whole economic system upon a different basis, and then deliberately go at the job and reorganize it” (p. 91). CLUSA argued for patience, education and the steady development of a new economic system prepared to replace the old. CLUSA began to emphasize that the cooperative movement was not reliant on the labor movement and stressed the centrality of the consumers’ cooperative movement. Labor leaders most often viewed consumer movements as complementary, but CLUSA increasingly viewed the cooperative movement as alone in its importance and trade unions and workers as “foot soldiers.”

The Cooperative League of the United States of America was generally quiet on the issue of cross-class collaboration. As noted above, it spent a great deal of time and effort recruiting and educating the working class. Warbasse believed that regardless of class, however, there was a natural, human impulse directing us toward cooperation. The desire to have private property was a false desire put into the hearts of people by capitalism (Warbasse 1920b). The true, primitive, human impulse “buried away in the soul of every individual...is the desire to serve others. It is a natural impulse” (1920b:33). The middle classes were duped by capitalist ideology to express this instinct through charity. Charity, Warbasse argued, only made it slightly easier to be poor. In that sense, charity works in service of capital. Charity organizations were “the go-betweens to return to the poor a small part of the money the rich have stolen from them, and which is theirs by a higher right than the law of the land” (p. 33). Cooperation was the true expression of the desire to serve others because it “sets people working together to give and to take in equal degree. Its ultimate purpose is to eliminate the parasitism and exploitation which make” the false expressions possible (p. 34). By working for others we are working for ourselves and serving a common interest. “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” (1920b:34).

In a 1925 article, “Cooperation and the Working Class,” Warbasse questioned the earlier notion that only the working class could lead the cooperative movement. Warbasse noted that in many European countries there were cooperative societies made up of a majority working-class membership, but started by members of the middle class. The cooperative movement “has been and continues to be the work of a happy and harmonious mixture of working people with bourgeoisie and intellectuals” (1925c:165). He argued that a person does not need to be of the exploited class to work toward economic justice. That same year, in a November editorial, CLUSA clarified that the League declared its openness to all classes and stated clearly that cooperation “is not a class movement, but would embrace all people of all classes” (“The World Purpose and Aims of Cooperation” 1925).

In an earlier article, CLUSA member Cedric Long addressed the revolutionary potential of the middle class (Long 1922). Long argued that organization among the middle class was difficult due to a lack of class consciousness, but suggested that where members of the middle class did not see exploitation in their relation to the means of production they would see it in their position as consumer. Recognition of exploitation in the means of consumption and identification as a consumer could establish among the middle class an acknowledgement of a commonality with the working class. The consumers’ cooperative movement challenged the notion that increased consumerism would increase the social and economic distance between the middle and working classes. Other consumer activism during the Progressive illustrated the effectiveness of cross-class collaboration, but also revealed the tendency for the middle class to assume leadership roles and advocate on behalf of the poor and working class rather than work alongside them as equals (Cohen 2003; Glickman 2009). Conversely, the conception of class as
defined by one’s identification as a consumer and participation in democratically run and collectively organized cooperatives would reveal the false distinctions between the working and middle classes.

True cooperators, regardless of economic and social position, were those committed to the dismantling of the profit system and an end to the exploitation at its hands. What was important was that advocates and practitioners of consumers’ cooperation were ideologically committed to the movement, not simply involved for the material benefits. Cooperators driven by ideological commitment, regardless of class, were revolutionaries; those who cooperated for material benefit were seen as reformers. Put another way, ideological commitment separated those who belonged to consumers’ cooperative stores (material structures to meet material needs) and those who belonged to consumers’ cooperative societies (material structures that met material needs and provided a basis for larger social and economic transformation) (“Entrenching the Movement” 1920). Those who came to see the significance of consumption as it pertained to class identity and consciousness were more likely to view cooperation as a means to free themselves from the exploitation inherent in the capitalist means of distribution.

Despite the Cooperative League’s increased openness to non-working class membership in the 1920s, a large portion of Warbasse’s writings increasingly called for the need for diminishment of the economic conditions of the middle and working classes and the creation of a two-class system that would radicalize organized labor and push all workers as consumers towards cooperation. In a 1925 article, Warbasse argued that the lack of a distinct belief in and existence of a two-class system has held back the consumers’ cooperative movement in the United States (Warbasse 1925d). It was Warbasse’s contention that the dominant American ideology that promised upward mobility had kept the poor and working classes from committing to the development of an alternative economic system and the middle class from unifying with
the poor and working classes in a meaningful way (and instead encouraging advocacy and
charity). “There may come a time,” Warbasse argued, “when the American people will be
forced into cooperation, as they are in Europe” (p. 224). In this sense, the middle class, in order
for the cooperative movement to succeed, must “sink” in to the ranks of the working class to
propel the development of a consuming class consciousness, which would unite the poor,
working and middle classes.

The Cooperative League’s criticism of the labor movement and its embrace of non-
working class populations contributed to some labor leaders’ hesitancy to fully commit its
support to the cooperative movement. J.H. Walker, a leader of the American Federation of
Labor’s cooperative council and a key member CLUSA, relayed the AF of L’s concerns about the
cooperative movement and CLUSA in particular in a letter to Cedric Long of CLUSA dated June
17th, 1926 (Cooperative League of the United States of America Records, box 2, folder 4).
Walker reported concern among union leadership that the leaders of CLUSA lacked experience
with working-class issues and relationships to the working class. A portion of Walker’s letter is
worth quoting at length:

All the active officers in the trade union movement in the United States are opposing, or
at least not assisting, the movement as it is now in our country; because, in the first
place, they don’t understand it themselves, and as a result of that lack of information
and the belief that most of the active men and women who are in the cooperative
movement are mainly theorists, who have not lived the workers’ problems, therefore
neither understand the workers’ problems, or the workers themselves, that they
assume to be superior in every way to the trade unionists, do practically nothing to
support the activities of the trade union movement, and are always and continuously
condemning and attempting to discredit it, and the active men and women in it, if not
openly, then under cover

Walker also relayed union leaders’ concerns that the consumers’ cooperative movement was
too reliant on the labor movement, that the relationship was not necessarily mutually beneficial
and that perhaps the labor movement offered more to the consumers’ cooperative movement
than the consumers’ cooperative movement could offer the labor movement. Walker wrote, “Without a real trade union movement, to protect the workers in their jobs, (at least that is my opinion of it) we could never have a real, substantial, consumers’ cooperative movement.”

In the same letter, Walker conveyed to Long the sentiment among union leadership that members of the cooperative movement including its leadership were too radical. Walker wrote:

They [the AF of L leadership] feel too that most of them [members of the consumers’ cooperative movement] are extremists, advocating impractical things that would retard progress and injure the trade union movement rather than make progress and build it up. This sentiment is almost universal, and I know that a great many honest men who are as fine as they make them, not only do not do anything for the cooperative movement, but throw cold water on it at every opportunity, for these reasons

CLUSA was well aware of this particular critique and shared the concern. However, CLUSA felt that fault lied with the union leaders who practiced a more conservative “business unionism” that recognized a coexistence between labor and capital. Recognizing this disagreement, CLUSA sought ways to reach workers directly in order to convince them that the working class could never truly be free of capitalist exploitation if they limited their demands to higher wages, reduced hours and better working conditions. Regardless, by the mid-1920s the relationship between the two movements was strained.

Knowing the importance of a supportive relationship between the labor movement and cooperative movement, Long accepted Walker’s invitation to address the 1926 convention of the AF of L. In general, Long’s address reads like a peace offering. Although he did not apologize for CLUSA’s criticism of the labor movement, he did emphasize the consumers’ cooperative movement’s need for labor’s support. In the address, Long stressed the important role that labor had played in the successful consumers’ cooperative movements in Europe and the benefits labor had received in return. According to Long, “In every land where the workers are free to build their own organizations, labor unions and consumers’ cooperatives go hand in
hand. In the United States the strength of the cooperative movement lies among the organized farmers and the organized workers. Nevertheless, both the labor movement and the cooperative movement should be greatly extended and strengthened.” Long seemed to suggest that there was a misunderstanding between the two movements and that CLUSA believed that “much of the increased power to both movements might come thru closer contacts and a better understanding that the leaders in both organizations so ardently desire.” Long reminded those in attendance that the two movements have worked together and that the leaders of “consumers’ cooperation and of organized labor have, at all times, expressed their mutual interest and need for mutual support,” but the two movements had “too often taken it out in words and speeches only and have not put our good intentions into practice. We hope that in the practical, every day work, the unions and the cooperatives may find an increasing field for assistance, one to the other.” In closing, Long extended an invitation to the AF of L to send delegates to the National Cooperative Council in order to “establish a closer fraternity with the American Federation of Labor.”

Looking back at the last decade of labor and cooperation collaboration, Oscar Lewis, a prominent figure in the consumers’ cooperative movement, lamented that most of the support given to the cooperative movement by leaders of the labor movement had been empty promises (Lewis 1929). It is true that the AF of L passed resolutions officially supporting consumers’ cooperation and even established and funded a division of the union to promote the creation of consumers’ cooperatives. However, the division eventually “disappeared” without explanation. Lewis noted that individual unions and their locals (such as the Brotherhood of Locomotive Firemen and Enginemen and the United Mine Workers) as well as state labor federations did provide continuing support, but lacking a strong and lasting relationship
between the leadership of the AF of L and the cooperative movement the collaboration between the two movements was tenuous.

Despite a general absence of a strong and meaningful relationship between the labor movement and the consumers’ cooperative movement in the 1920s, the AF of L began to show increased interest in the consumers’ cooperative movement in the 1930s (Myers 1937:62). The AF of L again officially endorsed the consumers’ cooperative movement at their 1936 Congress (the AF of L had passed an earlier resolution of support in 1917) and notable labor education agencies, such as Brookwood Labor College, the Highlander Folk School in Tennessee and the institutes of the Workers Education Bureau, all began consumers’ cooperative programs in earnest (Myers 1937: 63). Union support of cooperatives continued into the 1940s. Both the AF of L and the Congress of Industrial Organizations (CIO) created national consumers’ cooperative departments to promote cooperation and educate members on technical aspects of cooperation (Rees 1946) and some of the largest international unions, including the International Ladies Garment Workers Union (AF of L), the Brotherhood of Sleeping Car Porters (AF of L), the Brotherhood of Maintenance of Way (AF of L), the United Textile Workers (CIO) and the United Transport Service Employees (CIO) endorsed cooperation in the 1930s.

Much of the increase in organized labor’s interest in consumers’ cooperatives was a result of the Great Depression and the New Deal. The National Industrial Recovery Act (1933), which encouraged workers to unionize, indirectly increased organized labor’s interest in consumers’ cooperation. One possible reason for organized labor’s previous indifference to consumers’ cooperation was the reality that labor was overwhelmed by organizing efforts in a social, political and economic context ardently opposed to unions and hostile toward the working class. Since unions did provide a base from which to organize successful consumers’ cooperatives, the relative increase in power of organized labor in the 1930s led to an increase in
consumers’ cooperatives associated with unions. For example, workers in Racine, Wisconsin who were hard hit by the Great Depression quickly began unionization efforts in earnest following the establishment of the National Recovery Administration. Successfully organized, the workers were receptive to the idea of consumers’ cooperation as a way to increase their buying power and provided a base from which to draw membership. Over the summer of 1934 three hundred households formed the Racine Consumers’ Cooperative. Within a year the cooperative expanded to include a gas station and its membership grew to one thousand five hundred (Lloyd 1936).

Following passage of the National Labor Relations Act in 1935, CLUSA renewed its interest in the labor movement. CLUSA saw an opportunity to capitalize on labor’s strong organization as well as its increased power vis-à-vis capitalists. Avoiding conflicts within the labor movement - such as arguments over craft versus industrial unionism and the efficacy of sit-down and walk-out strikes - CLUSA continued to advance its argument that without consumers’ cooperation, trade unions were incomplete. Because workers were consumers (and consumers were workers), increased wages and power at the point of production were limited without increased buying power and control as consumers.

Union leaders bought into CLUSA’s argument, but with reservation. William Green, then President of the AF of L, addressed the 1936 meeting of the Congress of the Cooperative League of the United States of America and expressed his support for consumers’ cooperation (Green 1936). In his address, Green spoke of the history of a labor-consumer alliance and called for its continuation, but warned that consumers’ cooperation should not replace labor organization. He argued that an overreliance on consumers’ cooperation would lead to a dependence on increased buying power and neglect of increased wages. This sentiment summarizes a major distinction between the two movements in addition to their difference based on labor versus
consumer orientation. Since its inception, CLUSA critiqued a large segment of the labor movement as too conservative and invested in making gains within capitalism rather than working toward an alternative to capitalism. Green and other labor leaders were willing to maintain ties with the consumers’ cooperative movement but only to the extent that the goals of cooperation did not overshadow their goals - increased wages and benefits, better working conditions and the like. But the two movements’ goals were in a significant way incongruous. The consumers’ cooperative movement worked to improve the immediate conditions of the working class, but ultimately sought radical economic transformation. Increased wages and better working conditions were not an immediate or long term goal because those ends were seen as legitimating the existing capitalist economy. The consumers’ cooperative movement was a transformative movement, not a reformist movement. In much of the same way that it created an uneasy alliance with the labor movement, the consumers’ cooperative movement worked tentatively with socialists and communists who shared the movements’ transformative nature, but challenged their principle of political neutrality and created rifts among the membership of the movement.

The Consumers’ Cooperative Movement, Socialism, Communism and the State

The Cooperative League of the United States of America’s position regarding its relationship to the labor movement and unions vacillated between dependency and distance, but its opposition to capitalism, at least prior to the late-1930s, never wavered:

The evil thing which lies at the root of our troubles is the profit system with its state-protected privileges and its capitalistic purpose. The high cost of living, or the low purchasing power of labor are but expressions of these conditions (Warbasse 1917b:132)
Warbasse was convinced of the eventual fall of capitalism, which solidified his belief that there was an urgent need to create an alternative social and economic system to fill the void left by capitalism’s inevitable collapse. Because of this sense of urgency, Warbasse maintained the belief that a cooperative economy needed to be built from the ground up. Without a working cooperative economic system in place, Warbasse argued, cooperation could not successfully replace capitalism. Unlike socialism or communism, cooperation was not a theory developed in the context of capitalism to be put into practice after the fall of capitalism, but a working model attempting to prove itself as a viable alternative to capitalism leading to the fall of capitalism. Regardless, the movement’s position in regard to capitalism created commonality with both socialists and communists alike.

The consumers’ cooperative movement, according to Albert Sonnichsen, a cofounder of CLUSA, is “revolutionary” in the sense that it is “based on a principle diametrically opposite to the principle on which our present capitalistic system of industry is founded” (Sonnichsen 1917b:94). “The king pin of our present system is private profit. This cause of all evil Consumers’ Cooperation eliminates completely, so far as it reaches.” The cooperative movement first replaces the private profits of the retailer, then the “middlemen” and wholesalers, then the producers and finally the landowners, which would eliminate capitalism without the use of the state (a position that distanced consumers’ cooperation from socialists and communists, a point I will discuss below). Consumers’ cooperation eliminates the profit-based economy and “is based on production for use only. In other words, the whole incentive behind cooperative industry is the needs of society...Created for the purpose of supplying the needs of the people, it is by them governed on the basis of equal, universal suffrage” (p. 94).

Warbasse echoed Sonnichsen’s sentiment and argued that consumers’ cooperation is a humanist movement and places itself among, what CLUSA considers to be, other humanist
movements as they are named by “those, who would exalt property above human beings:” “reds,” “radicals,” “Bolshevists,” “socialists,” and “anarchists.” What these movements shared, according to Warbasse, was a belief in the destruction of capitalism. “Production and distribution for use instead of for profit is the most revolutionary principle yet let loose in the economic world. When it prevails competitive profit-making business will no longer dominate the world, and the capitalist system will be destroyed” (Warbasse 1919c:181). In response to a letter from a disgruntled subscriber to *Cooperation* who felt that CLUSA was a follower of bolshevism, CLUSA clarified that “the League and its magazine are not Bolshevistic; but they are in sympathy with people who are trying throw off the yoke of capitalism” (1920d:133).

Despite their solidarity with those working against capitalism, CLUSA were not advocates of change through the political process (they were advocates of the dissolution of the state) and wanted to “avoid a bloody revolution.” Their aim was “to see great change brought about without disorder. We know that our program will accomplish that because we are doing it” (“The Place of Cooperation in the Trend of Events” 1920:2). Central to cooperative philosophy was the idea of evolutionary change as opposed to immediate disruption and chaos - while seeking revolutionary change, cooperators also sought concurrently to build an alternative social and economic framework. CLUSA saw its function as a “constructive function” - preparing the masses to assume economic leadership. Labor, they argued, had learned that through striking they could “paralyze the machine” and “stop things.” However, according to CLUSA, “Labor must take the next step, and learn how to start things” (1920:2). CLUSA commonly argued that organized labor would not, or could not recognize the importance of its relationship to consumers’ cooperation until organized labor recognized that its gains were not tied to the capitalist. The constructive function of the consumers’ cooperative movement was to awaken the working class to the complete exploitive nature of capitalism and train the class to lead the
cooperative economy that would slowly replace capitalism until that economic system’s eventual demise. This sentiment clearly expresses a belief at the time (the end of the second decade of the twentieth century) that the working class - not specifically the labor movement - is the engine of economic and social revolution.

The Cooperative League of the United States of America, particularly from its inception to the mid-1920s, alluded to Marxian theory, but rarely addressed it directly. However, in a short article, “Potatoes Don’t Grow By the Pot” (1922), CLUSA specifically linked their position to Marx’s prediction of the inevitability of the collapse of capitalism. CLUSA argued that in the meantime, the working class must begin to build and begin to prepare to assume control of the post-capitalist economy and not be concerned with assuming control of the political state. In a later article in the May, 1927 issue of Cooperation, Warbasse expressed his agreement with Marxian theory, which argued that minor improvements in labor conditions would lull labor into contentment with capitalism and decrease any interest in alternative economic organization, such as cooperation. If there is no “dire pressure of economic necessity” on labor, the cooperative movement could experience its “greatest setback” (Warbasse 1927:86). The League did not believe that all of organized labor was prepared for the transition - as they argued elsewhere, much of organized labor was conservative and of the belief that labor and capital’s interest were the same - but labor must recognize while “it may want to be bossed...it also will have to prepare itself to guide and direct” because “whether we approve or disapprove of the management of industry passing from the present owners to the workers, it is changing hands” (Cooperation 1920:2).

The Cooperative League of the United States of America, following Rochdale principles, encouraged the American consumers’ cooperative movement to remain politically independent. While discouraged, members of the movement were free to identify politically as they wished,
but CLUSA itself refrained from endorsing any political Party. This was not only due to the
Rochdale principle of political neutrality, but also the League’s support for the dismantling of the
state. “The only sort of state with which cooperation can work is one which is so wise that it
aims to bring about the cooperative commonwealth and the disappearance of the state”
(“Cooperation and the State” 1920:50).

Despite this position, there was continuous debate within CLUSA - and the cooperative
movement in general - concerning the place and importance of political affiliation. Before the
sixth CLUSA Congress held in 1928, the 16 CLUSA directors voted on a resolution calling for the
exclusion of political discussion at the meeting. Twelve directors voted in favor of the resolution
and six opposed. Those who opposed the resolution generally noted that political partisanship
was a reality of modern society and that the cooperative movement, as a progressive
movement, should identify with other organizations, political or otherwise, that work on behalf
of the working class and toward the undoing of the capitalist economy. Warbasse, representing
the majority, voted to exclude direct political participation due to the shared belief that
sympathetic political parties (i.e., socialists and communists) were interested in taking control of
the state, whereas the cooperative movement was in favor of its dismantling. Others, including
J.H. Walker, the former head of the Illinois State Federation of Labor, called for a sort of middle
ground and requested the resolution be amended to give CLUSA power to exclude fascists and
communists, believing that both parties favored state dictatorships, but leave room for CLUSA
to support democratic parties (“Opinions of the Directors of the League Regarding the
Resolution” 1928). For the time being, however, CLUSA remained politically neutral.

Warbasse welcomed existing political parties to join the consumers’ cooperative
movement, but with qualifications. The Socialist Party, Warbasse argued, should align itself with
the consumers’ cooperative movement and its principles, including the desire to dissolve the
state. "If such a political movement could be conceived, cooperation might work with it; but such a state cannot be conceived, because the chief function of the state is to preserve itself" ("Opinions of the Directors of the League Regarding the Resolution" 1928:115). The Communist Party in Russia was supportive of cooperation and in some areas forcing families to join cooperative societies. CLUSA opposed this practice as antithetical to the principles of cooperation, which include the right to be free from coercion, political or otherwise. The destruction of the political state was to be replaced by voluntary mutual aid due to the belief that the state is based on coercion and thus can never be a true friend of consumers’ cooperation.

Warbasse (1920e) explained the League’s early opposition to the Socialist Party in a June, 1920 article in Cooperation:

We cooperators agree with the Socialists that private business for profit’s sake is bad. We agree heartily with the Socialists in their educational work which exposes the viciousness of the prevalent economic system. They are right in wanting the crazy struggle for profits stopped. But we differ from them in method. They want the government to take over the business; we want the people directly to do it (p. 146)

The Socialist Party argued that the government and the people can be the same thing and that a socialist government would be run by the people and in the interest of the people. However, always critical of the state, CLUSA countered that, “Preserving the government, not preserving the people, is the chief function of government.” Cooperation, argued CLUSA, could achieve the aims of socialism without the involvement of the state. CLUSA stood with the Socialists in their opposition to the capitalist government; however, if the Socialists were to gain control of the government CLUSA would “continue to work for the people while the political victors are occupied with running their political machine – the State.” (Warbasse 1920e:146).

CLUSA maintained that Socialist gains at the polls and the socialization of industry would throw the country “into a state of hellishness that would be worse than the present conditions.”
The political transition would increase social and economic problems including “unemployment, suppression of civil liberties, suppression of freedom of speech, force without stint, wholesale arrests, bloodshed, poverty and crime – all multiplied beyond what they are today.” Political change was no substitute for building the change desired by living it. Warbasse warned, “If we are not willing to remake the world ourselves with our own hands, persistently and constructively, then other non-creative and destructive forces will remake it; and for the worse” (Warbasse 1922b:22).

Despite the League’s criticism, both the Socialist and the Communist parties officially endorsed consumers’ cooperation at one time or another. However, both parties’ endorsements were not without reservation. On the one hand, the socialists believed that cooperation was the ultimate democrat form of economic organization. A December, 1922 article in *The New York Call*, a socialist publication, avowed cooperatives represented the socialist’s ideal institution. Much later, the Socialist Party continued to support consumers’ cooperation and even maintained a “cooperative committee.” Benjamin Wolf, the national secretary of the committee, wrote in 1936 of his frustration with consumer boycotts, shared by many in the consumers’ cooperative movement, which he argued made only temporary gains and did not “strike at the root of the evil, production and distribution for profit” (Wolf 1936). Wolf argued that consumers’ cooperation, by organizing purchasing power, could force unionization by threatening to withhold their purchases permanently (as opposed to the temporary withholding via boycotts), and that every purchase made at a cooperative store is a dollar not spent at a private retailer, which amounted to “a transfusion from the bloodstream of capital to that of the working class” (Wolf 1936:214). Despite the strong support of the Socialist Party, the socialists held that the working class could not organize - cooperatively or otherwise -
without a political party representing their interests. Before a state-less cooperative commonwealth, society would need to pass through political phases requiring a strong state.

CLUA, in return, was skeptical of the Socialist Party’s support of cooperation (Warbasse 1923b). Warbasse cautioned readers that socialist support was nothing more than dogma; in fact, the socialists aimed for the development of the political state to carry out the economic activity of the country. The Socialist Party, according to Warbasse, only supported consumers’ cooperation in the short-term - and made vague promises to support cooperation in the long-term - and was therefore not a true supporter of the cooperative movement. Warbasse held firm to the belief that no real gains for the working class could come about through the political process. Change, he argued, would only occur through the slow, deliberate process of creating an alternative economy.

The Communist Party for their part was critical of the cross-class ideology of the cooperative movement. Although CLUSA consistently reached out to trade unions and the working class to the near exclusion of the middle class, cooperators typically believed in the identity of the consumer - a consuming class - over other class identities. Communists, like socialists, believed that cooperation could be an ideal democratic form of economic organization, but held that cooperation should be a tool for working-class emancipation above all else and indeed could only be instrumental to the working class “to the extent that the philosophy of class collaboration is driven out and destroyed, and the Cooperative Movement drawn into the whole class struggle” (Browder 1925).

CLUA did occasionally view communists in a more generous light. In 1923 Vladimir Lenin, then the Russian Premiere, published an article advocating universal cooperation (“Lenin on Cooperation” 1923). In response, CLUSA praised Lenin as “the greatest statesman who has come forward since the great war,” and pronounced Lenin’s support of cooperation as sincere
because Lenin viewed the state as a “transitional institution” and cooperation as the post-political struggle “peaceful work of organization and education” (p. 1). However, CLUSA eventually came to believe that the Communist Party in Russia was beginning to adopt oppressive tendencies. By 1925, Warbasse and CLUSA had become suspicious of the relationship between the communist state in Russia and that country’s cooperative system (Warbasse 1925a). The Russian cooperative system was technically independent from the state, but it found itself “set at liberty in a world in which there is no liberty for anybody” (p. 49). The old leaders of the cooperative movement had been replaced by individuals loyal to the Communist Party. The cooperative movement, in order to succeed in Russia, was essentially required to show loyalty to the Communist Party in order to maintain favorable relationships with the state in regard to land use, rents, etc. CLUSA remained sympathetic and supportive of the Russian communists, but were clearly beginning to doubt the truth of the communist state as a “transitional institution,” which certainly influenced their reluctance to fully support and embrace communists in the United States.

CLUSA maintained a belief in the collective ownership of private property - as opposed to the individual or government ownership of property. The League held that cooperation, through the partnership of individuals, could provide more social and economic benefit in the form of equality and productivity than private or government ownership of property (Warbasse 1928c). According to Warbasse, the choice “between government ownership and administration and private profit-making ownership and administration is the difference between graft and profits” (Warbasse 1925b). He asked, “Why impose between the people and the things they need either profit-making business or the complex and corrupting government? Why should not the people apply direct action and do things for themselves?” (p. 104).
Despite CLUSA’s apolitical position and critique of the state, dominant political parties occasionally endorsed consumers’ cooperation. In a June 28th, 1923 speech in Idaho, President Harding spoke in favor of cooperation (Warbasse 1923b). Harding encouraged “government [to] give the largest encouragement, consistent with sound economic and sound government functions, to every effort of the people to help themselves in dealing with the high cost of living and the relationship of incomes to our household budgets.” CLUSA, rather than celebrate the President’s support, took the opportunity to criticize government involvement in the consumers’ cooperative movement and reaffirm its anti-state position: “The government or the state cannot promote the Cooperative Movement. Politically promoted Cooperation is built on sand. The only sort of Cooperation that will endure is that which the people themselves build independent of politics or government” (Warbasse 1923:2).

CLUSA, following Rochdale principles, did not officially support candidates for election. In an article on the presidential elections of 1928 (Warbasse 1928a) Warbasse expressed his opinions on voting in general; “knaves, fools and patriots vote for mammon; dreamers, philanthropists and reformers vote for socialism; gentlemen, philosophers and sages vote not at all” (p. 146). In a future article, Warbasse (1928b) defended himself from an Italian cooperator’s criticism that Warbasse was irresponsible in his advocacy of abstaining from voting in elections. In his lengthy response, Warbasse clarified that voting is futile unless the cooperative movement has enough economic power to demand the attention of politicians, who, in a capitalist society, only respond to financial persuasion. But, considering that Warbasse held strongly that once the cooperative movement had economic power political participation would be unnecessary, he was ultimately putting forward an argument against voting.

Four years after CLUSA resolved to remain politically neutral, Colston E. Warne, an economist and member of CLUSA’s board of directors, encouraged the League to revisit the
question in a 1932 issue of Cooperation (Warne 1932). In the article, Warne laid out the central arguments against political participation and made his case for it. First, cooperators were concerned that political participation would distract from the economic and social goals of the movement and that the consumers’ cooperative movement was, at its roots, an anarchist movement seeking to replace the state. Second, others believed that political participation would lead to division within the cooperative movement and retaliation from dominant political parties. Finally, some cooperators pointed to the success of European cooperative movement, which had avoided political participation. Warbasse often expressed and embraced these views - some more than others - and as much as CLUSA represented the American cooperative movement, so too did American cooperators.

Warne, however, represented the minority view and argued against the prevailing thought regarding political participation. His argument for political participation rested on the idea that, at its base, the cooperative movement was a working-class movement (this assumption, however, was itself debated as discussed elsewhere). The working class, Warne argued, was better represented by certain political parties than others and the political parties most aligned with the interests of the working class should be supported and considered allies. In addition, Warne questioned whether the cooperative movement could truly replace all functions of the state. While Warbasse held that a successful cooperative movement required the dismantling of the state, Warne argued that a very limited state could coexist with a cooperative society and economic system and manage large economic functions more efficiently.

Warbasse responded to Warne’s criticism of political neutrality (Warbasse 1932a). He questioned the political unity of the working class and argued that Warne’s strategy of supporting the political Party that best represents the working class was impossible because the
working class did not support one party in particular. Warbasse focused his critique on what he
perceived to be the inherent destructiveness of the state in any form and under any political
party’s control. “The one organization in the world which I dread the most,” he declared, “is the
State” (p. 34). The capitalist state acts against the interest of all but the profit-driven class and
protects their privileges above all else. Post-Great Depression, Warbasse’s criticism of the state
and democracy increased. The state, he claimed, could not secure the privilege of the
propertied class without force through the threat and action of the military, police and
incarceration. The socialist state, according to Warbasse, bred dependency on the government,
diminishing the self-reliance and strength of the individual and, as a result, creating new forms
of exploitation and loss of liberties.

As opposed to capitalism and socialism, cooperation was not political, but purely social
and economic; it was not for the government of people, it was the administration of things (e.g.,
the distribution of goods and services and production). The cooperative movement expands as
it illustrates its efficiency and not before. The philosophy of consumers’ cooperation does not
create immediate social change; putting the philosophy to work in the context of capitalism
does. Other social and economic philosophies sought transformative change through the ballot
of by violent overthrow of the existing regime. These alternatives had not yet proven
themselves, but aimed to put theory into practice after, not while, gaining political, social and
economic power. Consumers’ cooperation, on the other hand, aimed to develop, from the
bottom up, a working model to illustrate the possibility for change and slowly build an
alternative to capitalism and replace the need for the state. If cooperation did not prove to be
the most efficient and just method of economic and social organization, than individuals,
according to Warbasse and cooperative philosophy, should not be coerced to practice
cooperation. The consumers’ cooperative movement “organizes the consumers; and they are
everybody. As the people become more and more united into consumers’ cooperative societies, they more and more take into their own hands the control of their economic life, and to just that degree weaken the political control” (Warbasse 1934c:138). No movement, according to Warbasse, could organize all people saves for the consumers’ movement.

Consumers’ Cooperation, the Great Depression and the New Deal

Despite his opposition to working for change via political participation, Warbasse seized the unique opportunity to promote consumers’ cooperation using New Deal programs at a time when consumers’ cooperation had caught the attention of politicians, government officials and the population in general. Franklin D. Roosevelt’s administration promoted and helped organize agricultural and urban cooperatives, incorporated cooperatives into the Tennessee Valley Authority - most famously the Rural Electrification Administrations that brought power to rural America - and migrant work camps, and commissioned a report on the role and success of cooperatives in European countries (Sekerak and Danforth 1980). Reflecting this increased interest, membership in consumers’ cooperatives doubled between 1933 and 1936 (Cohen 2003). CLUSA stated its agreement with the aims of the New Deal in regard to redistributing purchasing power to the masses (“The Real Results of the New Deal” 1935). “In as much as we have not yet organized ourselves as consumers into a self-controlled economic system,” an editorial in the March, 1935 issue of Consumers’ Cooperation explained, “we necessarily had to use our political citizenship organization to help ourselves out as best we could” (p. 52). The use of political reform to redistribute income and buying power was viewed by CLUSA as a short-term measure to “ease the pains of poverty” and “give time for thinking things through and organizing the new cooperative economic order” (p. 52). CLUSA did not believe that political measures would truly solve the economic crisis, but that the economic crisis would lead to
embracement of consumers’ cooperation as a permanent solution. Warbasse, however, became disillusioned with the New Deal programs fairly quickly after initially supporting them as an opportunity to expand consumers’ cooperation.

The National Recovery Administration, established in 1933 to stabilize the economy by bringing together industry, labor and consumers to construct “codes” to set prices and craft fair labor practices, created advisory committees to represent each interest. Warbasse was tapped to serve on the Consumers Advisory Committee. Warbasse, however, believed that the Consumers Advisory Committee’s power was weak compared to the Industrial and Labor Advisory Committees respectively. Nevertheless he remained hopeful and encouraged CLUSA to take advantage of other opportunities to involve members in New Deal programs. The National Emergency Council (NEC), established in 1933 to carry out tasks associated with the National Industrial Recovery Act, was responsible for creating regional Emergency Councils in each county of the United States. The county-level councils were to include representatives of consumers’ interests. CLUSA was contacted directly to supply names of individuals willing and qualified to serve on Consumer County Councils (Warbasse 1934a). Warbasse urged advocates of consumers’ cooperation to use this representation to promote cooperation through consumer education - one of the duties of the Councils - and aid in establishing actual cooperatives, which fell within the stated aim of developing more economical and efficient means of the distribution of goods to consumers.

Ultimately, Warbasse came to view the National Recovery Administration (NRA) with skepticism and believed it was dominated by capitalist interests and primarily an effort to “compel the profit system to save itself for a little while longer by making some slight concessions to labor and the consumers” (Warbasse 1935:66). Warbasse held that the NRA was a stopgap in regard to true post-Great Depression recovery. He believed that eventually, “a
more rigorous form will appear” if the NRA fails to bring the country out of economic depression. The NRA, he cautioned, might easily be converted into a dictatorship, claiming “already it is in the air” (Warbasse 1934b:100). CLUSA was clearly concerned that the New Deal was going to increase the power of the government thereby reducing the ability of individuals to cooperate socially and economically, restricting the movements’ growth during a period of opportunity.

The Reform of the Cooperative League of the United States of America

The Cooperative League of the United States of America now exists as the National Cooperative Business Association, which provides education and assistance to consumers’ cooperatives. Significant changes CLUSA’s ideology began shortly after the League’s involvement with New Deal programs. Perhaps the first factor in the change was the appointment of E.R. Bowen to the position of executive secretary in 1934 (a position he held until 1946). Bowen took a radical position regarding the ills of capitalism, but rebuked what he saw as Warbasse’s “anarchist tendencies” (Chambers 1962:75) and embraced the inclusion of agricultural cooperatives in CLUSA. Agricultural cooperatives did not operate according to Rochdale principles, were essentially cooperation between farmers to purchase and market goods and tended to be more conservative than the majority of CLUSA members due to their lack of commitment to cooperative ideology. Bowen viewed recruitment of agricultural cooperatives as a way to grow the consumers’ cooperative movement. Despite his embracing of more conservative, non-Rochdale cooperatives, Bowen remained committed to consumers’ cooperation as an alternative to capitalism. During a nation-wide radio program (“The Town Meeting of the Air) in 1936, Bowen declared, “Only cooperation could conquer poverty and war which are inherent in capitalism by distributing what we produce widely among
the people and preventing piled up unconsumed surpluses...Capitalism doesn’t simply produce evils - it is evil itself” (Chambers 1962: 71).

During Bowen’s tenure CLUSA grew in size - in part due to the inclusion of agricultural cooperatives. As the size of the League grew - and the membership became more diverse - the ideology of cooperation began to give way to the administration of cooperation. The replacement of Bowen by Jerry Voorhis, a former New Deal Democrat congressional representative from California, as executive secretary in 1947 marked a radical change in the ideology of the movement and completed CLUSA’s shift to a more administrative-oriented organization. Under Voorhis’ leadership CLUSA took a much more moderate stance in regard to capitalism and began to promote consumers’ cooperation as a segment of the economy, which would also include for-profit private and government controlled enterprises. The “mixed economy” advocated by Voorhis and the League represented a movement toward reform and away from the radical change - the eventual development of a cooperative commonwealth - advocated by CLUSA under Warbasse’s leadership (Chambers 1962:76).

One of the more striking examples of the changes to CLUSA was the creation of a “terminology manual” in 1946 to regulate Consumers’ Cooperation articles and any other League publications. Of note, the manual recommended that authors refrain from “indiscriminate criticism of capitalism,” which contributed to misunderstanding and hostility toward the League. The manual also advised authors to refrain from “indiscriminate attacks on capitalism,” which “may cause the speaker to be classified as a communist or fascist” (quoted in Chambers 1962:77). Instead of criticizing capitalism, authors were encouraged to criticize monopolies, something the general public was more likely to oppose. Also of significance, the manual urged authors to cease writing about a cooperative commonwealth, which might lead
people to believe that the League advocated replacing all enterprises with cooperatives (which the League did advocate until the late-1930s).

This time period marked the transition from first-wave consumers’ cooperative movement to the second-wave movement. During this time, the movement lost a defining ideology and became dominated by middle-class membership (Evans 1957; Bell 1961). It would not be until the 1960s that the consumers’ cooperation would again adopt a radical ideological position regarding the promises of a cooperative commonwealth as members of student and counter-cultural movements embraced cooperation as an alternative to capitalism. However, as I will discuss in Chapters 3 and 4, the black consumers’ cooperative movement, almost entirely unaffiliated with CLUSA, maintained a radical ideology of cooperation as a means to black economic development throughout the first half of the twentieth century.

Discussion

Many sociologists and historians who study consumption identify the 1930s as the decade when “pundits and politicians” remembered the “forgotten consumer” and the “problems of consumption” (see Glickman 2001). Prior to the 1930s, consumers were considered placated, naïve and unorganized. But despite claims about the “new” consumer of the 1930s, Americans had long recognized the importance of buying power and were concerned about the quality of the products they consumed. Scholars often identify three eras of consumers’ activism: the first leading up to the Great Depression; the second occurring between 1930 and 1950; and the third developing in the 1960s and 1970s (Cohen 2010; Glickman 2001; Rao 1998). During the first wave, of which consumers’ cooperation should be included, consumers called for the government to regulate products for safety and health and restrict monopolies to protect the consumer from unfair prices. Consumers also used their buying
power - primarily through boycotts - to pressure businesses to adopt fair labor practices, sell union-made products and protest unfair prices and poor-quality goods (Cohen 2003). Despite the existence of the first era, it is certainly true that consumer activism reached unprecedented heights starting in the 1930s when calls for boycotts, government regulations, consumer education and product-testing organizations became more prevalent. The notion of the consumer became more significant in the 1930s as mass production and consumption increased. Cohen (2003) notes that along with the development of the consumer identity came the birth of the “citizen consumer” - those who asserted themselves politically as consumers.

Much of the consumer activism during the first half of the twentieth century, particularly during the Progressive Era, was characterized by middle-class leadership. Advocacy groups, such as the National Consumers League, were dominated by middle-class reformers who worked to improve conditions of consumption and production (Cohen 2003) and often took a paternalistic position in regards to the poor and working class by organizing consumer campaigns on their behalf, but not including them in positions of leadership (Frank 2003). The consumers’ cooperative movement, often superficially included or excluded entirely from the narrative of early-twentieth century consumer activism, illustrates an alternative to the dominant forms of consumer activism (characterized by a reform-oriented middle class) and provides an example of working-class consumer activism. Even where consumers’ cooperation was promoted by the middle class, the specifically stated goal of the movement was to put control into the hands of the working class.

To some degree, the success of the consumers’ cooperative movement was due to its relationship to the working class, unions and the labor movement in general. Although the relationship between the movements was fragile, unions and their membership contributed to the establishment of hundreds of consumers’ cooperatives between 1916 and the end of the
1930s. The relationship of the consumers’ cooperative movement to the labor movement reveals that labor activism in the early twentieth century was not limited to the site of production and that the working class organized as consumers - constructed a consumer identity based on their relationship to the means of consumption - in addition to a class identity based on their relationship to the means of production. The at least partial adoption of a consumer identity by the working class did not lead, as some theorists have argued, to a weakening of a working-class identity (Goldthorpe et al. 1968). Instead, through consumers’ cooperation, consumer identity increased, or at minimum complemented, working-class consciousness.

The ideological basis of the consumers’ cooperative movement suggests that instead of blurring the lines between the working and middle classes, mass consumption shifted the site of class conflict from the relations of production to the relations of distribution and as such, according to the ideology of the consumers’ cooperative movement, the location and identity of consumer replaced in importance the location and identity as worker in regard to class conflict and consciousness. This represents a unique contribution to conceptions of class, class conflict and collective action. Most class theorists have located the increased importance of consumer as a class identifier in the post-industrial period. Bauman (2005) argues that due to the decline of possibilities for long term, consistent employment, people are less likely to identify through their work and more likely, in an environment of consumerism, to identify through consumption. Further, scholars have suggested that an increased consumer identity increases individualism and decreases collective action and civic engagement (Simon 2011).

The consumers’ cooperative movement offers evidence of a different interpretation of consumer identity, class and collective action. First, the movement illustrates the emergence of a “consuming class” prior to the post-industrial period. Members of the working class, who
participated in consumers’ cooperation, while still self-defined via their relationship to the
means of production, also understood their exploitation as a class in terms of their relationship
to the means of distribution as a consumer. Their increased recognition of themselves as
consumers - and the recognition of the importance of consumption to the working class by
leading members of the labor movement and leftist political parties - did not diminish their
sense of class solidarity, but increased it as they united as workers and consumers. The
consumers’ cooperative movement thus illustrates a social movement that could be categorized
as “traditional” in the sense that it emphasized class-based membership and instrumental gains,
but also “new” in the sense that they emphasized much more than achieving gains and winning
concessions from existing institutions. New social movements are seen as a response to the
commodification and rationalization of social life (Mouffe 1984) and “question the wealth-
oriented materialistic goals of industrial societies...call into question the structures of
representative democracies that limit citizen input and participation in governance” and
advocate “direct democracy, self-help groups, and cooperative styles of social organization”
(Pichardo 1997:414). The aim of new social movement participants is “not to seize power in
order to build a new world, but to regain power over their own lives by disengaging from the
market rationality of productivism” (Pichardo 1997:421).

The practices and ideology of the consumers’ cooperative movement certainly fit the
description of a new social movement, but do so in the context of working-class membership,
whereas new social movement theorists emphasize the absence of class as a defining
characteristic. Viewing consumers’ cooperation through the lens of new social movement
theories exposes the nuances of class that have been overlooked in earlier analyses. My
research supports Calhoun’s (1993) assertion that identity politics were not absent from early
labor movements; instead, they were simply out of the sight of academics. He notes that the
labor movements actually mobilized around many issues that “overflowed the bounds of the
label labor” (p. 391). Tucker (1991) argues that views of the labor movement as purely
instrumental are overly simplistic. The addition of consumer identity to understanding class in
the early twentieth century - as is possible through the study of the consumers’ cooperative
movement - contributes to our understanding of the transformation of conceptions of class as
consumerism increased in the United States. Consumption in the early twentieth century was
not simply an indication of false consciousness or something that only defined the bourgeoisie,
as some labor historians have contended (Balnave and Patmore 2006), it contributed to the
identity of the working class, their reality and solidarity.

The consumers’ cooperative movement illustrates the possibilities for civic engagement
through consumption and challenges the notion that an emphasis on consumer activism either
harms collective action because consumption can easily be reduced to an individual act or gives
legitimacy to capitalism by participating as a consumer (Gitlin 1978; Schudson 2007; Simon
2011). Consumers’ cooperation as a form of consumer activism challenges the legitimacy of
capitalist means of distribution and provides an alternative to them, which in Wolf’s (1936)
words, “amounts to a transfusion from the bloodstreams of capital to that of the working class”
(p. 214). And acknowledging the importance of the consumer identity through consumers’
cooperation provides a deterrent to the possible weakening of working-class identity as mass
consumption increases. Other forms of consumer activism, such as the boycott, brought the
working class together in times of crisis, but did nothing to sustain that unity post-boycott.
Workers were free to return to the traditional and potentially exploitative marketplace as
individual consumers post-boycott. However, consumers’ cooperation ensured the long-term
collective action of the working class by providing the opportunity to development a permanent
economic foundation.
In Chapters 3 and 4 I turn to an analysis of the black consumers’ cooperative movement. Like the CLUSA-led consumers’ cooperative movement, black consumers’ cooperation illustrated the importance of a consumer identity and buying power for social change. Although in this case, consumer identity fostered a strategy for black economic development through consumers’ cooperation and black self-segregation.
CHAPTER 3
W.E.B. DU BOIS, BLACK CONSUMERS’ COOPERATION AND SELF-SEGREGATION

In “A Negro Nation within the Nation” (1935) W.E.B. Du Bois put forth his most powerful and eloquent argument for black American self-segregation. Without separation from the “mass of people,” Du Bois emphatically stated, “there is no hope for the Negro in America” (1935:269). Du Bois, in the conclusion of his article, stressed that it would take voluntary segregation and “careful and planned economic organization” to create a unified and resilient black American population that could “no longer be refused fellowship and equality in the United States” (1935:270). It is Du Bois’s call for the “careful and planned economic organization” of black Americans that I will analyze. Scholars representing various disciplines have copiously and competently explored the intellectual trajectory of Du Bois’s thought regarding self-segregation. However, there is a dearth of scholarship that explores Du Bois’s advocacy of black consumers’ cooperation in his economic plan for self-segregation, which is unfortunate considering the central role black consumers’ cooperation played in Du Bois’s proposed economic foundation - a foundation he believed had been absent since emancipation.

Consumers’ cooperation is a method of economic organization whereby retail stores are collectively owned by their customers (commonly referred to as “member-owners”). The consumers’ cooperative model is often extended to include health care, housing and banking (credit unions), but Du Bois advocated for the development of collectively owned retail stores and wholesales that could serve as a base upon which a larger cooperative economy could be built (including, but not limited to, producers’ cooperatives or businesses collectively owned and operated in a democratic manner by the workers). Consumers’ cooperatives are not profit-driven. Any surplus capital is reinvested as collectively decided by the member-owners or
returned to member-owners in proportion to their purchases. Consumers’ cooperation is based on a set of principles, commonly referred to as the Rochdale principles, which include: open membership; democratic member control (one member, one vote); member economic involvement; educational programs; cooperation among cooperatives; consideration and concern for community; and political and religious neutrality.

Relying on the extensive analysis of historical documents (including correspondence), Du Bois’s writings (including articles from The Crisis - the official organ of the NAACP - and historically black newspapers) and secondary sources, I argue that Du Bois’s proposed economic foundation for a “negro nation within the nation” was rooted in his belief in the liberating and practical potential of black consumers’ cooperation - what Du Bois emphatically referred to in 1917 as black Americans’ “economic way out” (Du Bois 1917:9). Du Bois modified his social, economic and political thought throughout his life, but his commitment to black consumers’ cooperation was persistent. This chapter is an analysis of this important but neglected aspect of Du Bois’s thought and public life and argues that not only was black consumers’ cooperation integral to the development of his theory of racial uplift, it also played an important role in his critique of the American labor movement as a means to economic improvement for black Americans, the modification of his theory of the talented tenth and, along with other black consumers’ cooperative movements of the first-half of the twentieth century, provided early alternative examples of black consumer activism essential to the Civil Rights Movement.

There is very little scholarship regarding Du Bois’s advocacy of black consumers’ cooperation as an economic plan. DeMarco’s “The Rationale and Foundation of Du Bois’s Theory of Economic Cooperation” (1974) is perhaps the only substantial analysis (DeMarco acknowledges that no prior work took up the subject and no biographical or other works published prior to 1974 provide any substantial analysis). DeMarco’s analysis, while
informative, is limited. The author relies almost entirely on Du Bois’s autobiography *Dusk of Dawn* (1940), a small amount of Du Bois’s early work and less than a half-dozen articles published by Du Bois in *The Crisis* (the monthly journal of the National Advancement for the Advancement of Colored People, where Du Bois served as editor between 1910 and 1934). By not analyzing Du Bois’s correspondence, later works where Du Bois takes up consumers’ cooperation specifically (the majority of DeMarco’s citations are before 1918, only a year after Du Bois began his advocacy of consumers’ cooperatives in earnest) and his later recurring column for the *Pittsburgh Courier*, DeMarco is unable to provide a complete and thorough study of Du Bois’s advocacy of black consumers’ cooperatives within the context of Du Bois’s general intellectual development and his specific economic and social support for black self-segregation.

Reed’s “A Perspective on the Bases of His Political Thought” (1985) briefly mentions the role of black consumers’ cooperation within the context of Du Bois’s intellectual development, but only to a superficial extent and without any discussion or consideration of the centrality of black consumers’ cooperation to Du Bois’s economic and social theory. The lack of scholarly attention paid to Du Bois’s advocacy of black consumers’ cooperation is part of the larger trend of academic avoidance of the history of black consumers’ cooperation in the United States. Apart from the work of Gordon Nembhard (2014) and short references to black consumers’ cooperation in the works of Cohen (2003) and Ransby (2003) there is scant scholarly analysis of black consumers’ cooperation in the United States.

While DeMarco and Reed do address the importance of black consumers’ cooperation directly, most works dealing with Du Bois, self-segregation and economic theory only mention consumers’ cooperation in passing if at all. For example, Green and Smith (1983) and Sullivan (2003) discuss Du Bois’s transition to advocating racial uplift through voluntary economic segregation, but neither identifies black consumers’ cooperation specifically. Holt (1990), while
making mention of Du Bois’s advocacy of segregated economic organization, makes the dual mistake of marking the Great Depression as the beginning of Du Bois’s interest in “black economic enterprises” and failing to note that the enterprises are specifically - not vaguely or partially - consumers’ cooperatives (p. 307). Walker’s (2001) unique analysis of Du Bois’s economic theory through the lens of his concept of double consciousness confirms the continued lack of scholarship regarding Du Bois and consumers’ cooperatives in her own review of the literature.

Even biographical accounts of Du Bois give limited attention to black consumers’ cooperatives. Du Bois biographer, David Levering Lewis, only briefly discusses Du Bois’s advocacy of black consumers’ cooperation - in passing and certainly not central to his plan of black self-segregation. Manning Marable’s (1986) biography devotes more space than Lewis to black consumers’ cooperation and self-segregation in general. However, despite the evidence, Marable does not explore the connections between black consumers’ cooperation and self-segregation. In sum, existing work on Du Bois - in general or specifically regarding his support for black self-segregation - ignores Du Bois’s advocacy of black consumers’ cooperation and neglects to consider, despite the vast amount of attention Du Bois gave the subject, the integral role black consumers’ cooperation played in his economic and social theory. This inattention leaves us with an incomplete understanding of Du Bois as a sociologist and public intellectual.

The Theoretical Development of Du Bois’s Advocacy and Vision of Self-Segregation

In “A Negro Nation Within the Nation” (Du Bois 1935) Du Bois argued that the “main weakness of the Negro’s position is that since emancipation he has never had an adequate economic foundation” (Du Bois 1935: 266). Du Bois’s own plan for an economic foundation - based on self-segregation and, as I will argue, black consumers’ cooperation - was in large part
influenced by his critique of Booker T. Washington’s “Atlanta Compromise” and, separately, calls for black labor’s integration in the white-dominated American labor movement. It was not until Washington’s “Atlanta Compromise” speech delivered to a predominately white audience at the 1895 Cotton States and International Exposition in Atlanta that a large-scale economic plan for racial uplift was advanced and supported. The plan called for the industrial education of black Americans and the incorporation of the black population into white industry at a guaranteed subordinate position with no real opportunities for intellectual development. The “Atlanta Compromise” was widely understood as temporary acceptance of segregation and black subservience. Washington won over the crowd with statements such as, “No race can prosper till it learns that there is as much dignity in tilling a field as in writing a poem. It is at the bottom of life we must begin, and not at the top. Nor should we permit our grievances to overshadow our opportunities” (quoted in Harlen 1974:583). Washington’s plan advocated black Americans back off demands for political and civil rights in lieu of immediate, limited economic opportunity and argued that, through thrift, trained black workers would eventually rise to membership in the petit bourgeoisie. Washington felt that white America would only accept black Americans once they had shown their economic acumen in traditional capitalist endeavors (Harrison 1974). His plan accepted imposed segregation in the present in order to achieve integration in the future.

Du Bois initially congratulated Washington on the success of his speech. Writing to *Fortune’s* New York Age one week after the speech, he suggested that the compromise might be the “basis of a real settlement between whites and blacks in the South” (quoted in Marable 1986:43). However, Du Bois lost faith when the south responded with stricter “Jim Crow” legislation (Du Bois 1968:236). Du Bois soon became one of Washington’s fiercest critics. Ideologically, Du Bois opposed Washington’s plan because it “practically accepts the alleged
inferiority of the Negro races” and declared that “in the history of nearly all other races and peoples the doctrine preached has been that manly self-respect is worth more than lands and houses...that a people who surrender voluntarily such respect, or cease striving for it, are not worth civilizing” (quoted in Lewis 1993:287-8). In addition to his criticism of Washington’s plan on ideological grounds, Du Bois later pointed out that Washington’s plan failed because advances in the industrial economy made a considerable amount of skilled and semi-skilled labor, which Washington saw as the black workers way into the white economy, less necessary and left black workers ill-equipped to compete in a new economy where they already faced discrimination (Du Bois 1935; Du Bois 1940). Additionally, Washington’s argument that thrift would allow skilled black laborers a path to the petit bourgeoisie did not factor in the consolidation of capital into fewer and fewer white hands as the 20th century unfolded, which diminished the significance of the petit bourgeoisie. Du Bois also noted that Washington did not consider the use of masses of low-skilled black laborers as strikebreakers and an easily exploited class of reserve workers used to drive down not only white wages, but wages in general. Du Bois later argued that much of the white capitalist support for Washington’s plan was based on the idea that training black workers would keep white labor in check given the existing racial conflict between white and black workers and the American Federation of Labor’s discriminatory stance toward admission of black workers (Du Bois 1936a:115-6). However, looking back in Autobiography, Du Bois acknowledged that at the time neither he nor Washington fully understood the concept of capitalist exploitation of labor, which curtailed the depth of their early analyses of the intersection of race and class (1968:236). Ultimately, Du Bois did not criticize the Atlanta Compromise because it advised segregation, but because it advised submission to segregation on existing terms rather than a “deliberate and planned segregation” on the terms of black Americans (1940:94).
In addition to being critical of Washington’s proposal for an economic foundation for black Americans, Du Bois was skeptical of an alternative popular argument that proposed integration of black workers into the existing white-dominated labor movement as a means toward racial uplift. In his biography of Du Bois, Marable (1986) contends that, “Perhaps the most frequent target of The Crisis was racism in organized labor” (p. 126). Du Bois also attacked organized labor in general. In “The AF of L” (1933), Du Bois declared that the:

most sinister power that the NRA [the National Recovery Administration] has reinforced is the American Federation of Labor (AF of L). The American Federation of Labor never did represent the labor movement and represents it less today than in the past. It is a petty bourgeois organization, with all the ideals of the small capitalists and with the desire and program to increase the wages of a small class of skilled and favorably situated laborers at the expense of the mass of the working people” (p. 292)

As early as 1902, at the Seventh Conference of the Study of Negro Problems held at Atlanta University, Du Bois raised concerns regarding the limited nature of the benefits to black workers involvement in the white-dominated labor United States labor movement. In “The Negro Artisan” (1902) Du Bois discussed the complicated relationship between the AF of L and black laborers/union members. Out of 1.2 million union members at the turn of the twentieth century, only 40,000 were black workers concentrated heavily in mining (Du Bois 1902). The United Mine Workers were early and strong supporters of integrated unions, but even their numbers of black members decreased by half between 1900 and 1910 - from 20,000 to 10,000 black members (Marable 1986:87). The fragile accord that existed between white-dominated unions and black workers in post-Civil War America dissolved during the economic depression between 1893 and 1898. The AF of L affiliates adopted rules that limited membership to skilled workers. Because the AF of L organized skilled and craft workers - and skilled black laborers were a small minority of black workers - this policy essentially kept black laborers from joining affiliate unions. Samuel Gompers, the first president of the AF of L, who early in his career had
been an ardent supporter of integrated unions - yet a believer in black inferiority who refused to
denounce black disfranchisement and lynching (Marable 1986:86) - eventually supported a
policy that allowed AF of L locals to maintain white-only unions even while the AF of L itself
professed integration.

By the turn of the 20th century, the AF of L dropped any pretense of an integrationist
position and encouraged the organization of separate black local, central and federal unions
(Foner 1974:72). “Jim Crow unionism” provided only limited protection to black workers and
ultimately meant lower wages for black workers compared to their white counterparts (and in
some southern regions forced black wages so low that white wages suffered as well). In
response, Du Bois urged black workers to form segregated unions independent of the AF of L as
an alternative form of labor organization. Later, Du Bois seemed to relax his opinion of the
usefulness of the labor movement in his “Creed for American Negroes” (1936d) in which he
conceded that black workers should join labor unions where they are welcomed, but
encouraged black workers to concentrate on creating workers’ councils “for interracial
understanding [that] should strive to fight race prejudice in the working class” (p. A1). One year
later, however, he returned to his earlier position critical of the American labor movement and
articulated a stance more consistent with his theory of black self-segregation, suggesting that
black workers should engage in their own labor movement, separate from white workers. Black
workers, he argued, could not expect parity in the general labor movement until they “are able
to take over jobs as a whole and...defend against the charge of scabbing, by setting standards of
labor and work for ourselves” (Du Bois 1937). This sentiment echoes Du Bois general argument
for black self-segregation. Namely, that black Americans could not expect equality in the United
States until they established themselves independent of white America.
In addition to criticizing the American labor movement generally, Du Bois skewered the white working class for its racism. In 1906 Du Bois asked, “how long will race prejudice supply a more powerful motive to white workingmen of the south than decent wages and industrial conditions” and how “long will it be before the white workingmen discover that the interests that bind him to his black brother in the south are greater than those that artificially separate them?” (Du Bois 1906:239-40). Decades later Du Bois found himself still pondering the question. He suggested that white workers were averse to integration with their black counterparts due to a belief that affiliation with black workers would decrease their racial status - which despite their low class position, assured some semblance of privilege. White workers and unions also maintained a distrust of black workers based on the belief that they were willing to accept lower pay and thus degrade wages (Du Bois 1940). Du Bois’s assessment of the relationship between black workers and organized labor became increasingly scathing, moving from skepticism to outright indictment. He blamed “white labor” for obstructing black workers from low-cost housing and confining “the protection of the best unions to ‘white’ men...that often will not sit in the same hall with black folk who already have joined the labor movement” (Du Bois 1935: 267). Black workers, in addition to suffering from the inequities inherent to capitalism, experienced “the lowest and most fatal degree of its suffering...from fellow white laborers” and organized labor which sought to keep black workers “in a lower proletariat as subservient to their [organized labor] interests as theirs are to the interests of capitalists” (Du Bois 1933b:104). Du Bois charged that white labor’s supposed economic concerns in regard to black workers were racially based; “white labor has to hate scabs; but it hates black scabs not because they are scabs, but because they are black. It mobs white scabs to force them into labor fellowship. It mobs black scabs to starve and kill them” (1935:267). In part, Du Bois’s frustrating with organized labor and “the young thinkers...that the older methods are still the
best; that we can survive only by being integrated into the nation, and that we must consequently fight segregation now and always and force our way by appeal, agitation and law,” pushed him toward advocating black self-segregation (Du Bois 1935:269) and formulating the argument that racial protection and uplift could only be found in “internal organization,” which would shield black Americans from the exploitation of both white workers and white capitalists (1933: 117). Internal organization for Du Bois meant, in large part, the establishment of an economic system based on black consumers’ cooperation.

*From the Talented Tenth to Self-Segregation and Black Consumers’ Cooperation*

Du Bois had not always advocated black self-segregation and his view on the subject vacillated. In this section I will discuss the trajectory of Du Bois’s social and economic thought from his early and cautious discussion of voluntary racial separation, his encouragement of a black bourgeoisie, his concept and promotion of a talented tenth and, finally, his advocacy of self-segregation. I will begin to illustrate the place of black consumers’ cooperation in this theoretical trajectory - a point that I will develop fully in the next section - and argue that Du Bois’s advocacy of black consumers’ cooperation is in fact a reiteration of aspects of various stages of his intellectual development, culminating in self-segregation.

As early as 1897, in a somewhat controversial address given at the annual meeting of the American Negro Academy (which was later published as a pamphlet under the title, “The Conservation of Races”) Du Bois argued that the full development of what he termed the “Negro race” required a sort of “parallel development” (Lewis 1993:173), a resistance to “absorption by the white Americans” avoidance of a “servile imitation of Anglo-Saxon culture” (Du Bois [1897] 1986:821). Further, the concern that separation by race might exacerbate inequality, Du Bois contended, led to a stifling of “combined race action” a shirking of “race responsibility,” and, in
words that sounds similar to the argument later made in one his most well-known essays, “The Talented Tenth” (1903a), imitation of white America keeps “the best blood, the best talent, the best energy of the Negro people” from being “marshalled to do the bidding of the race” (1986:821). To avoid this Du Bois called for the creation of separate black institutions, to be led by the elite of the race, to promote race pride and advancement. He did not see separation as permanent, but only needed until such as time as “the ideal of human brotherhood has become a practical possibility” (Du Bois 1986:825). Du Bois’s thought at this formative period of his intellectual life was greatly influenced by Alexander Crummell, an Episcopal pastor and abolitionist. Du Bois first met Crummell while teaching at Wilberforce University. Like Du Bois, Crummell straddled the line between promoting integration and segregation. Crummell opposed segregation, but advocated for the creation of separate black institutions to foster racial solidarity and power (Marable 1986). Crummell’s own address to the American Negro Academy in 1897 emphasized the necessary leadership role that black intellectuals would play if racial uplift were to occur - the very idea that Du Bois would later develop in his theory of the talented tenth.

Before publication of “The Talented Tenth” in 1903, Du Bois’s vision of racial uplift more narrowly emphasized the development of a black business and industrial elite. He argued that business skills, through higher education, and the encouragement of black American patronage of black-owned businesses ought to be promoted by churches, schools and other influential black institutions. At the Fourth Annual Atlanta University Conference in 1898, Du Bois promoted the “growth of a class of merchants” among black Americans as a “far-sighted measure of self-defense” that “would make for wealth and mutual cooperation” (quoted in Walker 2001:76). In that address, he outlined business ventures that had been successfully established by black Americans to serve the needs of black Americans. The “hostile
environment” in which black Americans existed, Du Bois argued, “forced the Negro to do for himself” (Du Bois 1899:15). Du Bois’s address foreshadowed his later support for self-segregation and the optimism upon which his talented tenth theory was based. That same year, in his commencement address at Fisk University, Du Bois reiterated his belief that a black business class could, if developed, be adequately supported by the mass of black Americans through their consumer power. And if developed and supported an elite class would in turn lay the foundation for the economic and social advancement of all black Americans. As early as the turn of the twentieth century, Du Bois was looking to the black consumer as the fuel for racial uplift. At this point he briefly put his faith in a type of “black capitalism,” but he soon changed course and emphasized the consumer as both the fuel for, and the economic engine of, racial uplift. This shift is significant in that through consumers’ cooperation, as opposed to the development of a black bourgeoisie, the black consumer was not expected to support a separate black business class, but collectively accrue capital in order to develop a more socialistic economy.

The following year, Du Bois’s well-received and influential study The Philadelphia Negro (1899) laid out the foundation of his understanding of class structure among black Americans, which was characterized by four distinct classes. The first were families of “undoubted respectability, earning sufficient income to live well; not engaged in menial service of any kind.” Families “with steady remunerative work... [and] younger children in school” made up the second class. The third class could be termed the working poor who Du Bois described as “honest, although not always energetic or thrifty.” Finally, the fourth class consisted of what he termed the “submerged tenth” (quoted in Lewis 1993:209). Du Bois description of the four classes indicates not only the financial superiority of those at the top of his class stratification system, but also what he saw as their moral superiority as well. However, even the elite class of
black Americans did not escape his moral judgment. He asserted that they were not thrifty and
inclined to consume more than they produce, thus unable to build capital to foster black
economic development and lift the race. Regardless, the elite of the race, Du Bois argued,
should and could represent and lead all black Americans in both economic, social and moral
aspects of life because this class alone could provide the “answer to the question of the ability
of the Negro to assimilate American culture” and lead the way toward integration (quoted in
Lewis 1993:209).

In perhaps Du Bois’s best-known work, *The Souls of Black Folk* (1903), he began to
seriously question the idea that an elite black business class would actually want to engage in
racial uplift. In the chapter “On the Wings of Atlanta,” he accused the “businessmen, all those
with property and money” of replacing “the Preacher and Teacher [who] embodied once the
ideals of this people, the strife for another and a juster world, the vague dream of
righteousness, the mystery of knowing.” He cautioned, “These ideals, with their simple beauty
and weird inspiration, will suddenly sink to a question of cash and a lust for gold” (quoted in
Walker 2001:79-80). This concern is similar to his critique of Washington’s “Atlanta
Compromise,” which he argued promoted economic gain through simple labor above all else
and to the detriment of education. In *The Souls of Black Folk* Du Bois addressed the conflict
between integration and segregation. As Lewis notes in his biography of Du Bois, following the
publication “the destiny of the race could be conceived as leading neither to assimilation nor
separatism but to proud, enduring hyphenation.” Du Bois’s book, Lewis continued,
“transcended this dialectic in the most obvious way - by affirming it in permanent tension”

In “The Talented Tenth” (1903) Du Bois further distanced himself from his earlier
emphasis on the development of a black business elite. He acknowledged that development as
too narrow a focus and instead argued for the development of an educated intelligentsia to lead. Du Bois abandoned the idea that a small minority of black American business leaders could support, and would be willing to support, the uplift of all black Americans. Du Bois reflected upon what he called his “panacea of earlier days” in his first autobiography, *Dusk of Dawn* (1940:712), and admitted that he did not consider the problem that the leadership and authority eventually fell to those with wealth, to the detriment of those without (1940:713). However, in *Autobiography* (1968), Du Bois accepted that his advocacy of an elite leadership was problematic, but looking back he argued that it was necessary at the time in order to provide a feasible alternative to relying on white leadership (p. 236).

Just over ten years after his address to the American Negro Academy where he advocated for a “parallel development” of black Americans, Du Bois appeared to call for integration over all else in an essay written in response to Alfred H. Stone’s 1908 article in the *American Journal of Sociology*, “Is Race Friction Between Blacks and Whites in the United States Growing and Inevitable?” He argued that segregation “is at present not only impractical but is against the whole trend of the age, and that what we ought to do in America is to seek to bind the races together rather than to accentuate differences” (Willcox 1908:838). Still, as his thoughts concerning the subject continued to develop, Du Bois offered an analysis of segregation that denounced the practice but left open the door for a consideration of self-segregation by distinguishing between “separation” and “subordination” (Du Bois 1911). Imposed segregation, Du Bois argued, was about the subordination of black Americans to white, not simple separation. As late as 1919 Du Bois questioned the plausibility of self-segregation on the grounds that it “is impolitic, because it is impossible. You cannot build up a logical scheme of a self-sufficing, separate Negro America inside America” (Du Bois 1919a:112). But by the publication of “A Negro Nation Within the Nation” in 1935, Du Bois no longer saw self-
segregation as impolitic or impossible or necessarily a transitional step toward integration.

Racial uplift could not be based on unqualified integration or rely on a minority of the black population (the talented tenth) rising and pulling “all that are worth the saving up to their vantage ground” (Du Bois 1903:45). Racial uplift and black self-segregation relied on black farmers, artisans, workers and intellectuals all working cooperatively for economic independence. Anything short of self-segregation and independence, he argued, would deny black Americans “full humanity” and essentially be a form of “white tyranny.” Du Bois’s grappling with the question of black self-segregation partially defined the rest of his career and determined his economic philosophy, which, although largely ignored in previous studies of Du Bois, was deeply rooted in black consumers’ cooperation.

Black American Economic Cooperation

As early as 1915 Du Bois referenced the need for economic cooperation among black Americans, to “spread the idea among colored people that the accumulation of wealth is for social rather than individual ends. We must avoid, in the advancement of the Negro race, the mistakes of ruthless exploitation which have marked modern economic history” (1915:301).

Two years later, in an article penned for The Crisis, Du Bois argued that “it would be a great mistake for Negroes to try the old, individualistic method” of economic development (Du Bois 1917:9). Statements like these illustrate his break from his earlier belief that an economically successful bourgeois minority would uplift the race and raise the less-educated and less-skilled black majority. The “old, individualistic method” of economic development, Du Bois argued, would increase class stratification among black Americans. Du Bois articulated this argument later in “A Nation Within the Nation.” Not only would the mass of black Americans suffer, according to Du Bois, from what he called a tactic of “Scatter, Suppress, Wait, Escape,” but so
would the black elite (1935:269). This tactic involved the black elite “scattering” into the white population, “suppressing” or ignoring the problem of racial inequality, “waiting” for the white population to settle the problem of racial inequality and “escaping” from the social and economic problems of the mass of black Americans “leaving the rest to sink, suffer and die” (1935:269). “If the leading Negro classes cannot assume and bear the uplift of their own proletariat, they are doomed for all time. It is not a case of ethics; it is a plain case of necessity. The method by which this may be done is, first, for the American Negro to achieve a new economic solidarity” (1935:269).

Du Bois’s support of the idea of a black nation corresponded with his dissatisfaction with and growing distaste for, the National Association for the Advancement of Colored People. The NAACP took a reformist and legal approach to addressing segregation, racial violence and general racial inequality. For example, in regard to economic inequality the NAACP worked to improve black employment conditions within the white capitalist economy, not the development of black business and certainly not advocacy of self-segregation (Du Bois 1936a; Walker 2001). The NAACP was also hesitant to support the use of boycotts to win employment opportunities for black Americans (see Chapter 4). Du Bois served as editor of the organization’s journal, *The Crisis*, from 1910 until 1934 and wrote numerous editorials to the chagrin of the NAACP executive board, which either implied support for black self-segregation or explicitly encouraged it. In two early *Crisis* articles, “Separation” (1911) and “The Strength of Segregation” (1913), Du Bois began to develop his unique theory of self-segregation, which jarred both the white readership of *The Crisis* and white leadership of the NAACP. In “The Strength of Segregation” Du Bois declared that if racial subordination and violence continues at its “present rate we will have in this country a mass of people of colored blood acting together like one great fist for their own ends, with secret understanding, with pitiless efficiency and with
resources for defense which will make their freedom incapable of attack from without” (1913:84). “What can America do,” he asked, “against a mass of people who move through their world but are not of it and stand as one unshaken group in their battle?” (1913:84). Du Bois’s editorials proved divisive. The NAACP executive board was concerned that Du Bois’s growing radicalism resulted in a decrease in donations to the NAACP from wealthy white supporters and a misperception among the public that the NAACP was itself a radical organization (Rudwick 1958:216).

As the editor of The Crisis, Du Bois was often considered the “face” of the NAACP and assumed to speak on behalf of the Association, a fact that only exacerbated the conflict between Du Bois and most members of the NAACP leadership. In the November, 1917 issue of The Crisis, Du Bois emphatically stated his support for consumers’ cooperation; “This is the movement which The Crisis wishes to bring more and more to the attention of the Negroes of the United States...this is our economic way out, our industrial emancipation." While Du Bois used his position as editor of The Crisis to promote black consumers’ cooperation, the NAACP never indicated its agreement on the issue, but by affiliation with the NAACP, the statement in The Crisis suggested this to be a formal position of the Association. Due to the close relationship with black self-segregation, Du Bois support for black consumers’ cooperation was considered controversial. The NAACP was certainly considered a “dangerous” organization in early twentieth century America and Du Bois’s editorship of The Crisis heightened concern for the Association. Post-WWII, several politicians and government agencies investigated or proclaimed that Du Bois and The Crisis, as well as other black publications and writers, were responsible for or at least contributed to the many race riots that followed the war (Rudwick 1958). Earlier, the United States Department of Justice had included an investigation of The Crisis in its 1919 report, “Radicalism and Sedition Among the Negroes as Reflected in Their Publications”, which
accused the black American press of “arousing class consciousness among African Americans in order to establish communist rule” (Krugler 2014:201).

At its pinnacle, more than one 100,000 individuals subscribed to *The Crisis*. As subscriptions increased, however, white readership decreased. Rudwick (1958) suggests that almost three-fourths of subscribers to *The Crisis* were black Americans. This trend did not please the majority white leadership of the NAACP who were uncomfortable with Du Bois’s promotion of black self-segregation and what many considered his radicalism. According to Marable (1986), Oswald Villard, who served as chair of the NAACP’s executive board (and who had inherited *The Nation* and the *New York Evening Post* from his father, Henry Villard), “tended to treat blacks in a paternalistic manner” and “distrusted Du Bois’s militancy and...sought to curb the radical currents inside the NAACP” (p. 79). Du Bois claimed that Villard was “used to advising colored men and giving them orders” and accused Villard of being unable to “bring himself to work with one as an equal” (quoted in Marable 1986:80). Du Bois and the executive board of the NAACP were engaged in constant debate regarding the amount of independence that *The Crisis*, and thus Du Bois as its editor, should have been allowed to maintain. As a member of board, Du Bois “refused to consider himself as Villard’s ‘subordinate’ and demanded ‘independence of action’” (Rudwick 1958:218). Mary White Ovington, a co-founder of the NAACP, felt that curtailing Du Bois’s (then the only black member of the executive board) independence as editor of *The Crisis* sent a dangerous message to the public concerning the NAACP’s working relationship with black colleagues. Ovington was “sick at heart” that this would be “a confession to the world that we cannot work with colored people unless they are our subordinates” (quoted in Rudwick 1958:220).

After decades of conflict with the NAACP, Du Bois resigned as editor of *The Crisis* and left the organization in 1934 (although he did return briefly in 1944). His public letter of
resignation acknowledged that his disagreement with the Association over black self-segregation played an important role in his leaving (Du Bois 1934). Notably, just months before Du Bois’s resignation, *The Crisis* published a symposium on segregation, which spanned two issues (March and April 1934). The symposium was a response to Du Bois’s controversial article, “Segregation,” published in the February 1934 issue of *The Crisis*. In the article, Du Bois argued that segregation and discrimination need not go hand in hand and that black self-segregation, given white hostility toward racial integration, is a realistic tactic of emancipation:

> It is the race-conscious black man cooperating together in his own institutions and movements who will eventually emancipate the colored race, and the great step ahead today is for the American Negro to accomplish his economic emancipation through voluntary determined cooperative effort (February 1934, p. 20)

In the opening article, Du Bois argued that the NAACP had never taken a specific stance on segregation, but only challenged the policy when it resulted in racial inequality. Thus, he maintained that his personal position that black self-segregation should be contextually measured and thus was not necessarily at odds with the Association’s position (Du Bois 1934).

In response, chairman of the NAACP board, J.E. Spingarn and secretary Walter White both penned articles distancing the NAACP from Du Bois’s controversial article (“Segregation - A Symposium”).

Reporting on Du Bois’s resignation, the *New York Amsterdam News* affirmed that Du Bois viewed the NAACP’s fight against segregation a failure and that black institutions should be created “where forced segregation was inescapable” (“Du Bois’s Resignation” 1934:6). The newspaper, reflecting the views of many black institutions, expressed its support for Du Bois, declaring that “the association must be the loser.” It was within this context that “A Negro Nation Within the Nation” was written.
Du Bois’s grappling with the question of self-segregation partially defined the rest of his career and determined his economic philosophy, which, although widely ignored in previous studies of Du Bois, was deeply rooted in black consumers’ cooperation as the foundation for a separate black economy. In the November, 1917 issue of The Crisis, Du Bois emphatically stated his support for consumers’ cooperation; "This is the movement which The Crisis wishes to bring more and more to the attention of the Negroes of the United States...this is our economic way out, our industrial emancipation." Du Bois advocacy for black consumers’ cooperation as the economic foundation for racial uplift stretched well into the 1940s, if not later, and occurred simultaneously with his growing support of black self-segregation. The two developments cannot and should not be considered separate trajectories.

The idea of self-segregation through consumption or other forms of black economic cooperation was not a new idea when “A Negro Nation within the Nation” (1935) was published. Organizations such as the Young Negroes Cooperative League advocated for the creation of black consumers’ cooperatives and the Colored Merchants Association before them promoted cooperation between black-owned businesses (both will be discussed in Chapter 4). As noted above, Du Bois himself had been advocating some form of black consumers’ cooperation as editor of The Crisis since 1917 and in 1918, as I’ll discuss below, founded the Negro Cooperative Guild to promote and support the development of black consumers’ cooperatives.

Du Bois’s economic thought has been significantly analyzed. However, these analyses “have not been framed within the context of Du Bois’s economic thought regarding African-American business for the uplift of the race” (Walker 2001:71). Moreover, studies of Du Bois’s economic thought tend almost entirely, save for a brief mention, to leave out his advocacy of black consumers’ cooperatives. In fact, Du Bois’s advocacy of consumers’ cooperatives in general is more often than not ignored in the literature. For example, David Levering Lewis’s
exhaustive two-volume biography of Du Bois (1993; 2000) gives one page (out of more than one thousand pages) of attention to Du Bois’s relationship to the consumers’ cooperative movement. However, the case can be made that between 1917 and 1940 Du Bois’s theory of self-segregation was built on a foundation of black consumers’ cooperation and the primacy of consumption in general. Between the late nineteenth century and the middle of the twentieth century Du Bois’s theory of black economic and social uplift transitioned (broadly) from advocacy for an elite business class (articulated at the Fourth Annual Atlanta University Conference) to the talented tenth, which emphasized support for a broader black elite to lead the race, to support for self-segregation on black consumers’ cooperation.

The Development of Du Bois Economic Thought on Black American Consumers’ Cooperation

Before I turn to Du Bois’s explicit advancement of an economic theory based on self-segregation and advocacy of black consumers’ cooperation, I will discuss his writings that provide the foundation for that thought. As discussed in the preceding section, Du Bois’s economic and social thought changed as years passed. In this section I will discuss and analyze material specific to black consumers’ cooperation during the period following the publication of “The Talented Tenth” leading up to his advancement of self-segregation and then continue on to his theory of black self-segregation through consumers’ cooperation.

Du Bois’s first writing on the benefits and efficacy of a cooperative economy appeared in “The Economic Future of the Negro” (1906). In the article, Du Bois discussed the existence of “group economies” as one tactic of post-slavery black economic development in the southern states. The group economy is a “cooperative arrangement of industries and services within the Negro group that the group tends to become a closed economic circle largely independent of the surrounding white world” (pp. 221-2). Du Bois estimated that over 300,000 black Americans
were already a part of group economies in 1906, which included farmers, schools, businesses, medical and legal services and housing. Although interest in these group economies is a precursor to Du Bois’s advocacy of self-segregation, he stops short of suggesting group economies as a permanent solution to black economic and social development. Group economies, he wrote, might “break the force of race prejudice until [black Americans’] right and ability to enter the national economy are assured” (p. 224). In 1907 Du Bois published “Economic Cooperation Among Negroes,” an historical study tracing cooperative arrangements in black institutions from Africa to the West Indies to the Colonies and slavery and eventually Reconstruction, which certainly influenced his conception of the group economy (Du Bois 1907). Du Bois returned to the idea of the group economy 17 years later in his article “The Segregated Negro World” (1923). He predicted that the “future development [of segregation] is going to be tremendous...but the compensation offered is escape from prejudice and slavery and with it a chance to develop industry, talent, artistic sense and executive ability” (p. 137). White America, according to Du Bois, assumed the “eternal exploitation of cheap Negro labor” and the permanent “solution of segregation” (p. 138). Black Americans, according to this state of affairs, should embrace segregation in consumption and production and create a “closed economic circle for and by colored people,” thus removing their exploited dollars and labor from the white economy (Du Bois 1923:136). The idea of the group economy was not as extreme or unattainable as his critics argued. At the time, black Americans were serviced, out of necessity, by black doctors, educators, grocers, restaurants, churches, recreational organizations, churches, laborers and so on (Du Bois 1923:137). According to Du Bois, black Americans should harness the potential power that lay in segregation rather than have the terms of segregation dictated by white America.
In an April, 1915 article published in *The Crisis* (“The Immediate Program of the American Negro”), Du Bois outlines what he saw as the greatest threats facing the social, political and economic equality of black Americans and offered a plan of action to protect against and combat these threats. Part of Du Bois’s plan included economic cooperation. While not specifically naming consumers’ cooperation, Du Bois did discuss the importance of cooperation in production and distribution as a way to avoid the failure of “the advancement of the Negro race” by following the “mistakes of ruthless exploitation which have marked modern economic history” (1915:312). The article marks Du Bois’s transition from a plan for racial uplift based in individualistic terms to a plan based in social terms. For sure, Du Bois continued to believe that the elite of the race would lead the masses, but not solely through their own social and economic advancement and certainly not as a black bourgeoisie. In order for all to advance, Du Bois believed that black Americans must be convinced that the “accumulation of wealth is for social rather than individual ends” (1915:312). In an editorial published in *The Crisis* in November, 1917, Du Bois revisited this program. The editorial is essentially an explanation of economic cooperation utilizing extensive quotes from a pamphlet published by James P. Warbasse, then president of the Cooperative League of the United States of America (see Chapter 2). Notably, Du Bois reaffirms his belief that “it would be a great mistake for Negroes to try the old, individualistic laissez-faire method” of economic advancement” (1917:9). It was in this article that Du Bois left no doubt concerning his belief in economic cooperation stating, “This is the movement which *The Crisis* wishes to bring more and more to the attention of the Negroes of the United States...this is our economic way out, our industrial emancipation” (1917:10). The aforementioned Warbasse contributed an article to the March, 1918 issue of *The Crisis* on the history of consumers’ cooperatives and the current state of the movement in the United States. Warbasse concluded his article by reaching out to the black readership of *The
Crisis, “This [consumers’ cooperation] is the great opportunity for the Negro. The fact that he is the most exploited of all people, that the government discriminates against him, and that he pays more for what he buys than does the white citizen should open his eyes to the possibility of cooperation” (1918:224).

In 1918, Du Bois organized a conference of those interested in black consumer cooperation. Well attended with representatives from seven states, the conference culminated in the founding of the Negro Cooperative Guild, which aimed to assist in the formation of groups to study modern consumers’ cooperatives, hold annual meetings to promote and support the establishment of cooperative stores and form a central committee to guide the development of consumers’ cooperatives. Du Bois served as the Guild’s chairman and six secretaries represented the Guild in as many states. A “Proposed Scheme of Cooperation among American Negroes” was drafted at the 1918 conference. The Guild intended to develop propaganda materials, begin an education program for the study of consumers’ cooperation, encourage those interested to begin the development of consumers’ cooperatives and plan annual conferences on cooperation, beginning in 1919 (Du Bois 1918:268; “Proposed Scheme of Cooperation among American Negroes,” 1918, W.E.B. Du Bois Papers). Du Bois put out a call to The Crisis readership to form study groups in their communities in order to study the possibilities of consumers’ cooperatives (Du Bois 1919b:115). Despite Du Bois’s intentions and efforts, the Guild did not meet again and no mention, except for a report of the Guild’s first meeting, of the organization was made in The Crisis. An extensive search of Du Bois’s correspondence does reveal that he received many inquisitive letters from The Crisis readership regarding the Guild. Two successful cooperative stores - one at the Bluefield Institute in West Virginia and another in Memphis, Tennessee (both discussed in Chapter 4) - were established as
a result of the meeting (W.E.B. Du Bois Papers, letter from Du Bois to the Twentieth Century Fund, February 13, 1941).

As Du Bois’s interest in consumers’ cooperatives grew, he began to weave his plan for a cooperative economy in with his analysis of other societal institutions. For example, in “Reconstruction” (1919c), Du Bois argued that the role of the black church post-WWI and its hope for survival and growth was not in constructing new churches and expanding the old. Instead, Du Bois counseled the church to extend its economic function in order to attract and maintain the black working class. The church’s function, according to Du Bois, was to organize its members to buy cooperatively in order extend their wages and promote “character-building through economic cooperation” (1919c:131).

Du Bois’s theories of self-segregation and black consumers’ cooperation were mutually supportive. The relationship was illustrated as early as 1918 in an exchange between Du Bois and Walter P. Long, secretary of the Organization Committee for the Greater New York Wholesale and Retail Cooperative Association. After Du Bois’s support for black consumers’ cooperation became more widely known to the larger cooperative movement, Long wrote to urge Du Bois to encourage the development of black consumers’ cooperatives, which he thought could eventually be incorporated as “local branches” of the Cooperative Association. Du Bois responded that while he would be happy to encourage any black cooperatives to work with the wholesaler, ultimately “the colored people would want to start their own wholesales so as to furnish employment for colored clerks and managers” (W.E.B. Du Bois Papers, letter from Du Bois to Walter P. Long, Nov. 14, 1918). Some twenty years later Du Bois maintained his commitment to a separate, black cooperative system, concerned that the wider consumers’ cooperative movement was plagued by racial discrimination and that integration with the movement would guarantee black subordination (1937). Writing in the Pittsburgh Courier in
1937, Du Bois reiterated his support for a self-segregated black consumers’ cooperative economy. Black consumers’ cooperatives, according to Du Bois, should work with already-established cooperative wholesales:

but as soon as possible there must be colored wholesales in order to prove to both white and colored people that Negroes can organize and direct such wholesales. White people do not believe this because they have never seen it done...The Negroes on the other hand, would be as skeptical about the possibility of Negroes themselves running these wholesales as they are about anything their group attempts. Such skepticism is the legacy of slavery and poverty (1937:11)

The establishment of a black consumers’ cooperative movement was about more than economic uplift and an evolutionary approach to creating an alternative to state socialism - two of the stated goals of the white-dominated Cooperative League of America and the cooperative movement in general. Du Bois’s advocacy of consumers’ cooperatives was a significant component in the progression of his thought regarding racial self-segregation as a means to racial uplift - economically, socially, morally and otherwise. Supporters of cooperation held that established cooperatives illustrated the change that they desired and believed possible. In addition to this position, Du Bois held that established black cooperatives illustrated the long discounted abilities of black Americans in general. In “Social Planning for the Negro, Past and Present” (1936a) Du Bois clearly stated his position regarding the primacy of self-segregation and economic independence in relation to racial uplift through capitalism or integration with the white-dominated labor movement. Although race took precedence over class, Du Bois left no question that black economic stability and independence was required before other social advances could be made. Black Americans, he argued, needed to “make sure of...economic security that in the future we shall have power to work out our destiny; and to this, everything else is subordinate” (1936a:122). Security, for Du Bois, came through black self-segregation:

If segregated homesteads and segregated land will give us more secure employment and higher wages, we cannot for a moment hesitate. If segregated schools will give us
better education, then we must have segregated schools. If segregated housing will give us decent homes, we have no right to choose for our children and families slums for the sake of herding with the white unfit. Our first business in the midst of the great economic revolution, which is going on, is to secure a place for ourselves (Du Bois 1936a:122).

Leftist critics of Du Bois’s social and economic theory had long argued that his emphasis on the talented tenth to lead the black masses ignored the possibility that greater than 90 percent of black Americans were proletariat and might thus be better served by a plan for social and economic change that is built up from the direct needs of the proletariat, of any race and ethnicity, not provided by the middle classes (W.E.B. Du Bois Papers, letter from John H. Owens to *The Crisis*, October, 1921). In “Socialism and the Negro” (1921b), Du Bois admitted that proposals put forth by socialists and communists could have a positive effect on race and class relations worldwide, but questioned their tactics. In “Socialism” Du Bois cautioned against the immediacy of the socialist and communist plans and argued that systemic change “must be evolutionary, not in the sense that it must take 50,000 years, but in the sense that it does mean hard work for many generations” (1921:246). A decade later, Du Bois attack on the tactics of the Communist Party sharpened. In a 1931 article published in *The Crisis*, Du Bois reaffirmed his belief that black workers and white workers did not share a common social situation and that black Americans should not agree to be the “shock troops of the Communist Revolution, driven out in front to death, cruelty and humiliation in order to win victories for white workers” (p. 315). In 1936, even though he declared his belief in the “essential truth of the Marxian philosophy,” he argued that “one of the worst things that Negroes could do today would be to join the American Communist Party...The Communists of America have become dogmatic exponents of the inspired word of Karl Marx as they read it” (Du Bois 1936a:123).

The communists in particular argued that the economic and social emancipation of black Americans depended on their solidarity with organized white labor, not in the creation of a
“Negro economy” (Herberg 1931). Will Herberg, managing editor of *The Revolutionary Age*, the official organ of the Communist Party, argued that a separate economy would never achieve the scale needed to supply black Americans with the goods and jobs that they require. (Herberg’s critique of the idea of a separate economy oversimplified the plan by assuming immediate control of productive forces instead of Du Bois’s actual plan of black consumers’ cooperation.)

Du Bois, in his response to Herberg, contended that a significant amount of the limited strength of white labor was built on its ability to keep black laborers out of industry (Du Bois 1931). Northern capitalists pit black laborers against white laborers in an effort to maintain low wages. Organized white labor chose to crush northern black labor through harassment, residential segregation and violence instead of integrating the labor movement across racial lines and against capitalist exploitation. Du Bois did not deny that the interests of black and white laborers were much the same, but pointed out that it was white organized labor that refused to acknowledge this fact. The black laborer was caught between the hostility of white organized labor and exploitation at the hands of capitalists. The conclusion Du Bois drew was that black Americans needed to organize along racial lines. His consumers’ cooperative plan aimed to lift the entire race, not some portion based on education, training or capital. But, as he wrote in 1936, “until unemployment among American Negroes is decreased and a decent standard of living established, we have no resources upon which the battle against discrimination can effectively be carried” (1936a:121).

For Du Bois, a race-based consumers’ cooperative movement did not favor one class over another. The leaders of the movement were needed to educate, train and share what capital they had with the lower 90 percent. Du Bois’s plan is certainly vulnerable to the critique that he placed too much importance on the race consciousness of the black middle class. However, Du Bois pointed out that class-based analysis were limited in that they did not account
for the benefits that the white working class enjoyed at the expense of “dark peoples” globally and the role that the white laborer played in the “miserable modern subjugation of over half the world” (1921b:247). Du Bois conceded that the vast majority of black Americans could be classified as proletariat, but he maintained that they were not part of the white proletariat (1933b:104). A class-based plan assumed that white workers would be willing to give up their privilege in much the same way that Du Bois expected the black middle classes to give up theirs, but that class divisions in the black population were weaker than racial divisions in the working class. Black Americans had not yet developed a class hierarchy to the same extent as white Americans and were more likely to organize along racial lines than they would be able to along class lines across race. Du Bois contended that, unlike typical socialist or communist arguments, a type of socialism could come about through the work of those who “enjoy the fruit of suffering, but who come to see that such enjoyment is wrong,” not solely from the development of a class consciousness among “those who suffer” (1921b:246). A black consumers’ cooperative movement, Du Bois consistently argued, required the reeducation of the black business class from an individualistic profit-driven orientation to a social one. Even more, the ten percent of the black population that could even remotely belong to the bourgeoisie, according to Du Bois, had “but a small connection with the exploiters of wage and labor” (1933b:104). Black Americans had not yet been “divided into capitalists and laborers. There are only the beginnings of such a division” (Du Bois 1921a:152). Even those black Americans who have risen to the middle class are likely to be the “sons and daughters of porters, washerwomen and laborers” (1921a:152). Due to race, the talented tenth had more in common with the “lower” 90 percent of the black population than with their white counterparts. In fact, the elite of the black race were uniquely attacked because “they expressed in word and work the aspirations of all black folk for emancipation” (Du Bois 1933a:97).
Class divisions among black Americans would also be overcome - this was a main tenet of the consumers’ cooperative movement - via black Americans’ identification as consumers with shared experiences and location within the white capitalist means of consumption. Black self-segregation based in consumers’ cooperation required the black population to unite as consumers, not laborers, and use their buying power, not their labor power, to establish a separate economic foundation. Du Bois’s advocated an organization of the “vast consumers’ power of this group [black Americans] as to secure wide economic independence through the exchange of services and the exchange and manufacture of goods” (Du Bois 1936a:125). Du Bois argued that consumers’ cooperation would organize black Americans as workers and consumers across class lines and would “above all stop this great people [black Americans] from being ashamed of itself, of its color and history...and to realize that race segregation is the white man’s loss and not the black man’s damnation” (1936a:125).

In the “Creed for the American Negro,” Du Bois continued to support, as he phrased it, “the ultimate triumph of some form of Socialism” (1936c:A1). Simultaneously, Du Bois continued to develop his belief in self-segregation and black economic cooperation as the means to racial uplift. His reference to an evolutionary transition to a type of socialism is at the root of his promotion of consumers’ cooperation as the way towards black economic and social development. Consumers’ cooperation, according to Du Bois, would lay the groundwork for a larger, segregated economy that would eventually lead to the development of producers’ cooperatives and a democratic, non-competitive economy. Despite Du Bois support for socialism, he found himself defending his advocacy of a consumers’ cooperative movement to Marxists, socialists and communists who viewed cooperation as a distraction that lulls the working class and liberals into believing that the ills of capitalism can be cured by a “half measure” that does not dismantle capitalism. Like other supporters of both cooperation and
socialism, Du Bois argued that consumers’ cooperation provided a working model of an alternative economic system within the capitalist economy, which, despite being a “slow and ever discouraging method of reform without revolution,” ultimately develops a new social and economic order (Du Bois 1937d:11). For periods of time, Du Bois’s advocacy for consumers’ cooperation led to his disassociation from organizations that he at one time or another sought to collaborate with for racial equality (for example, the NAACP, Marxists, socialists and communists).

An exchange between Du Bois and George Streator provides a unique opportunity to understand Du Bois’s cooperative plan as he defended it against class-based criticism and clarified his central points and arguments. Streator was a young, black union organizer and activist who worked briefly with Du Bois at The Crisis towards the end of Du Bois’s tenure as editor. Streator left The Crisis in 1935, after joining in 1933, and went on to work for the Amalgamated Clothing Workers. In early 1935 Streator wrote to Du Bois challenging his advocacy of a separate black consumers’ cooperative economy. Streator questioned the plausibility of a separate black economy in general and a consumers’ cooperative economy specifically as a way of improving the employment and economic position of black Americans as well as what he perceived to be Du Bois’s reliance on a black middle-class, which he referred to as “a lousy minority bourgeoisie,” to lead the way to the new economy (Aptheker 1976:86).

In his response to Streator, Du Bois discussed some of the tenets of his position in regard to the promise of black consumers’ cooperatives. He clarified that he was not calling for a separate economy based solely on consumers’ cooperatives. Du Bois vision of a segregated black economy began with consumers’ cooperation, but would need to develop producers’ cooperatives in order to create a “protective separatism of the Negro group” which can “be taken advantage of in economic lines” (Aptheker 1976:87). “Protective segregation,” as Du Bois
termed it, should “put production first and consumption as its tool.” The consumer power of black Americans was “their real power” and self-segregation through consumption would, ironically, protect them from the “very segregation of which they are victims” (Aptheker 1976:91). Du Bois believed that cooperatives could serve the economic needs of black Americans in the same way that they served the needs of marginalized working class and poor Europeans in the 19th and early 20th centuries (see the previous chapter for a discussion of this history). Moreover, he argued that the economic situation and independence of black Americans should be of immediate concern since, as he believed, issues of race prejudice were likely to persist for generations to come. As he later declared in his first autobiography, *Dusk of Dawn*, black Americans may agitate and wait for racial justice, but this strategy presupposes the ability of black Americans to financially afford - and “to endure without spiritual retrogression” - the wait (1940:98).

Du Bois conceded to Streator that he expected the black middle-class to take a leadership role in the development of consumers’ cooperatives - and later producers’ cooperatives - but he denied that he relied solely on the black middle-class to lead this cooperative “revolution.” While Du Bois’s response revealed that he maintained aspects of his theory of the talented tenth, he also clearly stated his confidence in “the masses of Negroes, out of which continually leadership is rising...and on that leadership we must depend for guidance” (Aptheker 1976:88). Loyal to his commitment that the talented tenth would play some role in social change, Du Bois emphatically reiterated in 1937 his belief that this group was necessary to the transition to socialism. Leaving no room for misinterpretation, Du Bois states, “The only way in which the proletariat comes into its own is through intelligent leadership...The aim is always the uplift of the mass; but on the other hand, the mass in its ignorance, and through no fault of its own, can never raise itself, save through that saving nucleus of a conscious dictatorship of
intelligence” (1937a:11). His belief in the “masses of Negroes” confirmed his shift toward a modified “bottom-up” approach to racial uplift, which is reflected in his advocacy of a cooperative economy. Because a cooperative economy is based in democracy and equality, at this point in his career Du Bois viewed the “Negro dictatorship” - the educated and trained black men and women who will lead the “laboring mass” through economic development that benefits the mass - as temporary and opposed to “arranging an inner exploitation of Negro labor by Negro capital which is paralleling the white world” (Du Bois 1937b:23). After an evolutionary period, a cooperative, democratic economy, Du Bois hoped, would ensure a type of socialism.

To be sure, Du Bois had not abandoned his conviction that the masses threatened to “pull down” the few (not the talented tenth specifically, but an educated elite nonetheless) or as he asked rhetorically three decades earlier, “Can the masses of the Negro people be in any possible way more quickly raised than by the effort and example of this aristocracy of talent and character?” (Du Bois 1903:45). In a June 20, 1936 “Forum of Fact and Opinions” for the Pittsburgh Courier, Du Bois published his “Creed for American Negroes” (p. A1). In it, he stated the “Talented Tenth...fitted by education and character...should find primary employment in determining by study and measurement the present field and demand for racial action and the method by which the masses may be guided along this path” (Du Bois 1936d:A1). Consumers’ cooperation, Du Bois believed, would allow the few to positively influence the masses, but in a democratic rather than authoritarian context. Du Bois explicitly expressed his economic theory of racial uplift at the time: “I am going to firmly base our hope [of economic and social advancement] on cooperation, chiefly consumers’, partly producers’, carried on within the Negro race through segregated activities, partly forced and partly voluntary, and calculated to train the Negroes as socialistic citizens of whatever new state comes out of this depression” (Aptheker 1976:88).
His appeal to racial identification over class consciousness was more clearly expressed in
*Dusk of Dawn* (1940). There, writing on the promise of consumers’ cooperatives, Du Bois
likened the possible organization of black Americans to the African communal group where:

- ties of family and blood, of mother and child, of group relationships, made the group
  leadership strong, even if not always toward the highest culture. In the case of the
  more artificial group among American Negroes, there are sources of strength in
  common memories of suffering in the past; in the present threats of degradation and
  extinction; in common ambitions and ideals; in emulation and the determination to
  prove ability and desert. Here in subtle but real ways the communalism of the African
  clan can be transferred to the Negro American group, implemented by higher ideals of
  human accomplishments through the education and culture which have arisen and may
  further arise through contact of black folks with the modern world (Du Bois 1940:714).

Du Bois continued to develop his economic theory based on consumers’ cooperation
into the 1940s. He argued that the consumer, not industry alone, would drive the “new
economic world” and that black Americans were closer to economic equality as consumers than
producers. Writing in *Dusk of Dawn*, Du Bois encouraged black Americans to “search
intelligently and carefully and farsightedly plan for his entrance into the new economic world,
not as a continuing slave but as an intelligent free man with power in his hands” (1940:706).
The buying power of black Americans, Du Bois contended, was stronger than their labor or
political power. Estimated at over $160 million per month in 1935, Du Bois argued that the
consumer power of black Americans could provide an economic foundation for a self-
segregated black nation. A history of contentious relationships with the labor movement left
black workers in a vulnerable economic position. However, in an increasingly consumer-based
economy, Du Bois saw the power that withholding consumption could have on increased black
employment (see, for example, the “Don’t Buy Where You Can’t Work” campaigns discussed in
Chapter 4) and surmised that black Americans could extend their consumer power to economic
and productive power by taking their consumption out of the wider economy and putting it into
a self-segregated black economy. In a 1936 article in the *Pittsburgh Courier*, Du Bois quoted William King, an early supporter of consumers’ cooperatives. King wrote:

> You are poor because you work for others and not for yourselves. Though you have not capital with which to employ yourselves, you have purchasing power. Combine to purchase. Let the economies of combined buying accumulate as capital (quoted in Du Bois 1936c:A2)

Defending his position of self-segregation, Du Bois argued that the “consumer group is in important aspects a self-segregated group. We are now segregated largely without reason. Let us put reason and power beneath this segregation” (1940:711). The advantage of self-segregation through consumers’ cooperation was that the movement was not “attempting to march face forward into walls of prejudice. If the wall moves, we can move with it; and if it does not move it cannot, save in extreme cases, hinder us” (1940:712). This is essentially a reiteration of Du Bois’s earlier arguments that working for an end to segregation - and waiting for that end - is a long term solution that leaves black Americans in a vulnerable position while waiting. Du Bois advocated self-segregation as racial self-defense and the way to avoid “Negro escape into an artificially privileged white race which has long sought to enslave, exploit and tyrannize over all mankind” (1936d:A1). But ultimately, he held out hope for a “united humanity and the abolition of all racial distinctions” (1936d:A1), but argued that this would not come about through simple, immediate integration.

**Discussion**

According to Du Bois, black Americans were uniquely situated and motivated to establish a separate consumers’ cooperative movement:

> We are fleeing, not simply from poverty, but from insult and murder and social death. We have an instinct of race and a bond of color, instead of a protective tariff for our infant industry. We have, as police power, social ostracism within to coerce a race thrown back upon itself by ostracism from without (1933a:94)
The marginalization of black Americans – based in economic, social and physical violence - should have forced black Americans, regardless of class, into a conservational group economy. Black Americans may have been divided - albeit only minimally - based on education, occupation, income and geography but all were located in the same, racially-based, social status. For Du Bois, this solidarity could and should have been organized through consumption and consumer activism due to the increased significance of the consumer in the twentieth century. The success of the “Don’t Buy Where You Can’t Work” campaigns (discussed in Chapter 3) and later the boycotts of the Civil Rights Movement proved the ability of consumer identity to organize racial solidarity and its power to effect social, economic and political change. However, the power of consumer activism to usher in a new economic and racial order was never proven. (Chapter 4 analyzes the success and failures of black consumers’ cooperatives in the first half of the twentieth century.)

One barrier to the establishment of a black consumers’ cooperative economy was the ideal, based on traditional education, that the object of business is wealth over service to humanity - or in this case, to black Americans. According to Du Bois, this was the “essential wrongness of this era of the world and against this misdirected ideal the cooperative store has got to fight” (Du Bois 1937d:11). A re-education of current and a change in the training of future business professionals was needed to shift the ideals of the black petit bourgeoisie that Du Bois had early in his career envisioned leading and raising the masses. Du Bois view of a consumers’ cooperative movement was adapted to fit within his continued belief that the black middle classes could lead the way for the advancement of all black Americans. Traditionally, starting with the Rochdale Pioneers and continuing as the movement migrated across the Atlantic, consumers’ cooperatives were seen as a tool for the laboring and poor classes and to be
established by those same classes (see Chapter 2). However, the Rochdale cooperatives and the early-American consumers’ cooperative movement were defined by a class marginalization that existed within a well-defined white class structure. Du Bois contended that real and significant class distinctions between black Americans had yet to develop. Thus, few barriers existed to limit collaboration between the classes of black Americans. Also, while the white-dominated consumers’ cooperative movement benefitted from the ability of the poor and working class to pool enough resources to start their own cooperatives, Du Bois rationalized that poor and working-class black Americans lacked both the economic and educational resources to establish cooperatives without the leadership, and limited capital, of the black elite. Du Bois plan may have in fact relied too heavily on the participation of the black middle class as some of his detractors suggested.

Another barrier to the success of black consumers’ cooperatives - and consumers’ cooperatives in general - was the reliance on a committed and informed consumer. Just as Du Bois called for the re-education of business leaders along cooperative lines, he believed the re-education of consumers was necessary as well. Consumers, particular those with limited economic means, have traditionally “shopped around” - buying bread at one store and butter at another - in order to get the best prices on goods and stretch their dollar. The cooperative store may offer a competitive price on one item, but a less-competitive price on another, which threatened the loyalty of members of consumers’ cooperatives. Additionally, the rise of the chain stores in the early twentieth century often meant, at least temporarily, lower-priced goods for black consumers. Savings through consumers’ cooperation often required members to wait until a later point for their savings. At the end of the fiscal year, members receive a percent of their dollars returned to them as dividends. This method of savings requires that consumers understand the workings of consumers’ cooperation and accept that putting off
immediate savings is likely to result in greater savings, and the accumulation of capital, over the
course of the year. (The success of the Red Circle Cooperative discussed in Chapter 4 proves the
importance of this understanding.) Chain stores may offer occasional lower prices, but were
likely to raise prices once competitors were removed from the environment. Black
workers/consumers traditional reliance on a system of credit - which worked to the benefit of
the retailer and the consumer in the short term, but to the detriment of the consumer in the
long term - created a major obstacle to the transition to a cash-based, cooperative system and
the success of a black consumers’ cooperative movement (Du Bois 1937c:11). In a 1936 article
Du Bois summarized what he saw as the many obstacles to the success of a black consumers’
cooperative economy:

The competition of chain stores and huge aggregations of capital; our own lack of
business training; our inherited doubt about our own abilities and fear to trust each
other; the necessity of starting an enterprise like this on a wide scale with supporting
education and propaganda; the necessity of quickly accumulating such reserves as will
enable the consumers’ cooperative quickly to support itself with a corresponding
producers’ cooperative as competition increases and as deliberate sabotage begins; the
difficulties of expanding consumers’ and producers’ cooperation as to include enough
basic industry to make survival possible (Du Bois 1936c:A2)

Du Bois also argued that many black consumers’ cooperatives failed because consumers
misunderstood the meaning of economic democracy and member ownership of cooperative
enterprises and viewed the stores as traditional profit-making enterprises. He also charged that
many consumers (and producers) did not understand that the black cooperative movement was
as much an ideological movement as a material one. Du Bois firmly believed that to be
successful, black consumers’ cooperation would require a shift in the focus of business programs
at historically black colleges from an individualist capitalist model to an advancement of
business and economic success for social and racial betterment. The black cooperative
movement required the participation of the often uneducated poor and working class, but,
consistent with his belief in the leadership of the educated and middle class, Du Bois viewed the reeducation of this population as essential. Despite these seemingly insurmountable obstacles, Du Bois was convinced that the establishment of a consumers’ cooperative system was absolutely necessary. He concluded emphatically, “We have got to. Our survival in America as workers, as citizens, as men, depends upon this economic segregation” (1936c:A2).

Despite the continued struggles of the movement, Du Bois continued his advocacy of, and work towards, the establishment of black consumers’ cooperatives into the 1940s. In collaboration with Malcolm S. MacLean, president of Hampton Institute (now Hampton University) Du Bois attempted to raise money to develop a consumers’ cooperative training center at the Institute with the aim of encouraging the further development of a black consumer cooperative movement in the south. In correspondence with Maclean (W.E.B. Du Bois Papers, letter from Du Bois to Hampton Institute, Nov. 3, 1941) Du Bois claimed that several organizations that support the development of consumers’ cooperatives have inadequately encouraged black American participation, assuming that their general work would reach black Americans without specifically reaching out to the population. Earlier in 1941, Du Bois wrote to the Twentieth Century Fund seeking funds for the training center (to no avail). However, in the letter, Du Bois reaffirmed his belief in the importance of a black consumers’ cooperative movement, stating, “Personally, I think it [black consumers’ cooperation] is the most important movement for the future uplift of the Negro race in America and consequently for the social security of America that could possibly be undertaken” (W.E.B. Du Bois Papers, letter from Du Bois to Twentieth Century Fund, Feb. 13, 1941). This correspondence leaves little doubt that Du Bois interest in and advocacy of consumers’ cooperatives, which began in the first decade of the twentieth century continued and perhaps grew stronger as he aged.
Du Bois political affiliation and beliefs varied over time (see Reed 1985 for a discussion of Du Bois’s changes in political thought and association), but his advocacy of black consumers’ cooperation remained consistent. This consistency makes sense as consumers’ cooperation reflects aspects of each significant point of his theoretical arc. As early as 1899, Du Bois recognized the importance of the buying power of black Americans. At this intellectual stage, Du Bois anticipated black consumers could support the development of a black business class who would provide an economic foundation for racial uplift. Later, a black consumers’ cooperative movement would depend on the centrality of the black consumer and their buying power to support cooperative economic ventures, not simply a black business class on which the majority of black Americans would depend for uplift. As discussed above, Du Bois eventually grew critical of the leadership qualities and the individualistic perspective of a black bourgeoisie and turned to support a talented tenth which would pull up the race. The talented tenth broadened the scope of black leadership. Similarly, Du Bois’s advocacy of black consumers’ cooperation represents a complete rejection of “the old, individualistic laissez-faire method of economic development” (1917:9) toward a democratic economic system dependent on the participation of all black consumers and even broader leadership than the talented tenth.

Finally, and perhaps most importantly, Du Bois’s ultimate plan was for black consumers’ cooperation to provide the economic and social foundation upon which self-segregation could be built. As early as 1899 Du Bois identified black buying power as essentially to racial uplift (Du Bois 1899:15). From 1917 forward, Du Bois’s commitment to black consumers’ cooperation intensified, as did his belief in self-segregation. By 1935, the two positions met. Through self-segregation, Du Bois argued, racial antagonism would increase, and necessarily so, in order to unite black Americans and encourage a sense of self-defense and intra-race reliance, which could be channeled into the development of a cooperative economy, in which intra-race
reliance was a key contributor to success. In return, black consumers’ cooperation was a practical form of self-defense for black Americans in that, once segregated from white economic and other institutions, consumers’ cooperatives could provide for the needs of black consumers while slowly building an economic foundation upon which a separate black economy could be built. Although largely neglected, a close analysis of the work of Du Bois’s illustrates that his advocacy and plan for black consumers’ cooperation provides a consistent theme around which his theoretical development can be understood.

An analysis of Du Bois’s belief that the power of the black consumer and the primacy of consumption is central to racial uplift is important not only for understanding Du Bois’s sociological theories of race, class and politics, but also as a significant contribution to analyses of the origins of consumer movements in the United States in general and the 20th century Civil Rights Movement specifically. Du Bois laid the groundwork for a black consumers’ cooperative movement and contributed to the foundation of a black consumers’ movement that would later prove to be an essential component of the modern Civil Right Movement. His early exploration of economic organization through cooperation and the primacy of the consumer in *The Crisis* and the later founding of the Negro Cooperative Guild introduced black consumers’ cooperation as a method of racial uplift. As a black consumers’ cooperative movement developed, a number of black consumers’ cooperatives were established in both urban and rural communities between the early-1920s and the late-1940s. In much the same way that Du Bois’s advocacy of black consumers’ cooperation has been neglected so has the history of a black consumers’ cooperative movement in the United States. In the next chapter I turn to an analysis of this history.
CHAPTER 4
THE BLACK CONSUMERS’ COOPERATIVE MOVEMENT

Consumers’ cooperation has been associated with varying populations in the twentieth century. Contemporary literature tends to emphasize the middle-class nature of consumers’ cooperatives (Knupfer 2013). These consumers’ cooperatives are largely concerned with food politics and the “equitable production, processing, and distribution of food” (Sommer 1998). The emergence of the middle class as perhaps the most common consumers’ cooperators began around the 1950 as white collar workers - members of the professional and managerial classes - began to outnumber working class consumers’ cooperative members (Bell 1961; Evens 1957). By the late-1960s and 1970s a different middle-class population began to practice consumers’ cooperation as members of the student, anti-war and other radical movements, as well as those interested in natural foods and community-based economic organization embraced consumers’ cooperation (Cox 1994). Often forgotten in this consumers’ cooperative narrative, however, are the consumers’ cooperative movements of the early twentieth century that laid the foundation for the “second-wave,” middle-class dominated consumers’ cooperation beginning in the 1950s.

The Cooperative League of the United States of America (CLUSA), as discussed in Chapter 2, played a significant role in the organization of a working-class based consumers’ cooperative movement that arguably defined consumers’ cooperation in the early-twentieth century. Lost in the limited historical account of consumers’ cooperatives are the stories of the black American consumers’ cooperatives that blossomed in the early to mid-twentieth century United States. When black consumers’ cooperatives are included in the narrative they are rarely treated as a specific strategy for black economic development (Gordon Nembhard 2014) or a segregated movement unique to the larger, CLUSA-led movement. Instead, they tend to be treated as part
of the larger, CLUSA-led consumers’ cooperative movement or as an illustration of black consumer activism similar to the use of the boycott or “buy black” campaigns.

In this chapter I intend to contribute to a rectification of this incomplete historical narrative by analyzing black consumers’ cooperation specifically as a strategy for economic development separate from the CLUSA-led movement and characterized by black self-segregation. I start by critically examining the place of the black consumers’ cooperative movement in the context of early twentieth century black consumer activism. Black consumers’ cooperation, like the use of the boycott and “buy black” campaigns, illustrates black Americans’ reliance on their position as consumer in a context defined by a lack of black labor and political power. However, my examination diverges from the common treatment of black consumers’ cooperation by emphasizing the movements’ dissimilarity from other, more well-known forms of black consumer activism. Typically, the goal of boycotts in the early twentieth century was racial integration and obtaining racial equality in hiring practices (see, for example, the “Don’t Buy Where You Can’t Work” campaigns discussed below). “Buy black” campaigns encouraged black consumers to shop at black-owned businesses and utilized the buying power of black Americans to build and support a black middle class. Sometimes these tactics coalesced in so-called “double-duty” campaigns where black consumers were encouraged to withhold their dollars from discriminatory white-owned businesses and spend them at businesses owned by black Americans.

Black consumers’ cooperation was not an integrationist movement. It did not work to eliminate racial discrimination in existing hiring practices; it was a strategy to develop a separate black economy by harnessing the buying power of black Americans, not a temporary tactic like the boycott, which only withdrew black patronage until black activists’ demands were met. “Buy black” campaigns were similar to black consumers’ cooperation in that they sought to grow
black businesses to compete with white-owned businesses. However, “buy black” campaigns were class specific. Black business owners encouraged black consumers to patronize their shops, but offered little in return to black consumers. The campaigns ultimately benefited the black middle class, not the overwhelming majority of poor and working-class black Americans. The benefit of “buy black” campaigns to black business owners often came at the expense of the black consumer. Black-owned businesses did not necessarily provide quality products at fair prices to their black consumers in part because they felt confident in the patronage of black consumers based on the race loyalty inherent in “buy black” campaigns.

The black consumers’ cooperative movement, by comparison, worked across class lines to develop businesses using the collective buying power of black Americans. Like other consumer activism of the early twentieth century, black boycotts and “buy black” campaigns were often paternalistic and driven by middle-class black Americans acting on behalf of the poor and working class. Black consumers’ cooperatives, as democratic endeavours, were based in cross-class collaboration and helped poor, working-class and middle-class black Americans alike build up modest amounts of financial capital via their minimal investment in cooperatives. In the process, black consumers’ cooperatives provided a means by which black Americans living in poor communities, void of black-owned and white-owned businesses alike could provide for themselves and accumulate capital simultaneously. Where businesses did exist, consumers’ cooperation provided an effective strategy for black consumers to avoid exploitation by chain stores, white-owned businesses and black-owned businesses. And by creating successful business, black consumers’ cooperatives created jobs without reliance on white-business owners and placed economic power in the hands of black Americans regardless of class.

My comparison of the black consumers’ cooperative movement to other dominant forms of black consumer activism and the larger CLUSA-led consumers’ cooperative movement
of the early twentieth century provides a foundation upon which to uniquely analyse black economic development strategies, class distinction and conflict among black Americans as well as the black ideology and practice of self-segregation. Black consumer boycotts, “buy black” campaigns and black consumers’ cooperation all illustrate early twentieth century consumer-based activism, which foreshadowed the importance of black consumer activism to the success of the Civil Rights Movement. However, despite a shared acknowledgement of the primacy of the consumer, the end goal of each type of activism varied. Black consumer boycott and “buy black” campaigns sought reform and accommodation in a racist capitalist economy. Conversely, black consumers’ cooperation sought to create an alternative to the capitalist system of distribution (and eventually production) in a black self-segregated economy.

This chapter begins with an examination of prominent black consumer boycott and “buy black” campaigns and their relationship to early black consumers’ cooperation and the establishment of the Young Negroes Cooperative League (YNCL), one of the most ambitious attempts at establishing a nationwide organization of black consumers’ cooperation. Analysis of the YNCL reveals and illustrates the centrality of self-segregation to black consumers’ cooperation and the intended role of black consumers’ cooperation as an alternative form of economic development. Despite conflict between Du Bois and the founder of the YNCL, George Schuyler (which increased as Schuyler distanced himself from black self-segregation and embraced a conservative ideology), the League illustrated much of Du Bois’s theory discussed in Chapter 3, revealing both its strengths and weaknesses.

The Young Negroes Cooperative League did not succeed in developing a formal umbrella organization to coordinate a national system of black consumers’ cooperatives. However, I will argue that it did contribute to the development of a black consumers’ cooperative movement, which was free from any central organization, but held together through disparate black
institutions all working toward the same goal, learning as they went. This movement illustrates the promise and struggles of black consumers’ cooperatives as a form of black economic development. The success of black consumers’ cooperatives was due to a combination of factors that allowed the cooperatives to overcome economic obstacles, racism and a general lack of formal education among the membership. In some cases successful consumers’ cooperatives grew out of educational programs. In others, churches provided the organization and foundation for the establishment of black consumers’ cooperatives. Housing developments, segregated by race, proved to be a fertile ground for the growth of black consumers’ cooperation as well. Despite differences, most successful black consumers’ cooperatives shared a social context that provided resources not otherwise available. I will discuss case studies of black consumers’ cooperation in various contexts in order to extend my analysis of the innovation of black consumers’ cooperation as a form of black consumer activism. Black consumers’ cooperation, like black Americans’ use of the boycott and “buy black” campaigns, aimed to increase black employment and avoid consumer exploitation. But, as I will discuss below, black consumers’ cooperation, sometimes explicitly and sometimes implicitly, was a movement based in black self-segregation and, as such, put race first when other forms of black consumer activism were divided by class.

**Black Consumer Activism in the Era of the Great Depression**

The black consumers’ cooperative movement of the early twentieth century did not develop within a vacuum. Black Americans became significant consumers during the first Great Migration. Between 1910 and 1930 close to 2 million southern black Americans moved to northern and western cities looking for work in the industrial economy. Due to increased urbanization black Americans’ buying power increased as did their power as consumers (Weems
This new power, combined with the disproportionate economic impact of the Great Depression on black Americans, led to a flourish of activism in the 1930s. Much of the black consumer activism at the time was aimed at the discriminatory practices of white business owners in primarily black neighborhoods. A report on the economic situation of Harlem in 1930, for example, revealed that out of 2,000 businesses in the neighborhood, 59 percent were white-owned and employed no black workers. Another 24 percent of the businesses were white-owned but employed some black workers, typically in menial positions. A mere 17 percent of the businesses in Harlem were black-owned. In all, black workers received less than one-third of the employment offered in Harlem despite the fact that black residents comprised greater than 70 percent of Harlem’s population (Byrd 1931). In addition to the disparity in employment, even when employed, black workers earned on average 80 percent of their white counterparts. In Harlem, as well as in other cities and towns with large black populations, new groups organized innovative campaigns to confront the effects of the depression on black residents, including the advocacy and creation of consumers’ cooperatives.

Much black consumer activism was characterized not by black self-segregation as the black consumers’ cooperative movement would be, but by “race loyalty” campaigns (“buy black” and “hire black” campaigns, for example) (Greenberg 1991). These campaigns fit well within the social and economic reality of black America. Boyd (2001) found that black retailers were most likely to be present (and potentially successful) in areas characterized by residential segregation, large black populations and the disadvantage of black workers in the labor market, three factors that defined Harlem and other urban areas in the first half of the twentieth century. Black consumers were encouraged by multiple organizations - some related, some independent - to patronize black merchants and boycott white-owned businesses that did not employ, or under-employed, black workers. Before the start of the Great Depression and the
increase in consumer activism that followed, there was concern that black consumers were not patronizing black business and a reported belief among black consumers that black business owners were less capable than their white counterparts.

The National Negro Business League, an organization of black business owners established by Booker T. Washington in 1900, organized strategies to promote black businesses, which more closely resembled self-segregation than their later campaign would. One example, “Negro Trade Week,” which the League instituted in May, 1925, encouraged black consumers to shop only at black-owned businesses (“National Negro Trade Week” 1925). The League’s initial reasoning for “Negro Trade Week” resembled Du Bois’s call for black Americans to take control of existing and imposed racial segregation:

There may come a day where all business pursuits may be open alike to white and colored youth; there may come a day when race, color or creed will not bar the door of any business or financial institution to anyone, but that time is not now and until it comes the simple laws of self-preservation should impel us to stimulate race business by loyal patronage wherever possible (1925:23)

However, the NNBL backed off this more segregationist approach and adopted a decidedly integrationist position, going so far as to defend the hiring of white workers by black business owners.

A 1928 study of black consumers residing in Harlem conducted by the National Negro Business League (NNBL) revealed that black consumers were more likely to do business with white merchants than black merchants based on the assumption that “Negro buyers do not believe a Negro merchant can do business as well as a white merchant.” The same study found that black consumers believed “that ‘big Negroes’ set the example of boycotting the Negro merchant,” that “Negroes know nothing of production, distribution and consumption” and were unfamiliar with the idea of black consumers’ cooperatives as an alternative to traditional modes of consumption (“Negro Business” 1928:16). The NNBL concluded that the disadvantage black
merchants faced was significantly due to the merchants inability to gain enough capital to buy goods in a large enough quantity to offer prices low enough to compete with their white counterparts and the increasing number of chain grocery stores. The rise in chain stores during the first three decades of the twentieth century - and their ability to buy from wholesalers in large quantity - presented a new challenge to smaller merchants than they had previously faced. Based on the findings of the NNBL, the New York Amsterdam News, a major black-owned newspaper that reported consistently on consumers’ cooperation and consumer movements in general, emphatically stated the primacy of consumer activism as it relates to economic and racial uplift and called on black institutions to promote race loyalty in consumption:

The Negro people should realize that the final and determining power is in their hands. Without the pennies and dollars no white store in Harlem, from Woolworth’s on down, could last thirty days. Their leaders should not allow them to forget this. Every pastor of a church, every social leader, every head of a fraternal order, every professional man, every leader of every Negro organization should unremittingly hammer this truth into the heads of his followers. That this has not been done is a disgrace to Negro leadership ("Negro Business" 1928:16)

The sentiment expressed by the Amsterdam News reflected the general attitude of the time, which characterized the burgeoning black consumer movement.

In response to their study of black consumption, the National Negro Business League founded the Colored Merchants Association (CMA). Established in 1928 in Montgomery, Alabama, the CMA organized regional black retailers into cooperating organizations able to buy in bulk in a way that individual store owners could not (Greenberg 1991; Weems 1998). By organizing through the CMA, theoretically, black retailers would have been able to compete with chain stores and white retailers in a way previously unheard of. To be sure, the CMA did not advocate consumers’ cooperatives. Their model was based on business owners cooperating in order to better compete against the chains while at the same time offering black consumers better prices and encouragement to patronize black-owned businesses. The League, however,
did not specifically advocate self-segregation, or “race royalty” as the NNBL referred to it ("Retail Merchandising Chief Topic of Discussion at Business League Meeting” 1929). Race

loyalty, the NNBL argued, would not have been enough to allow black retailers to compete with their white counterparts and the chains. Albon L. Holsey, the executive secretary of the NNBL, although promoting black patronage of black-owned stores, argued that in the end, efficiency and sound businesses strategies would attract customers of all races and lead to economic and racial uplift (“Harlem’s Fate in Consumers’ Hands” 1929). The CMA strategy aimed to improve black employment in that black-owned businesses hired black workers at all levels of employment while the chain stores and white-owned businesses, if they hired black workers at all, limited black employees to the lowest-level positions. The CMA strategy stressed the primacy of consumption, in the same way that Du Bois and other consumers’ cooperative advocates did, as the economic way forward for black Americans. But their view of the consumer as central to black economic development only went as far as using black buying power to grow a black business class, not, as the consumers’ cooperative movement would, advance the economic development of all black Americans through collective ownership of the means of consumption. However, and although this stance was debated within the NNBL, the CMA did not oppose hiring white workers over black. In a 1931 address to Harlem consumers’ groups, Holsey defended the practice of hiring white workers on the grounds that placing untrained black workers in executive positions based on “soft sentimentality” would be unwise and irresponsible (“Holsey Describes Cooperative Plan” 1931).

A 1929 Census survey of black retailers in 15 cities with a population of more than 50,000 black Americans confirmed that black consumers conducted very little business with black merchants. The study reported that there were slightly more than 6,000 black-owned and operated stores with total annual sales of 28 million dollars in the 15 cities included in the
survey (Miller 1933:6). Most of the black retailers in these cities were grocers or operators of
general stores, which is the sector of the economy that black consumers’ cooperatives would
eventually target. According to the report, the average black consumer did only one percent of
their retail business with black merchants. Because black merchants depended almost entirely
on the black consumer, the merchants’ success relied completely on the loyalty of black
customers. The survey also found that black retailers did not carry a majority of the goods
needed by consumers, thus forcing the black customer to shop elsewhere.

As organizations like the National Negro Business League were encouraging black
Americans to “buy black,” other activists encouraged black Americans to use their buying power
to boycott white-owned businesses that discriminated against black Americans in employment
and consumption. These movements were integrationist in the sense that they worked for the
fair treatment of black workers and consumers within the landscape of white-owned businesses.
However, these boycott campaigns occasionally dove-tailed with “buy black” campaigns as they
encouraged boycotters to patronize black-owned businesses during boycotts. However, the
campaigns relied on black consumers returning to white-owned businesses for a successful
campaign; without the return of black business, white business owners would lack any
motivation to meet the demands of the boycotters. Thus, unlike black consumers’ cooperation
and to a lesser extent “buy black” campaigns, the use of the boycott did not disrupt the
capitalist means of consumption.

One of the more well-known examples of black consumer activism of the 1930s was the
“Don’t Buy Where You Can’t Work” boycott campaign (Greenberg 1991). Led by Joseph Bibb,
the editor of the influential black-owned newspaper The Chicago Whip, the first “Don’t Buy”
campaign was launched in Chicago in 1930. Due to the success of the campaign in Chicago, Bibb
was invited to speak to labor and community organizations around the country, which
encouraged similar campaigns in other cities with large black populations. The “Don’t Buy” campaign organized boycotts and picketing of white retailers in primarily black neighborhoods who did not employ black workers or did not employ black workers in non-menial positions. The campaign relied heavily on picketing to educate and pressure black consumers to withhold business from the targeted white-owned businesses. In addition to Chicago, the campaign resulted in some gains in Harlem and other predominantly black cities and neighborhoods, and, in many ways, served as a nucleus of other consumer activism in the region.

The Harlem Housewives’ League laid a significant portion of the groundwork for the “Don’t Buy” campaign in the New York City neighborhood. The Harlem Housewives’ League, led by Lucille Randolph, wife of A. Philip Randolph (founder of the Brotherhood of Sleeping Car Porters and civil rights activist), was a key organization involved in consumer activism in Depression-era Harlem. Formed in 1930, the League boasted over 1,000 members by 1931 (Greenberg 1991). In 1933, at the annual meeting of the National Negro Business League, the Harlem Housewives’ League served as a model for the creation of the National Negro Housewives’ League, which was established along the same lines and with the same goals as the Harlem organization (“Body Reveals Final Set-Up” 1931). The League regularly organized consumer rights and educational events and worked with other consumer and labor organizations. The League helped organize “Better Business Week,” an event which encouraged black patronage of black-owned businesses (“Better Business Week Launched” 1931). The League also led a campaign to encourage black Harlemites to shop only at Colored Merchant Association (CMA) stores and forcefully requested that white-owned businesses in Harlem hire black workers in proportion to black spending at those stores. While the “Don’t Buy” campaign was largely a middle-class movement in that the primary goal was to force white business owners to hire black employees in white-collar positions, the Harlem Housewives’ League, in its
effort to increase black employment in Harlem, did not demand that the employment be in white-collar positions only (Greenberg 1991).

In addition to their work with the NNBL and the CMA, the Housewives’ League was involved in several other cases of black consumer activism in Harlem during the Great Depression. One example, the so-called “Ice Wars,” took place in the summer of 1931 (see “Icemen Organize to Avert Doom” 1931 and “Icemen Sign Truce in Trade War” 1931). Prior to the summer of 1931, most ice dealers in Harlem were black Americans who served a majority black customer base. However, as electric refrigerators became more common in most of New York City, white ice dealers sought to increase their sales in black Harlem due to the low rate of refrigerator ownership and greater need for ice among residents. Initially, black ice dealers were being undersold by their white, primarily Italian-American, competitors who were able to purchase their ice at a reduced rate due to the large quantity of ice they ordered wholesale. In response, individual black ice dealers organized the “Afro Association” to collectively purchase their product in larger quantities in order to sell at a more competitive price. Despite the organization’s ability to purchase their ice in larger quantities than any of their white competitors, the black ice dealers were still charged more than their white counterparts by the white-owned wholesalers. Led by the Harlem Housewives’ League, many black Harlemites came together as consumers in support of the black ice dealers and pledged to temporarily pay higher prices to keep the black ice dealers in business. Of course many, if not most, black consumers in Harlem could not afford to make such a pledge and were forced to purchase their ice from the white ice dealers. Black ice dealers were left with no other option than to slash their prices and sell their ice at a temporary loss in the hopes that they could weather the unfair competition. Black ice dealers hung signs on their trucks indicating that they were members of the Afro Association, which successfully drew black consumers from white ice dealers. In response, the
white-owned ice dealers hired black crews to work their trucks in an attempt to hide the fact that they were white-owned. Despite this tactic, black consumers remained faithful to the Afro Association, which ultimately forced non-black ice dealers out of predominately black Harlem neighborhoods.

The “Ice Wars” illustrate many aspects of economic racial discrimination, black-business cooperation and the “race loyalty” that characterized black consumer activism in 1930s Harlem and elsewhere. First, the “Ice Wars” demonstrate the discrimination that black-owned businesses faced in the capitalist market. The black ice dealers were charged higher rates by white wholesalers even when adequate quantities were order to justify lower costs. The experience of the black ice dealers was not unique. Boyd (2012) found that the presence of white immigrant competitors in primarily black neighborhoods in northern cities in the first few decades of the twentieth century negatively affected the ability of black-owned businesses to succeed. Typically, according to Boyd (2012), black-owned businesses were more likely to succeed if they entered niche markets that removed them from direct competition from white immigrant competitors. In this case, the black ice dealers utilized creative strategies to remain in competition with white-owned businesses. Second, the case shows successful cooperation between black-owned businesses in order to better compete with white-owned business that had greater amounts of capital available to them. Finally, the instance demonstrates the effectiveness of consumer-business collaboration. Black ice dealers innovated in order to compete with their white counterparts, but their success was dependent on black consumers’ willingness to temporarily pay higher prices to sustain black-owned businesses. The “Ice Wars” illuminates the environment of economic and business discriminatory conditions that defined the context of black consumer activism, including consumers’ cooperation, developed.
This collaboration illustrates the two parts, so to speak, of consumers’ cooperation. During the “Ice Wars,” the consumers pooled their resources as did the business owners, but not collectively. When the wars ended, the black ice dealers were still in business in large part due to the “race loyalty” of the consumers. Black consumers’ loyalty helped build and sustain a black business base in their community but provided no direct economic return to the consumer on their “investment.” The “Ice Wars” provided a fertile ground for the development of a consumers’ cooperative, which would have allowed the businesses to survive and the consumers to receive a financial return on their investment. Consumers’, in lieu of paying temporary higher prices, could have bought shares in the businesses, restructured the ownership from private to collective and kept the previous owners on as paid staff. In both scenarios the businesses survive based on race-based consumer loyalty; but only in the consumers’ cooperative model do the consumers receive any lasting economic benefit.

Despite the earlier work of the Housewives League, it was not until 1934 that a “Don’t Buy” campaign was launched on a large scale in Harlem, when a number of religious, labor and community leaders formed the Citizens’ League for Fair Play to organize the campaign. The Citizens’ League chose Harlem’s Blumstein’s department store, a major retailer and employer, as its first target (the Harlem Housewives’ League successfully petitioned Blumstein’s to hire a black doorman and elevator operator three years earlier). Using picketing and educational programs, the campaign succeeded in getting Blumstein’s to increase its black workforce by hiring 15 black female clerks immediately and committing to hire 20 more black clerks later in the year (Greenberg 1991). Despite the Citizens’ League’s initial success with Blumstein’s and other white-owned businesses, the campaign quickly began to unravel. In late 1934 the New York’s Supreme Court ruled that because there was no labor dispute, the Citizens’ League had no legal right to picket if business owners opposed their presence. Without a physical presence
the effectiveness of the boycotts waned; many black workers who had been hired as a result of the campaign were laid off and businesses that had committed to hiring black employees did not honor their promise. Power struggles, political strife and class divisions contributed to the breakdown of the Citizens’ League. Poor and working-class black Harlemites’ support and participation decreased as they began to question whether they would truly benefit from the campaign. Because the emphasis of the campaign was on increasing black employment in skilled jobs, poor and working-class Harlemites were unlikely to gain employment as a result of the campaign. Additionally, the poor and working class were concerned that shopping at black-owned stores may result in paying higher prices for necessary goods. Store credit was more accessible at white-owned businesses compared to black-owned ones, a fact that certainly influenced poor black shopping decisions (Boyd 2001). Other divisions developed due to political disagreements and competition over leadership. Black nationalist members of the Citizens’ League charged that Blumstein’s chose to hire 15 light-skinned black women, which appeased the boycotters but only sidestepped the issue of race discrimination. Members accused Black Nationalist leaders of using the “Don’t Buy” campaign to exploit black workers by forcing them to join their organizations in exchange for jobs won by the campaign (Greenberg 1991). One black nationalist organization, the Harlem Labor Union, profited off the campaign by “guaranteeing” jobs to dues-paying members and offering to protect white-owned businesses from pickets or boycotts in exchange for cash.

Despite the wide range of support for the “Don’t Buy” campaign in Harlem, some prominent organizations, such as the National Association for the Advancement of Colored People opposed, or were hesitant to fully support, the tactics. The NAACP had long worked to increase black employment in white-owned businesses, but was uncomfortable with the idea of “race loyalty.” The NAACP, at the time engaged in a power struggle with Du Bois over control of
The Crisis and his use of the journal to promote self-segregation (see Chapter 3), cautioned that “race loyalty” campaigns could lead to greater segregation and not an increase in the racial integration that the Association espoused (Greenberg 1991). The NAACP did initially support, with reservations, efforts such as the “Don’t Buy Where You Can’t Work” campaign and the “Negro Trade Week.” At the Association’s twenty-first annual meeting held in 1930, the NAACP adopted a resolution commending “the efforts in Chicago, New York and elsewhere to use the economic power of Negro consumers in order to open opportunity for wider employment. This movement deserves the cooperation of everyone” (“N.A.A.C.P. Adopts Strong Resolutions in Sessions” 1930:20). The NAACP’s resolution concerning consumer activism was largely based on the dire economic circumstances of black Americans due to the disproportionate impact of the Great Depression on black Americans and black workers inability to fully integrate into the labor movement and receive protection on the production side of the economy. In a similar fashion, the Association and others were hesitant to support the campaign based on their fear that white-owned businesses outside Harlem would retaliate and decrease the number of black employees they hire, ultimately setting back any advancements gained in Harlem.

The Communist Party - a significant presence in the pre-modern civil rights movement due to its role in the Scottsboro case - as well as the Negro Labor Committee (an organization formed to unionize black workers in Harlem) were both concerned that the campaign would allow white business owners to use black laborers to drive down wages and thus pit black workers against white works, setting back the attempts of the communists and labor organizations to integrate black workers into the labor movement (Greenberg 1991). An April 7, 1931 article published in Daily Worker, a Communist Party newspaper, expressed concern that the “Don’t Buy” and similar campaigns would actually exploit black consumers by strengthening a black capitalist class (Villemez and Beggs 1984). Others argued that the development of a
stronger black capitalist class would negatively affect poor and working class black Americans as
the minority black middle class was likely to leave central-city neighborhoods when able, thus
ultimately increasing the economic plight of the mass of black Americans through isolation and
concentration (Bluestone 1969).

The initial Harlem “Don’t Buy” campaign fizzled out by 1936, but a more successful
campaign emerged in 1938. On March 28, 1938 the US Supreme Court overturned a lower court
decision and returned the right of individuals to picket businesses and other institutions that
discriminated based on race (Weems 1993). Arguing that the white-owned businesses in
Harlem discriminated against black job applicants, the “Don’t Buy” organizers regained their
most powerful tool. The success of the second campaign was in part a result of the conflicts of
the first. Business owners were more likely to cooperate with the new “Don’t Buy”
organization, the Greater New York Coordinating Committee for Employment, due to its
exclusion of the Harlem Labor Union and other black nationalists (Greenberg 1991). The
Communist Party and the Negro Labor Committee, originally opposed to the campaign, were
keen to work with the Coordinating Committee to ensure that inter-racial labor relations were
not harmed by the campaign and to have a presence in what was likely to be a successful
campaign against race-based employment discrimination (Greenberg 1991). The second Harlem
“Don’t Buy” campaign proved more successful than the first and resulted in securing over 300
white-collar jobs for black Harlemites.

“Buy black” and “Don’t Buy” campaigns both depended heavily on the consumer for
success. The campaigns illustrate the centrality of black Americans’ consumer power in the
absence of labor or political power. However, these movements, though dependent on the
consumer, did not necessarily benefit the average black consumer. The “Don’t Buy” campaigns
were sometimes successful in increasing black employment and decreasing consumer
exploitation by white-owned businesses, but they contributed very little to black economic
development. “Don’t Buy” campaigns often resulted in the hiring of black workers in menial
positions, the favoring of lighter skin-toned black applicants over darker skin-toned applicants
and the furthering of race conflict among the poor and working class. Most damning, the
campaigns did not result in long-term guarantees of change in discriminatory practices. Often
controlled by middle-class black Americans, the campaigns represented middle-class interests
and offered few opportunities for poor and working-class black participation.

“Buy black” campaigns, dependent entirely on black consumer loyalty, may have
benefited black-owned businesses at the expense of the black consumer. A common argument
against the idea of consumption based on race pride was that black-business owners would
become too comfortable with, and dependent on, the loyalty of black consumers and ignore
other aspects of successful business practice (Lewis 1933a:6). In both campaigns, the consumer
was central to success, but forgotten in the rewards. Prominent journalist and social
commentator Theophilus Lewis, whose column, “Harlem Sketchbook,” appeared regularly in the
New York Amsterdam News, frequently reported on consumers’ issues in Harlem. In an October
18, 1933 article, Lewis reported on a gathering of black Harlem community leaders who he
referred to as the “Montrose Masterminds” (the meeting, “What’s Wrong With Harlem and
Why?” took place at Montrose Country Club). Lewis took issue with the community leaders’
suggestion that the dire situation of Harlem’s black business owners was the fault of black
consumers who did not do business with black merchants. Specifically, Lewis critiqued a
statement made by a Harlem lawyer and chair of the board of directors of the Harlem Business,
Professional and Consumers’ Association, Alan Dingle, who claimed that the “spirit of sacrifice
necessary for the support of the Negro merchant has been lacking on the part of the Negro
buying public” (Lewis 1933b:6). The Harlem Business, Professional and Consumers’ Association
organized a campaign in late-1933 for black-owned businesses to display a “BPC” emblem on their storefront and encourage black consumers to pledge to patronize these stores whenever possible (“Asks Buyers to Help BPC” 1934). Lewis rebuffed the idea that black consumers did not regularly patronize black-owned businesses because of “race disloyalty” and countered that black-owned businesses did not always carry an adequate array of necessary goods, forcing black consumers to turn to white-owned businesses. At its base, Lewis’s critique, shared by many, was that business owners and consumers did not necessarily share a common interest. Lewis and others were concerned that black business owners would use race loyalty to exploit consumers. With a steady base of black consumers due to race loyalty, critics were concerned that black business owners would pay less attention to quality and cost, improving their economic well-being at the expense of black consumers. It follows that race loyalty would not in and of itself solve the race-based problems facing both black merchants and consumers and that perhaps another approach should have been considered. The root of an argument for black consumers’ cooperation was based in this critique.

Lewis concluded his article by arguing that “the only kind of business that can be adapted to the needs of Negroes in America is cooperative business, with the profit-motive and all that it implies inexorably outlawed. Here we are brought face to face with an historical paradox. In order to survive in individualistic America the Negro must revert to the collectivist faith of his ancestors in Africa” (1933b:6). In a later article, “Brotherhood as a Business Builder,” which appeared in the November 22, 1933 issue of the New York Amsterdam News, Lewis again called for the formation of a black consumers’ cooperative movement. He argued that as opposed to black merchants’ over-reliance on consumer sentiment for success, consumers’ cooperatives are a business model based on active engagement as opposed to passive “charity” and a model that empowers consumers as owners.
Lewis’s support for a black consumers’ movement was not unique among authors and journalists. In addition to the *New York Amsterdam News*, other widely read and influential black newspapers, the *Pittsburgh Courier*, the *Chicago Defender* and *The Baltimore Afro-American*, supported the consumers’ cooperative movement. Reporting on the Cooperative League of the United States’ nationwide cooperative drive in 1941, the *Pittsburgh Courier*, with a circulation of over two hundred thousand, officially advocated black consumers’ cooperatives as an important source of both economic and political power (“The Nationwide Coop Drive” 1941). The paper argued, much like Du Bois and George Schuyler (discussed below), that consumers’ cooperation could harness the consumer power of black Americans, which would lead to increased black employment via collective consumer influence and, following a growth in economic power, greater political power. The *Pittsburgh Courier* viewed black consumers’ cooperation - in the spirit of Du Bois - as the “means of economic emancipation” for black Americans and cautioned, “if we remain in economic bondage, we can blame no one but ourselves” (1941:B6).

Even though Du Bois had been advocating black consumers’ cooperation for more than a decade, the idea began to gain traction in the early 1930s within the context of other forms of black consumer activism. The development of broader support for consumers’ cooperation appears to have been almost a natural outgrowth and reaction to the limitation of other major campaigns of the day. The “Don’t Buy Where You Can’t Work” campaigns were led by the middle-class and its goals reflected that. The campaigns sought black access to more skilled positions in the retail industry and encouraged support of white-owned businesses that hired black employees. The campaigns provided no plan for sustained black economic development beyond the creation of a small black business class. “Buy black” campaigns, through the development of a black business class, potentially increased class conflict among black...
Americans. Despite dependence on black consumers for success, neither of these large-scale campaigns provided continuous benefits to consumers. Both campaigns left black consumers vulnerable to exploitation and neither provided a plan for strong black economic development.

Black consumers’ cooperation provided potential solutions to the many critiques of other black consumer activist campaigns. Black consumers’ cooperation was a cross-class movement. As member-owners, consumers directly benefited from patronage of their cooperative and could trust that their consumption was free of exploitation. As member-owners, consumers were able to gradually build capital - their investments in their store and any profit earned did not only benefit the private owner as all profits are returned to the members or reinvested as democratically agreed upon. Black consumers’ cooperation was a long-term economic solution for marginalized black Americans. Consumers’ cooperatives met the consumption needs of members, created employment opportunities and provided a core economic institution that a larger black economy could be built upon. Black wholesale cooperatives, black producer cooperatives and black financial cooperatives could all be created once the guaranteed need for products, credit and other services was established by sound black consumers’ cooperatives. Unlike other movements that recognized the centrality of the consumer, particularly among black Americans who generally lacked labor and political power, the black consumers’ cooperative movement was a true plan for black economic development. In the following section I will provide a historical analysis of the origins and development of the black consumers’ cooperative movement as a strategy of economic development based in self-segregation.
Black Consumers’ Cooperation

The black consumers’ cooperative movement lacked an umbrella organization similar to the Cooperative League of the United States of America. However, many black cooperators and organizations worked together to build a consumers’ cooperative network in large part held together by publications such as *The Crisis*, the *New York Amsterdam News*, the *Pittsburgh Courier*, *The Baltimore Afro-American* and the *Chicago Defender* that regularly reported on the development of black consumers’ cooperatives and provided venues for leaders of the movement to advocate for consumers’ cooperation through editorials or in some cases regular columns. Despite a good deal of association, many black consumers’ cooperatives and organizations worked in isolation or for various reasons, having little or nothing to do with consumers’ cooperation itself, found themselves at odds. Power struggles, political beliefs, religious affiliations and commitment to black self-segregation were significant reasons for a lack of a united movement. In the remainder of the chapter I will discuss these conflicts and analyze the development of black consumers’ cooperation emphasizing the struggles, success and failures of black consumers’ cooperatives as a strategy for economic development in the first half of the twentieth century.

Founded by George Schuyler in December 1930, the Young Negroes Cooperative League (YNCL) was one of the more ambitious organizations associated with the black consumers’ cooperative movement. Schuyler, a black journalist, novelist and leftist activist (until his adoption of conservatism later in life) began his career in the 1920s as a staff member of the socialist magazine, *The Messenger*. While at *The Messenger*, Schuyler became the protégé of A. Philip Randolph, then editor of the magazine (Ransby 2003), who contributed to Schuyler’s belief in consumers’ cooperation as a form of black economic development. As a president of the Brotherhood of Sleeping Car Porters, Randolph promoted the idea that labor organization
should be complemented by the organization of consumers’ cooperatives. Much like Du Bois, Randolph argued that even where traditional black businesses could succeed - and he believed they rarely could in the economy of the 1930s - black consumers should not be exploited for the benefit of the black bourgeoisie. Instead, Randolph contended that the “masses of the community, aside from receiving the goods they purchase with wages, should also share in the profits of the business made possible by their labor” (Randolph 1935:6A). In the early 1940s, the Brotherhood of Sleeping Car Porters established the Brotherhood Consumers’ Cooperative Buying Club, which Randolph stressed was necessary if consumers were to challenge the unequal distribution of the nation’s wealth (“Randolph Addresses Local Coop Members” 1944).

Schuyler took up editorship of The Messenger after Randolph’s departure and, after the closure of The Messenger, become a regular contributor to the black American newspaper, the Pittsburgh Courier (a newspaper that Du Bois regularly contributed to between 1936 and 1938, where he often penned articles in support of consumers’ cooperation).

Prior to founding the Young Negroes’ Cooperative League, Schuyler participated in the organization of the Citizens’ Cooperative Society of Buffalo, New York. Dr. E.E. Nelson, a noted supporter of black self-help through consumers’ cooperation, assumed a leadership role in the Society. Influenced by Marcus Garvey and Booker T. Washington, but most importantly George Schuyler, Nelson worked to promote black consumers’ cooperation in the Buffalo region of New York. Nelson, like the post-YNCL Schuyler, did not see the development of black consumers’ cooperatives as a “race movement,” necessarily. He did, however, admit that the movement would “tend towards a closed economic circle” (Nelson 1936:A2). Established in 1928, the Society opened its first consumers’ cooperative in early 1931. Records are unclear, but it appears that the cooperative store lasted - in various incarnations - for almost ten years,
ultimately succumbing to increased competition from the expansion of chain stores (Fordham 2009).

Schuyler’s initial announcement of the YNCL and call for members came in the form of an article published in the December 1930 issue of The Crisis (“An Open Letter to Young Negroes”) and a propaganda pamphlet (“An Appeal to Young Negroes”). In his call to “young Negroes” (those 35 years of age and younger), Schuyler attacked the “old Negroes” and their leadership. The elders, claimed Schuyler, had failed because their plan for racial uplift emphasized conciliation, a bourgeois ideology of individualism, employment through appeals to “good white folk,” patriotism and a reliance on the church and a belief in salvation in the afterlife instead of demands for equality in the present. Taking a Marxist tone, he pointed out the ways that capitalism had failed to raise the white working class to a decent standard of living and questioned why black Americans should expect any different. The YNCL and the establishment of cooperatives provided an opportunity for immediate proactive solutions to the problems faced by black Americans. Schuyler appealed to the same arguments made by Du Bois and others in an attempt to recruit members: consumers’ cooperation would harness the economic power of black consumers dollars; it would allow poor black Americans to slowly build capital via their collective ownership of cooperative stores; it would free black Americans from reliance on white philanthropists and their charity and white business owners for employment; and the economic power gained through consumers’ cooperation would translate to political and cultural power and disprove the supposed inferiority of the black race. The goals articulated by the YNCL, and later largely embraced by black consumers’ cooperators, illustrate the divergence of the consumers’ cooperative movement from other forms of black consumer activism. These goals represent a long-term vision and a plan for lasting economic development. Schuyler, himself 34 at the time of his founding the YNCL, believed that only the
young could embrace a new way forward. The “old” had grown jaded or lulled into believing
capitalism and individual economic achievement were the way out and up for black Americans.

Schuyler crafted an ambitious five-year plan for the YNCL based on a strategy of black
economic development. Consumers’ cooperatives were to provide an economic base for a black
cooperative economy. In two years’ time, he surmised, the YNCL would acquire 5,000 members
spread across the major cities of the United States. Each of these cities was to establish a
council of at least 25 members to study consumers’ cooperatives and establish a cooperative in
their locale by March 15, 1932. One year later, a cooperative wholesale should be established in
each state with a council to meet the needs of the consumers’ cooperatives within that state. A
year after that, each council with a consumers’ cooperative and wholesale was to establish a
cooperative bank to fund future cooperative enterprises. By March 15, 1935 the semi-
autonomous black cooperative economic circle would be completed with the opening of
producers’ cooperatives to supply the consumers’ cooperatives with the goods required. By
March 15, 1936, each council would branch out to develop cooperative housing projects and
then in 1937 a cooperative college to train future leaders of the movement.

Like Du Bois, Schuyler saw the need for a class of educated black Americans to lead the
movement. Consumers’ cooperation is based in participatory democracy, but education in
cooperative principles and methods are essential to the foundation of successful organization.
Owing to the general lack of educational opportunities for black Americans, those who did get
that opportunity, both Du Bois and Schuyler argued, should share the gains with the black
American masses. In a 1931 address to the seventh annual Intercollegiate Conference Schuyler
called on the soon-to-be black college graduates to lend their skills to a fight for a new social
order to replace capitalism. He asked the audience to work toward social justice and “abandon
the urge to get for the urge to give” and organize labor unions and consumers’ cooperative and
educate the uneducated - the graduates, he cautioned, should “not only be prepared to lead the common people to the capture of power but [also] have helped prepared them to exercise that power with loyalty, intelligence, discipline and tolerance” (“Schuyler Stirs Collegians in Bold Address” 1931:B6).

Almost immediately, Schuyler recruited Ella Baker to head the YNCL. Baker, who went on to leadership positions in the NAACP (as director of branches) and the Civil Rights Movement - including the Southern Christian Leadership Conference (SCLC) and the Student Nonviolent Coordinating Committee (SNCC) - came to New York City in 1927 after graduating from Shaw University in Raleigh, NC. Twenty-seven at the time of her appointment to secretary-treasurer of the YNCL, Baker had been living amongst and working with black radicals in the New York City area since her arrival in the city. Shortly after arriving in New York, Baker assumed the position of office manager at The Negro National News, a paper published by Schuyler. In 1931, Baker became the national director of the YNCL. Schuyler mentored Baker throughout the 1930s and introduced her to his circle of leftist political activists, writers and artists who regularly convened at Schuyler’s apartment in the then up-scale neighborhood of Sugar Hill, Harlem (Ransby 2003).

At its inception, the YNCL claimed organizers in 28 cities between the east and west coasts. More than 600 individuals attended the first annual meeting held in Pittsburgh in October of 1931 (“Schuyler Heads Up League” 1931). The League never met the goals of the five-year plan, but it did help grow the consumers’ cooperative movement among black Americans and led to the establishment of a small number of black consumers’ cooperatives. The YNCL, though short lived, fostered the development of young black Americans who continued to serve as organizers of a black consumers’ cooperative movement.

In her 1932 report to local branches of the YNCL, Baker lamented that very few consumers’ cooperatives had been established despite the stated goal of the five-year plan to
have a functioning cooperative in each area represented by a local. However, despite the failure to meet that goal, the YNCL did achieve some success in its first year. Buying clubs had been established in Philadelphia and Cincinnati and the branches in Columbia, SC, Washington DC and New York, NY were at the beginning stages of establishing buying clubs (these clubs are essentially functioning consumers’ cooperatives that lack a store front open to non-members) and consumers’ cooperative councils had been organized in New York, Philadelphia, Monessen, PA., Pittsburgh, Columbus, Cleveland, Detroit and New Orleans.

The Philadelphia branch of the YNCL illustrates the intended goal of the YNCL and its potential. In 1931 a small group of unemployed black students and young workers, all members of the YNCL, founded the Young Negro Cooperative Buying Club. The buying club claimed 50 members and began operating out of the back room of a member’s tailor shop. By 1933, the Club accumulated the resources to open a storefront cooperative grocery store that regularly served more than 500 families per week (“Cooperative Store Idea Makes Real Mark in Philly” 1933). That year the Club merged with the United Consumers’ Cooperative Society to form the United Consumers’ Cooperative Association. By 1934, the Association planned to open a second cooperative grocery store in Newark, NJ.

Despite the early struggles, Baker assured the members that the YNCL was receiving letters of interest in joining the League or interest in the consumers’ cooperative movement daily. In an effort to raise money not only for the YNCL but also a broader black consumers’ cooperative movement Baker proposed the “Penny-A-Day-Plan.” Baker urged YNCL members to start campaigns in their areas aimed at getting individuals and families to commit to saving one penny per day to be donated to support the black consumers’ cooperative the movement (via the YNCL). The campaign, which was to take place between January and the end of March in 1932 was timed to dovetail with the momentum of “Don’t Buy Where You Can’t Work” and
“Double Duty Dollar” campaigns. (The “Double Duty Dollar” campaigns urged consumers to use their buying power to serve a double duty by boycotting discriminatory white-owned businesses and spending their money at black-owned business.) In addition to raising money, the campaign was also meant to educate and promote the idea of consumers’ cooperation among black Americans. Baker’s campaign was an example of what St. Clair Drake, an anthropologist at Dillard University in New Orleans and advocate of black consumers’ cooperatives, referred to as “triple duty” dollar (1936:233). Drake critiqued the “Don’t Buy” and “Double Duty” campaigns as somewhat self-serving. The campaigns increased black employment in white-owned businesses and the success of black-owned businesses in black communities, but the consumer received little-to-nothing in return. The dollar could serve triple duty, Drake argued, if it was used to start black consumers’ cooperatives, which would increase black employment, support black-owned business and return profits to black consumers in the form of dividends.

There was surprisingly little collaboration between the YNCL and Du Bois. George Schuyler published the initial announcement of the YNCL and call for organization in The Crisis, but between that article and the end of Du Bois’s tenure as editor of the journal (a period of about 4 years) there was only one mention of the YNCL. Ties between the YNCL and the NAACP existed. Ella Baker was close friends with NAACP official William Pickens and later co-wrote an article for The Crisis with Marvel Jackson Cooke, a one-time secretary and personal assistant to Du Bois (Ransby 2003:77). Schuyler himself, before he announced the formation of the YNCL in its pages, wrote an article for The Crisis in 1926. However, whatever friendship between Du Bois and Schuyler existed began to sour as the 1930s wore on.

From the very beginning, Schuyler downplayed or discounted the presence of other black leaders in the consumers’ cooperative movement. Of course, at the time of the founding of the YNCL, Du Bois was 62 years of age and possibly considered one of the “old Negroes” that
Schuyler warned of. Schuyler claimed that prior to the YNCL “there were not 100 Negroes in this country who understood the history and very simple principles of consumers’ cooperation, and even less who appreciated the value and significance of the movement” (“Cooperation Seen as Best Way Out” 1931). Schuyler did acknowledged Du Bois’s advocacy of black consumers’ cooperatives in his Pittsburgh Courier column. In the article Schuyler called out black “so-called leaders [who], with a few exceptions like Dr. Du Bois, are totally ignorant of the movement” (Schuyler 1932:10). But that same year, at the annual conference of the NAACP, Schuyler, without acknowledgement of the work that Du Bois had done, lamented that “in the nearly seventy years since emancipation not a single Negro leader or organization of any consequence has said one word pro or con on the subject of consumers’ cooperation although all declared they were working for the benefit and uplift of the Negro masses” (The Ella Baker Papers, “Consumers’ Cooperation: The Negro’s Economic Salvation,” n.d.). Schuyler declared that the YNCL was an attempt “to see if we could do what ignorant Negro leaders have failed to do despite their opportunities.” Looking back on the NAACP, Schuyler criticized the Association, but not Du Bois specifically, for failing to use their regional offices and resources to establish black consumers’ cooperatives (Ingersoll 1962:302).

After the demise of the YNCL, evidence of bad blood between Du Bois and Schuyler emerged. In a letter to the NAACP in 1934 (shortly before his resignation as editor of The Crisis and his departure from the Association) Du Bois cautioned against inviting Schuyler to collaborate with the Association. Du Bois accused Schuyler of being smart, but driven by money and chided him for making a “mess of a cooperative project.” Ultimately, he warned that Schuyler could not be trusted to represent the NAACP in any way (W.E.B. Du Bois Papers, letter from Du Bois to Rachel Davis Dubois, March 6, 1934). In a letter to the American Consulate General concerning a meeting of the League of Nations shortly after his resignation from the
NAACP, Du Bois accused Walter White, then executive secretary of the Association, of working with Schuyler to “attack [him] in many ways” (W.E.B. Du Bois Papers, letter from Du Bois to Anne M. Graves, November 17, 1934). However, the NAACP invited Baker to speak on consumers’ cooperation at their 1936 annual conference, suggesting that the Association was not dissuaded from working with those closely associated with Schuyler (Baker went on to work for the NAACP starting in the late 1930s until the early 1950s). Baker was asked to speak at the “young people’s sessions” on the benefits of consumers’ cooperatives for black Americans (The Ella Baker Papers, letter from Roy Wilkins to Baker, June 22, 1936).

From the start, Schuyler viewed the YNCL as a black self-segregated movement for racial uplift (however, he later changed his position on self-segregation). The YNCL supported his early position and resolved, at their first annual meeting in 1931, to remain independent from the almost-exclusively white Cooperative League of the United States of America (CLUSA), but to maintain a “practicable” association with the League. The almost entirely white Cooperative League’s openness to working with black cooperators was evident in its relationship to the YNCL. In 1931 CLUSA offered Baker a scholarship to attend their summer educational program, the Cooperative Institute, at Brookwood Labor College in upstate New York (“Cooperative League Award Scholarship” 1931). Baker received the scholarship while chairperson of the New York Council of the Young Negroes’ Cooperative League and was the first black American to receive a scholarship to the Cooperative Institute. The Cooperative Institute attracted cooperators from multiple countries and was arguably the largest training ground for leaders of the cooperative movement in the United States. While representatives from the CLUSA did not attend either of the two annual meetings of the Young Negroes’ Cooperative League, they did send written statements to be read at the meetings. In both cases, the representatives stressed the importance and promise of consumers’ cooperatives to black Americans specifically. James
P. Warbasse, president of CLUSA, stressed the responsibility of the “white masters of our economic and political” in regard to “the profit system which holds the world in its grip in his letter to the first annual conference of the YNCL in 1931 (The Ella Baker Papers, letter from Warbasse to the First National Conference of the Young Negroes Cooperative League, October 16, 1931). In his concluding remark, Warbasse wished the YNCL, and black Americans in general, success and acknowledged their right to self-determination, “May your numbers multiply, and may you prove to be the bearers of the light that shall guide the Negroes of this country to the mastery of their own fate and shall enable them to win for themselves the justice which is their right.” Oscar Cooley, secretary of the CLA addressed the YNCL’s second annual meeting in 1932 via a written statement. Cooley, like Warbasse, stressed the importance of consumers’ cooperation as the economic way out for black Americans. Cooley emphasized the responsibility of the YNCL as “pioneers” who were “laying the foundation” for the economic emancipation of black Americans. “Upon how well you do your work depends the future economic welfare of your race.” Cooley claimed that consumers’ cooperation provided the path to “self-esteem and self-reliance” and the first essential step to rising to a higher economic and cultural level” (The Ella Baker Papers, Oscar Cooley address to the Second National Conference of the Young Negroes Cooperative League, March 31, 1932). These statements, and the general relationship of CLUSA to the YNCL, affirm that CLUSA accepted the YNCL’s embracement of a type of self-segregation and self-determination.

Schuyler’s position on black self-segregation, which mirrored Du Bois’s position in many ways, was well articulated in his address to an all-white audience at Brookwood Labor College in August, 1931, where he spoke of the need to develop a segregated black consumers’ cooperative economy. He argued that increased poverty due to the pre-existing economic conditions compounded by the Great Depression and growing industrial segregation, black
Americans are being pushed toward, and uniquely positioned to benefit from, consumers’ cooperation. Schuyler emphatically affirmed his belief that, because too few white Americans were “sufficiently emancipated on the subject of race and color” that “Negroes [could not] trust their destinies to mixed organizations” and that “the leadership and control of these enterprises must be by black men instead of white men; by those within the group rather than those outside it” (“Schuyler Heard at Brookwood College” 1931:11). Black Americans, according to Schuyler, were uniquely positioned to benefit from consumers’ cooperatives due to their almost complete marginalization from American society requiring the black population to pool resources in order to survive and prosper. Forced residential segregation ensured the concentration of black Americans in disproportionately small communities, providing the foundation for coordinated cooperative buying. During, before and after the Great Depression the unemployment rate of black Americans was substantially higher than white Americans. Thus, black families and individuals found themselves dependent on charity and philanthropy at much higher rates than their white counterparts. Schuyler saw consumers’ cooperatives as the way out of this dependency. Only when black consumers combined the only power they had available to them, their purchasing power, could they expect improvements in quality of life, an increase in other forms of economic power and demands for equality in employment (Schuyler 1932).

Like others in the black consumers’ cooperative movement, Schuyler was critical of the boycott as a form of black consumer activism. His criticism, similar to others, emphasized the temporary nature of the gains won through boycotts, the disproportionate benefit to middle-class black Americans and the dependency on white employers (Schuyler 1938). Schuyler viewed the black consumers’ cooperatives as a long-term economic development strategy that utilized the economic power of the black consumer. This position was a consistent commonality
of participants in the black consumers’ cooperative movement. Participants may have disagreed on the extent of self-segregation or the place of political affiliation in the movement, but all viewed consumers’ cooperation as more than a temporary solution to racial discrimination and inequality. All agreed that it was a movement based on racial identification and identification as a consumer. It was not a poor, working-class or middle-class black American movement. It cut across class lines because of the common identification as exploited members of a race and exploitation as consumers.

After four years of operation, the YNCL disbanded. The end of the League did not come as a surprise. From the start the YNCL failed to meet the benchmarks as laid out in Schuyler’s five-year plan. By early 1931 the League had 230 members, far from on track to meet the goal of 5,000 members by January, 1932. After a little more than one year of existence, the YNCL was experiencing financial difficulties due to low membership and delinquency on the part of dues-paying members. Both Baker and Schuyler ran the national office without salary and quickly found themselves lacking the time necessary to carry out their duties. Schuyler had begun to make loans, without guarantee of repayment, to the League in order to publish the YNCL newsletter. Despite this, the YNCL reported a deficit at the end of 1931, which they were never able to rectify. The inability of the YNCL to meet its first benchmark singed the beginning of the end of the League.

Facing financial problems should not have been a surprise to Baker and Schuyler. Starting the YNCL at the start of the Great Depression guaranteed financial obstacles, even though the YNCL was meant to overcome black Americans’ dire economic circumstances. This was a common problem faced by black consumers’ cooperatives. Consumers’ cooperatives are a means to grow capital, but require a certain investment by members to begin. The collective ownership and democratic control of consumers’ cooperatives is designed to spread the
economic requirements for initial operation among all members, thus decreasing the economic burden on individuals. However, the absolute poverty of black Americans at the time almost guaranteed that even the small initial investment was unreachable for most. The YNCL lacked a broad base of support and what support the YNCL did have was financially unstable. Many successful black consumers’ cooperatives relied on financially stable and educated black members to offset the uncertainty of the continued patronage of poorer members. This was a setback for the black consumers’ cooperatives that was less significant for the white, CLUSA-led movement.

The YNCL’s alienation from other black cooperative organizations also contributed to its short life span. Despite resolving to work with the Colored Merchants Association and the National Negro Business League - while stressing the fundamental differences between the YNCL, an organization that represents and is made up of consumers, and the CMA and NNBL that represent businesses - Schuyler publicly criticized both the CMA and NNBL. In early 1932 Schuyler wrote several articles in his paper, The National News, criticizing the CMA specifically as a “racket” (“Claim Ofays Subsidize Schuyler in Attack on Business” 1932). In response, CMA members and supporters claimed that Schuyler was jealous of the CMA’s success relative to the success of the YNCL (“Business: War on the CMA” 1932) and that he was serving the interests of white business owners who were losing black customers to CMA stores and offered Schuyler financial support in return for his criticism. The CMA went so far as to officially pass a resolution declaring Schuyler “an enemy of the constructive business interests of the community” (“Businessmen War on Schuyler” 1932). Instead of building off the success of the CMA, Schuyler - and thus the YNCL - severed ties with the Association. A relationship between consumers’ cooperatives and the CMA and NNBL was less than ideal. The CMA was not a consumers’ cooperative. It was an association of black merchants who cooperatively bought and marketed
goods with no ownership or participation from consumers. However, the small, burgeoning
good with no ownership or participation from consumers. However, the small, burgeoning
black consumers’ cooperative movement could not afford to splinter. Collaborations needed to
be strategic in order for success. The Cooperative League of the United States of America, as
discussed in Chapter 2, compromised on its standards for inclusion - allowing farmers’
cooperatives, which closely resembled the CMA, to join in order to grow the movement - which
created conflict but ultimately helped keep CLUSA solvent.

The Young Negroes Cooperative League was also hindered by its inability to build
relationships with black churches, which were increasingly supporting consumers’ cooperation
beginning in the 1930s. Despite resolving at the first annual meeting of the YNCL to “use every
opportunity to get ‘the gospel of consumers’ cooperation’ over to church congregations,” the
League routinely decried organized religion as being indifferent or even hostile towards “any
practical economic program for its membership” (The Ella Baker Papers, untitled memo
authored by George Schuyler forwarded to Baker, November, 1930). Schuyler often spoke out
against black churches, most often claiming that the churches and religion in general held black
Americans back in regard to social, political and economic progress. In one address Schuyler, an
atheist, claimed that 42,000 out of the 47,000 black churches could be burned without
consequence to the race (“Exert Entire Effort in Elevating Status Declares Schuyler” 1930). In
the same memo cited above from the founder of the YNCL, Schuyler emphasized his intention
that the YNCL would be an autonomous organization, stressing almost exclusive independence
from religious organizations:

All members of the Young Negroes’ Cooperative League should keep in mind the fact
that this is an economic, realistic, materialistic, this-worldly organization which, while
not fighting any other organization, is not concerned and will not be entangled with any
other organization or institution...Members WILL NOT try to hold any meetings in
churches, YMCA, YWCA or any other structure not under the League’s control or rented
by it. IT IS NOT BELIEVED THAT THESE ORGANIZATIONS CAN BE OF ANY HELP TO THE
LEAGUE AND THEY MIGHT HINDER ITS PROGRESS (emphasis original)
Schuyler’s position on collaboration with religious organizations was not without criticism. Theophilus Lewis, who earlier had collaborated with Schuyler in a regular column for *The Messenger*, called Schuyler out publicly for his insistence on building up the black consumers’ cooperative movement independent of other organizations, churches in particular (Lewis 1931). Schuyler’s distrust of the black Church restricted important opportunities to build a strong movement. Black churches, and larger religious organizations like the Federal Council of the Churches of Christ in America, both supported consumers’ cooperation and provided an established foundation of support needed for the success of black consumers’ cooperatives. Despite the demise of the Young Negro Cooperative League, Schuyler continued to advocate and work toward the establishment of consumers’ cooperatives in black communities. In a guest editorial published in the *New York Amsterdam News* (1934a), Schuyler argued, much like Du Bois, that a consumers’ cooperation movement should be given priority over labor organization. Schuyler called for the creation of a Harlem Consumers’ Cooperative Society to meet the food, clothing and household needs of Harlem residents. However, in a shift from his earlier arguments concerning the establishment of the YNCL, he suggested that the Society should “emphasize community and not color, the former being a sounder basis upon which to build” (Schuyler 1934a:8). Consumers’ cooperation, according to Schuyler, was a way to emancipate Harlem’s consumers from fraudulent merchant behavior (“short weights,” for example), predatory lending and installment housing. That is, consumers’ cooperation was a form of immediate protection from economic exploitation as well as a strategy for long-term black economic development.

In keeping with his new advocacy of interracial cooperation, Schuyler argued in an address at the fourteenth annual Educational Conference held at the Harlem YMCA that black
workers should eschew segregated black labor unions and seek integration with white-dominated ones. Speaking to the questions, “Does the Colored Group Need a New Economic Policy?” (Schuyler Pleads for Race Intermingling” 1934) he continued to advocate for consumers’ education and the establishment of potentially integrated consumers’ cooperatives. Schuyler made his beliefs about self-segregation clear when asked his opinion on integrated housing:

For better health we need to be able to share the improved housing to be made available. If the colored and the white workers are to win advantages for exploited labor, then they must live together, go to school together, and play together. You cannot expect unity between the races on the labor front when they have no contacts on other fronts” (p. 13)

Three years later, Schuyler once again affirmed his support of integration during a widely broadcast debate on the subject with prominent black author Claude McKay. McKay, a strong supporter of the development of a black “group economy,” argued that white America continued to suppress all efforts of racial equality and therefore organizing along racial lines was the surest way to economic security, power and status. In response, Schuyler held that any form of self-segregation would only encourage the continuation of belief in white superiority and invite negative and coordinated responses from white business aimed at undermining black-owned businesses (“Schuyler-McKay Debate Aroused Wide Attention” 1937).

As Schuyler continued to distance himself from his earlier advocacy of self-segregation, his conflict with Du Bois increased. While not naming the former editor of The Crisis specifically, Schuyler attacked proponents of self-segregation in a June 5, 1937 editorial in the Pittsburgh Courier. He accused “black segregationists who mouth nonsense about ‘group economy’ and ‘voluntary segregation’ as a ‘way out’ are getting the Negro into a worse hole than ever” (1937:22). Du Bois had used these exact (“group economy” and economic “way out”) or similar terms (“protective segregation” instead of “voluntary segregation”) in his advocacy of consumers’ cooperatives. Writing in the context of the Jews in Central and Eastern Europe,
Schuyler believed that voluntary segregation would further marginalize black Americans and make their “extermination easier” (1937:22). According to Schuyler, the extent of integration of a minority population with the majority was positively related to the social and economic well-being of the minority group while plans based on self-segregation were “the most suicidal...ever advocated for any people not economically self-sufficient” (Schuyler 1938:10). Schuyler also differed from Du Bois in that he encouraged black workers to focus energy and resources on joining and integrating white labor unions. Of course, Du Bois did not encourage black workers to avoid unionization, but he felt that, as with other white institutions, if white unions remained hostile toward black members than black workers should join or form their own unions rather than seek to integrate.

Schuyler turned to conservatism during the McCarthy era. However, despite his change in political beliefs, he remained an advocate of consumers’ (and producers’) cooperation. Schuyler used his “Views and Reviews” column in the *Pittsburgh Courier* throughout the 1950s to advocate for consumers’ cooperatives as a central part of the Civil Rights Movement. Speaking on this consistency in a 1960 interview, Schuyler noted that consumers’ cooperation is the “one thing I haven’t changed on - in 30 odd years - because it seemed to me basically sound, specific, non-belligerent, and basic” (Ingersoll 1962:300). He also pointed out that he felt consumers’ cooperation did not, and should not, reflect a particular political point of view. Schuyler clarified in the interview that his advocacy of black consumers’ cooperatives was based in his (widely accepted) belief that cooperatives should be community based and, because of segregation, communities tend to be either white or black. In this sense, he claimed not to support consumers’ cooperation as a form of self-segregation, as Du Bois had, but rather accepted segregated cooperatives as a result of social conditions. However, as noted above, his
written work at the time suggested otherwise. His later statements appear to be an attempt to reconcile his conservatism with his earlier leftist ideology.

Ella Baker, for her part, continued working within the consumers’ cooperative movement until the end of the 1930s when she began working as a field organizer for the NAACP. Between 1930 and 1936, Baker, while serving as the national director of the YNCL, worked for The National News and as a freelance journalist. In 1936, she took a position as a consumer education teacher with the Workers Education Project (WEP), a division of the New Deal’s largest program, the Works Progress Administration (WPA). The WEP employed 1,000 teachers nationwide, most of whom educated students on labor and consumers’ problems (Ransby 2003). Within a year, Baker was promoted to the position of assistant project supervisor of Manhattan where she was responsible for recruitment and supervision of teachers and coordinating the content of classes. In this position, Baker had significant influence over the topics and focus of the courses offered. In her recruitment of teachers for her consumer education classes, Barker listed two key requirements: knowledge of general consumer problems and, reflecting her priorities, knowledge of, or at least no antagonistic feelings toward, consumers’ cooperation.

Shortly after starting her position at WEP, Baker enrolled in courses at the Rand School for Social Science, an institute founded in 1906 by socialists and labor activists located in Lower Manhattan, and began teaching courses on consumers’ issues there in 1937. At Rand, Baker offered courses on consumers’ cooperation in addition to more general consumer education courses. Her courses reflected her belief in the importance, or even primacy, of consumers’ organization as a means for social and economic change. Her syllabus for a course on consumer education, for example, claimed that:
All work is but a means to the end of meeting consumer demands. The ‘real wage’ is what the pay envelope will actually buy. The wage-earner’s well-being is determined as much at the point of production...Since recurrent ‘business slumps’ and the increased mechanization of industry tend to decrease the primal importance of the worker as producer, he must be oriented to the increasingly more important role of consumer (quoted in Ransby 2003:95)

Her pedagogy reflected her continued commitment to the primacy of consumer identification as essential to a strategy of black economic development given black Americans precarious position and lack of power in the labor market.

Other WPA workers in Harlem were also interested in consumers’ cooperation. As former supervisor of the WPA bureau of industrial relations in Harlem, Ralph O. Gothard conducted a survey to assess the manufacturing capabilities of the neighborhood. As a result of the study, Gothard founded the Consumers’ and Craftsmen’s Guild in 1937. The Guild fostered cooperation between Harlem producers and consumers. As consumers, members of the Guild and residents of Harlem organized into consumers’ cooperatives committed to buy goods labeled “Harlem Made.” The “Harlem Made” campaign illustrates a unique example of collaboration between consumers’ and producers’ cooperatives. Gothard and his collaborators believed that Harlem producers could provide most, if not all, of consumers’ necessary goods. He argued, much like Du Bois, “consumer consciousness and group loyalty...will eliminate the so-called color line, not by interacting us into an unwanted group, but by making us socially and economically equal” (Malliet 1937:13). The “Harlem Made” campaign, instead of working toward integration with a white America that was generally hostile to integration, advocated self-segregation through consumers’ cooperation.

Schuyler and Baker devoted a considerable amount of time, resources and energy to establish a black consumers’ cooperative movement. Despite their efforts (and the efforts of others) the movement could best be characterized as a loose network of individuals and
organizations. Journalists and social commentators, such as Theophilus Lewis, regularly reported on and advocated for the black consumers’ cooperative movement. Prominent black newspapers followed the development of, and often supported, black consumers’ cooperatives throughout the first-half of the twentieth century. Others, like influential labor leader A. Philip Randolph, supported the development of black consumers’ cooperatives as ancillary to unions. Neither Du Bois’s Negro Cooperative Guild nor the Young Negroes’ Cooperative League succeeded in developing a formal system of coordinated black consumers’ cooperatives. However, as I will discuss in the following section, varied institutions and organizations combined to form a movement and consumers’ cooperatives among different classes of black Americans and in rural and urban areas alike. These cooperatives illustrated the promise and struggles of black consumers’ cooperatives as a strategy of black economic development.

Black Consumers’ Cooperatives

As noted above, no umbrella organization emerged to formally bring together the disparate groups working toward the development of black consumers’ cooperatives. Nonetheless, a black consumers’ cooperative movement can be identified. As early as 1917 Du Bois began to formally use The Crisis as a way to advocate for, and educate the readership on, black consumers’ cooperation. A thorough analysis of Du Bois’s correspondence during his tenure as editor of The Crisis (between 1910 and 1934) reveals a constant stream of written requests for information on consumers’ cooperation from readers. In this capacity, Du Bois connected individuals and groups interested in black consumers’ cooperation, which helped establish a link between geographically or socially distant future cooperators. Black-owned newspapers consistently reported and editorialized on black consumers’ cooperation, which further spread information and provided an avenue for organization. Formal religious and
educational institutions aided their students and members in forming black consumers’ cooperatives. Black housing developments often segregated black residents in areas that lacked adequate grocery or other retail stores, which created fertile ground for the growth of consumers’ cooperation as a practical response.

In 1940, John Hope II noted in “Rochdale Cooperation Among Negroes” that there was “an extreme dearth of information concerning the progress” of the black consumers’ cooperative movement (1940:39). Unfortunately this is still true today. Historical records exist in regard to black farmers’ cooperatives and credit unions, but the limited availability of information regarding consumers’ cooperatives is striking. Perhaps most limiting is the lack of records regarding the lifespan of the cooperatives. Of the records of black consumers’ cooperatives that do exist, few report a complete history. My discussion of black consumers’ cooperatives in the pages to follow is based on the partial historical data available, but it begins to fill the holes in the study of black American economic history.

Few black consumers’ cooperatives existed before the late 1920s, with most emerging in the early 1930s. One exception, the Citizen’s Cooperative Stores, was an example of a pre-Depression black consumers’ cooperative. Established in 1919 under the leadership of Bert M. Roddy, then president of the Memphis branch of the NAACP, the Citizen’s Cooperative Stores became the first black-owned grocery chain in Memphis (Walter 2009). A member of the Negro Cooperative Guild (see previous chapter), Roddy brought the cooperative idea to Memphis. At its most successful point, the Citizen’s Cooperative Stores maintained 14 storefronts and close to 40 employees. Despite the initial success of the cooperative, Citizen’s closed in 1922 due in part to the misfortune of opening just before the post-WWI economic depression and the influx of corporate chain store competition in the southern states. Du Bois contended, however, that the cooperative’s failure was due in large part to abandonment of the strict tenets of
consumers’ cooperation in the face of increased national chain store competition (Du Bois 1929).

The Students’ Cooperative Store, another successful black consumers’ cooperative, illustrates the effectiveness of development within the context of an educational institution. Established in 1924 under the guidance of Professor W.C. Matney, a founding member of the Negro Cooperative Guild, and the Department of Business Administration at the Bluefield Institute, an historically black college located in Bluefield, West Virginia, the cooperative was operated by students of the college. The Students’ Cooperative Store lasted until 1934, when the state of West Virginia disallowed the presence of independent businesses on state school campuses (W.E.B. Du Bois Papers, letter from Du Bois to W.C. Matney, April 22, 1936). Serving the needs of students, the cooperative stocked school supplies in addition to general items. The cooperative served as a business “laboratory” - the functioning store, owned and managed by the students prepared students to manage cooperative enterprises upon graduation. Matney went on to become a leading figure in the black consumers’ cooperative movement, advising other schools on the establishment of their own cooperatives and working with the United States Department of Commerce to establish a division of the Department dealing with black-owned businesses specifically. The Students’ Cooperative Store was one of only a few black consumers’ cooperatives to join CLUSA, which, along with their affiliation with Du Bois, brought attention from the broader consumers’ cooperative movement to consumers’ cooperation among black Americans.

The very successful Consumers’ Cooperative Trading Company of Gary, IN provides another illustration of the importance of educational institutions in developing black consumers’ cooperatives. The black population of Gary, a mid-size industrial city, represented a full 20 percent of the city’s population of 100,000 in 1932. Of the 20,000 black residents, most of
whom had migrated north between 1910 and 1930 looking for work in the steel mills, around half depended on relief programs. Recognizing the dire circumstances of the city’s black population, a black high school teacher, J.L. Reddix, began a study group with the intent to publish a newspaper to report on the conditions of the black population of Gary. The discussion quickly turned to the possibilities of starting a consumers’ cooperative (Reddix 1935). That same year, the small group began pooling their resources in an attempt to start a buying club to purchase goods at wholesale to be distributed to the members at a discount. Shortly thereafter, Reddix offered a night course at his school to educate community members on the benefits of consumers’ cooperation in the black community. The class, which was offered regularly from 1932 to 1934, provided the foundation upon which the Gary Society - later the Consumers’ Cooperative Trading Company - was built. One product of the classes was the publication of an ambitious “Five Year Plan for Uplifting the Social and Economic Status of the Negro in Gary” (Hope 1940:41). In 1935 the store did 35,000 dollars in business, 10,000 more than any other black-owned retailer in the country (Fowler 1936). Although a strictly black cooperative, the Trading Company affiliated with the Central States Cooperative League, a district league of the Cooperative League of the United States of America (Monthly Labor Review 1936). Despite limited financial resources, the educational program provided training and a foundation upon which the cooperative venture could be built and continue to grow. Consumers’ cooperation required an ideological commitment in addition to a financial one. In the face of hardship, cooperatives often reverted to traditional business models. Those with an ideological commitment were more likely to work through the initial setbacks due to their investment in the ideal of a cooperative economy. The educational programs in Gary provided both technical and theoretical training, which proved central to the success of the cooperatives.
Harlem, home to one of the largest concentrations of black Americans in non-southern states, saw a number of attempts at establishing black consumers’ cooperatives between the early 1930s and the mid-1940s. In 1934, amidst an estimated 100 white-owned retail stores in Harlem, the Pure Food Cooperative Grocery was established by nine men and one woman. By 1935, the cooperative had grown to a membership of 350 families (Gardner 1935). The strength of the cooperative was attributed to its well-organized educational system aimed at teaching the tenets and benefits of consumers’ cooperation and “buying black.” The Pure Food Cooperative affiliated with the Harlem Consumers’ Cooperative Council, which formed in 1938 as a result of a conference of various local, regional and national cooperative groups to strengthen and assist in developing cooperative enterprises in the neighborhood (“Many Groups Merge to Consider Coops” 1938).

Black consumers’ cooperation continued well into the 1940s, in some cases having grown out of endeavors started during the Great Depression. Despite Schuyler’s reluctance to collaborate with black churches, several successful black consumers’ cooperatives developed out of faith communities. Opposition to the involvement of the black church in economic development strategies was based in the suspicion that black churches only promoted a small number of elite black capitalists, doing little or nothing to benefit the masses of poor, black consumers (Ofari 1970). Du Bois and others, however, believed that black churches could be useful to the consumers’ cooperative movement if they could be convinced to utilize their established presence and influence in black communities to organize and educate the black working class on consumers’ cooperatives as the economic way out for the black population. In fact, many of the more successful black consumers’ cooperatives were organized within the black religious community. The Valley Consumers Cooperative provides an example of a long-lasting and successful consumers’ cooperative based in the black church. In 1936, encouraged
by their reverend, the all-black congregation of St. Simeon church just outside of Cincinnati, OH started a small buying club to purchase food in bulk in order to save money on their groceries. With over 90 percent of the congregation on some sort of public relief, the reverend viewed the development of a consumers’ cooperative as a form of self-help. Unemployed and poor, the members of the congregation saw little hope in improved employment opportunities, but viewed consumers’ cooperation as a realistic way of taking their economic well-being into their own hands through collective buying power. By 1943 the small buying club grew to over 200 members and had opened the largest black-owned grocery store - and one of the largest black-owned businesses - in the Cincinnati area (Peters 1943).

In Harlem, Reverend James Robinson encouraged his congregation to start a cooperative buying club in 1943 as a response to the church members’ economic circumstances and the economic needs of the community at large. The members of the Church of the Master used the buildings’ basement to house the operation until growth in membership demanded more space. In 1946 the store moved to a first-floor room of the church and was staffed by volunteers. The cooperative store continued to grow and by 1948 Cooperative Enterprises opened its first independent store with a paid staff (“Harlem’s Oldest Cooperative to Expand” 1949). The consumers’ cooperative existed well into the 1950s with a steady membership of 250 and a weekly business of more than 3,000 dollars (Schuyler 1953).

Although his church never established a consumers’ cooperative, Reverend M. Moran Weston, founder of the Carver Federal Savings Bank, the largest black-owned independent financial institution at the time of his death in 2002, advocated for the establishment of consumers’ cooperatives in Harlem in the 1940s. As preacher of the St. Philip's Episcopal Church in Harlem, Weston helped establish a church credit union. Weston also wrote a column, “Labor Forum,” for the New York Amsterdam News where he spread the gospel of consumers’
cooperation. In the post-WWII United States Weston viewed consumers’ cooperatives as a means to fill the gap between the rises of the cost of living that outpaced increases in wages. Harlem residents, Weston urged, should work with labor unions and churches to establish consumers’ cooperatives in order to keep black consumers’ dollars in Harlem, improve the price and quality of consumer goods and increase black employment. The Bethel AME Church in Detroit is another example of church-organized credit union. In addition to the credit union the church also organized a cooperative store (“Detroit Church Dissolves Debt” 1943).

Adam Clayton Powell, a civil rights activist and reverend of the Abyssinian Baptist Church in Harlem (a congregation of over 10,000 members), frequently spoke on the importance of consumer activism, both from the pulpit and in public. His son, Adam Clayton Powell, Jr. assumed the position of reverend of the church in 1937 following his father’s retirement and later went on to become the first black American elected to the New York City council and eventually the first black American to represent New York in the House of Representatives. Clayton Powell, Jr. began his involvement in black consumer activism as one of the leaders of the Greater New York Coordinating Committee for Employment (the organization that led the second “Don’t Buy” campaign in Harlem). Like his father, Clayton Powell, Jr. actively supported the development of black consumers’ cooperatives. The Abyssinian Baptist Church had a long history of supporting organized labor as well. In 1940 the church established a consumers’ cooperative society with over 250 members. The church opened a store front cooperative grocery store in 1942 and one year later, as membership grew, moved to a larger space.

In addition to religious and educational institutions, consumers’ cooperatives often arose in the context of black housing developments. Residents of segregated housing projects typically had few retail options due to the placement of the developments combined with
limited mobility. The Glen Hazel Consumers’ Cooperative Association (Glen Hazel Housing Project, Pittsburgh, PA), the Altged Gardens Cooperative (Altged Gardens, Chicago, IL) and Harlem’s Own Cooperative (started by the Dunbar Housewives’ League of the Paul Laurence Dunbar Garden Apartment in Harlem) reflect the geographic diversity of the cooperatives. The success of black consumers’ cooperatives located in housing projects was likely due to the spatial concentration of the cooperators and the use of established project organizations from which to build the enterprise.

One key participating cooperative, Harlem’s Own Cooperative, grew out of a small buying club formed in 1930 by the Dunbar Housewives League of the largely middle-class Dunbar Garden Apartments. Gordon Nembhard (2014) notes that the apartments were home to many notable black Americans, including Du Bois and A. Philip Randolph, but there is no evidence that either were involved with the cooperative, most likely because their time at the apartments did not overlap with the existence of the cooperative. Harlem’s Own established itself as a cooperative store in 1935 and operated into the 1940s, but not without its struggles. Baker chided the cooperative for its fiscal irresponsibility, which contributed significantly to its closing.

The People’s Consumer Cooperative based in the Rosenwald Apartments of Chicago, IL - a 420 unit complex built in 1930 to provide affordable housing to working-class black Chicagoans - provides a relatively successful example of a black consumers’ cooperative started by economically-stable black Americans. As opposed to most black cooperators, the Rosenwald residents were more likely to be employed and educated. The movement to establish a cooperative at Rosenwald was not driven by dire economic circumstances, but the residents did fear the increasing costs of consumer goods and their vulnerability to being charged higher prices for inferior goods due to a lack of retail choices in the neighborhood (Hope 1940). In
1936, interested residents, led by Henry Taylor, a postal clerk, formed a buying club and initiated a boycott of the exploitative neighborhood store (Heise 1990). After initially being unable to open a storefront due to clauses in several white merchants’ leases that prohibited the leasing of property to competitive businesses, the cooperative opened in 1937 with more than 100 members. After two years of operation, the cooperative’s membership grew to 450 (Hope 1940) and a credit union had been established to serve the financial needs of the members.

It was not uncommon for black communities to establish consumers’ cooperatives in response to exploitative white-owned businesses that often charged higher prices for inferior goods. Others were established to fulfill the needs of those living in “food deserts” - areas characterized by a lack of access to nutritional needs. In response to the lack of a grocery store within a two-mile radius, several families residing in the segregated Frederick Douglass housing development in Washington, DC formed a buying club in January, 1941, just one year after the housing development opened. Within a two-and-a-half year period the buying club, operated out of a member’s apartment, expanded to a 1,000 dollar per week operation. In September, 1944 the Frederick Douglass Cooperative opened adjacent to the housing project and affiliated with the Eastern Cooperative Wholesale, a member of CLUSA (Straggs 1944). Like other segregated consumers’ cooperatives, the Frederick Douglass Cooperative chose to utilize the services of non-black cooperative wholesalers due to the lack of a black-owned alternative.

In some cases black consumers’ cooperatives developed independent of educational institutions, churches or housing developments. The Red Circle Stores of Virginia, which at its peak had four stores in the Richmond area, were one of the more successful black consumers’ cooperatives in the first half of the twentieth century. The first Red Circle cooperative opened on October 11, 1939. Just under three years later a second store opened, followed by a third
and fourth in 1942. The stores collectively reported 250,000 thousand dollars in business per year and boasted over 1,000 members (Smith 1942). One branch of the Red Circle Stores closed during the end of WWII, but the other three were able to use their collective buying power to overcome war-based commodity shortages and race-based prejudice (“Virginia Business Survives War Shortages, Race Prejudice” 1947:9). The original Red Circle cooperative, located in a primarily black neighborhood in Richmond, VA, opened in close proximity to an A & P, the largest grocery chain at the time. After the Red Circle began to attract black consumers who previously frequented the A & P, the chain store hired its first black workers in an attempt to win back black consumers. When that tactic failed, the A & P engaged in a price war intended to force the Red Circle to lower their prices that the cooperative could not sustain. In spite of this scheme, black consumers remained loyal to the Red Circle. After one year of the Red Circle’s operation, the A & P accepted defeat and closed down the branch of their store. Chain retailers represented a threat to consumers’ cooperatives and independently-owned stores alike. The success of the Red Circle cooperative illustrates the importance of an ideological commitment to cooperative principles as well as black economic development.

Established to meet the needs of the low-income black population of Harlem in 1940, New York’s Modern Co-op outgrew the confines of its basement location in just over year. By 1941 the cooperative store increased from 20 charter members to roughly 200 members and moved to a larger space in the Sugar Hill neighborhood of Harlem. The cooperative specifically reached out to low-income residents and fought against the idea that only cooperative ventures with middle-class membership could succeed. John A. Morsell, spokesperson for Modern Co-op, stressed the ideological basis of the cooperative. Morsell and other charter members saw cooperation as more than just a business style. To the original members, consumers’ cooperation was less “glamourous” than other movements for racial and economic equality, but
more effective as a practical response to the economic conditions of black Americans. From the start, the group sought to recruit as many low-income members as possible (Tarry 1942:11). Like other black cooperative stores, the Modern Co-op, in addition to providing savings to members, ensured that customers also received quality goods. Outside of Harlem, the Bedford Stuyvesant Cooperative League was formed the same year as the Modern Co-op. The Cooperative League, located in the predominately black neighborhood of Bedford Stuyvesant in Brooklyn, New York, was founded by 11 families and quickly grew to more than 20 (“Cooperative League Proves a Success” 1940). Like many of the other black consumers’ cooperatives discussed, the Cooperative League, while small, served the needs of poor black Americans.

As the examples discussed above illustrate, several factors contributed to the success of black consumers’ cooperatives. In addition to supportive organizations, the financial status of the members was an obvious contributing factor to success. Although consumers’ cooperation had up until the mid-nineteen hundreds been an economic development strategy for poor and working-class populations, black or white, middle-class black Americans utilized consumers’ cooperatives due to their experiences of race-based discrimination. The members’ relative financial stability contributed to the solvency of predominately middle-class black consumers’ cooperatives. Without financial stability, black consumers’ cooperatives comprised of poor and working-class members relied on existing organizations to provide a level of stability and framework for success. Whether the groups were educational, religious or housing related, the organization provided education in the principles of cooperation as well as practical training in operating a business and provided a community base and existing commonality in addition to race, which has proven to be important in the success of consumers’ cooperatives. In the following section I will discuss the black consumers’ cooperative movement as an effective
means of black economic development and how this strategy relates to the theory and practice of black self-segregation.

Discussion

Arguably, modern consumers’ cooperation began in 1844 when a group of weavers in Rochdale, England established the Rochdale Society of Equitable Pioneers. The Rochdale Pioneers illustrated the importance of buying power for marginalized groups. Within a decade the potential of consumers’ cooperation spread throughout England as more than 1,000 consumers’ cooperatives were started. The Rochdale Pioneers turned to consumers’ cooperation after a failed strike, which illustrated their lack of power in their identification as workers and the significance of their identity as consumers.

The Rochdale Pioneers served as a model for advocates of black consumers’ cooperation. Black Americans were socially, economically and politically marginalized. Exploited in the agricultural economy of the south and pitted against white workers and largely excluded from the labor movement in the north, black Americans lacked any substantial labor power. These factors resulted in the importance of identification as a race and as consumers. These dual identities created the potential for a self-segregated black consumers’ cooperative movement. The lack of a strong identification based in relationship to the means of production increased opportunities for cross-class collaboration. Cross-class collaboration was also made possible by de facto racial segregation in the north, which made it nearly impossible for middle-class black Americans to distance themselves spatially from the poor and working class. Although, as other black consumer activism of the early twentieth century illustrates, the interests of middle-class black Americans and their poor and working-class counterparts were not identical. The “Buy black” campaign revealed a burgeoning class of black merchants who,
while dependent on all black Americans for success, did not necessarily have the best interest of
the average black consumer in mind. And the “Don’t Buy Where You Can’t Work” campaigns,
often controlled by the black middle class who emphasized the hiring of more skilled black
employees, illustrated that the middle-class leadership did not consider the specific needs of the
majority of less-skilled black workers.

The black consumers’ cooperative movement, however, specifically addressed the
shortcomings of other forms of black consumer activism. Du Bois, Schuyler and Baker all
explicitly renounced black leaders who promoted racial uplift through traditional capitalist
means and measures of success and encouraged young, educated members of the black middle-
class to embrace social over individual advancement and share their skills for the benefit of all
black Americans. Many black consumers’ cooperatives were started with the aid of middle-class
black Americans in educational, religious or residential environments. These individuals may
have taken a leading role in the organization of cooperative membership, but due to the
consumers’ cooperation principles of equal collective ownership and participatory democracy
opportunities for class inequality within cooperatives were severely diminished. The black
consumers’ cooperative movement was defined by racial uplift through collective action rather
than individual advancement.

Self-segregation in the black consumers’ cooperative movement was not only a result of
ideology, although ideology certainly played a significant role. It was also the result of material
conditions. Practices such as redlining, restrictive covenants and blockbusting all but
guaranteed that existing residential segregation would increase within urban areas and intensify
as white Americans began to move out of cities. Ideologically, the groundwork for self-
segregation was laid in earlier and concurrent consumer activism. The National Negro Business
League and the Colored Merchants’ Association, the “double duty dollar” campaigns and to a
lesser extent the “Don’t Buy Where You Can’t Work” campaigns all promoted “race loyalty” through black consumer allegiance to black-owned businesses. Black consumers’ cooperation took self-segregation one step further. By using consumers’ cooperatives as the foundation of a cooperative economy, groups like the Young Negroes’ Cooperative League were promoting a strategy of black economic development through a closed black economy. As with the CLUSA-led movement, consumers’ cooperation was not simply about establishing retail stores. The Bethel AME church in Detroit and the St. Philip’s Episcopal Church in Harlem, for example, both established credit unions, financial institutions organized by cooperative principles, which provided savings and loan opportunities not typically available to black Americans. The Consumers’ and Craftsmen’s Guild in Harlem united black consumers’ cooperatives with black producers’ cooperatives where the consumers’ cooperatives provided a guaranteed market for the producers’ cooperatives who in return responded to the needs of the consumers. Each of these examples illustrates the potential for at least partially closed economic circles where black cooperatives - consumers, financial and producer - could provide a strong, racially segregated, economic base to develop a black economy free from the racially discriminatory practices common to traditional capitalist relations of consumption and production.

A number of black consumers’ cooperatives succeeded without black middle-class members. Members of the black consumers’ cooperative movement, channeling the success of the Rochdale Pioneers, argued that consumers’ cooperatives could fill the gap between black consumers’ needs and their low wages, unemployment and dwindling relief funds. In some instances this proved true, but frequently, even when pooled, poor black Americans lacked the capital necessary to see the cooperatives through the initial stages. Successful black consumers’ cooperatives characterized by poor members often relied on incubation within an existing organization. The established networks of socially and economically similar individuals in
churches and segregated housing developments, for example, provided the formalized social cohesion necessary for the success of a consumers’ cooperative. In order to compete with larger chains and established retailers, black consumers’ cooperatives were dependent on a membership devoted to growing their cooperative through an ideological commitment to cooperation and regular patronage of the store. Members committed to the cooperative ideology, and each other, were likely to fully support their store and work towards its success regardless of outside factors. In the case of most black consumers’ cooperatives, race loyalty alone was not enough motivation for full commitment. Part of the failure of other black consumer campaigns, such as the “Don’t Buy” and “Buy black” campaigns, was a lack of full commitment on the part of poor and working-class black Americans. These populations often felt left out of the movements because of their financial inability to sustain black-owned business, which often charged higher prices and could not offer credit like larger white-owned businesses and chain stores. But race loyalty, along with identification as consumers, membership in some other social organization and the collective return of profits, provided the necessary building blocks for successful consumers’ cooperation.

Black consumers’ cooperatives established within educational institutions provided two important components of success: social cohesion and a place for careful study of consumers’ cooperation. Most Americans are well versed in and accept the underlying principles of consumption in the profit-based retail economy. Because relatively few Americans were familiar with consumers’ cooperation, successful stores required members to become at least familiar with the basic principles. The Young Negroes Cooperative League and Du Bois cautioned that no group should attempt to start consumers’ cooperative without a thorough study of the philosophy, business model and history of consumers’ cooperatives. The Bluefield Institute’s cooperative “laboratory” not only operated a successful consumers’ cooperative but
also trained students, in a segregated black college, to establish and manage cooperatives after graduation. Bluefield was widely considered a model to be replicated. The Consumers’ Cooperative Trading Company of Gary, IN, perhaps the most widely regarded black consumers’ cooperative of its time, owes much of its success to J.L. Reddix, who developed courses on cooperation for adult learners. His courses not only provided proper education, but also formal social cohesion among the already segregated black residents of Gary, IN.

Du Bois, in support of consumers’ cooperation, spoke of the need for black Americans to renounce a belief in bourgeois individualism and the idea that business exists solely for profit. Early on, Du Bois argued that for racial uplift to occur, black Americans must be convinced that the “accumulation of wealth is for social rather than individual ends” (1915:312). Consumers’ cooperation is a business model based on shared wealth. Any profits are divided among the members according to their purchases and the remainder reinvested in the cooperative as democratically determined. Conversion to the cooperative model required more than technical education, it also required a change in consciousness and an ideological shift. Educational programs, as well as organizations like the YNCL, provided a foundation for this conversion. The failure of the Young Negroes Cooperative League, and the Negro Cooperative Guild before it, impeded the development of a large-scale propaganda and educational program to promote consumers’ cooperation. Du Bois tried to spark a movement using his position as editor of The Crisis, but failed to use the full organizational power of the National Association for the Advancement of Colored People to develop a nationwide network of black Americans interested in consumers’ cooperation. But The Crisis, with a readership at its peak of over 100,000 and black-owned newspapers such as The Baltimore Afro-American, the Pittsburgh Courier, the New York Amsterdam News and the Chicago Defender systematically reported on the black consumers’ cooperative movement with an emphasis on its practicality and ideology. In
addition, umbrella religious association, such as the Federal Council of the Churches of Christ, promoted consumers’ cooperatives among their black congregations. These outlets served as a means to familiarize black Americans with the ideology of consumers’ cooperatives and its usefulness for black economic development.

Finally, black consumers’ cooperation reinforced the practice and ideology of black self-segregation and vice versa. It is difficult to identify which had a greater influence on the other. For some, such as Du Bois and Schuyler, black consumers’ cooperative as a form of black economic development fit with their beliefs about the dangers of integration (i.e., lack of full citizenship and admittance assuming second-class status) and the strengths of self-segregation (i.e., the ability to development black institutions to provide social and economic power to stave of the dangers of future integration and, through success, demonstrate theories of racial inferiority as fallacy). Cooperative economics has always been a movement meant to “build the road as you travel.” That is, cooperative movements have a long term goal of societal transformation, but work toward that transformation one cooperative at time, illustrating the vision of the future while building it piece by piece. The black consumers’ cooperatives movement was no different. For adherents to black self-segregation, consumers’ cooperatives provided a means to achieve independence from white capitalism by building a separate, alternative cooperative economy. For black adherents to consumers’ cooperation, success illustrated the potential and feasibility of black self-segregation. Black consumer activist engaged in “Don’t Buy” campaigns saw the influence black consumer power could have, but only within the context of white capitalism. Black consumers who supported “Buy black” campaigns also realized their buying power, but only within a class-segregated black population. Practitioners, students and believers saw within black consumers’ cooperation the power of racial unity and the ability to build economic institutions independent of white capitalism. Just
as Du Bois’s theoretical arc as an activist scholar, as I argued in the previous chapter, was
defined by the development of ideas of black self-segregation, black consumers’ cooperation
and the interdependence of the two, an analysis of the development of black consumers’
cooperative nationally reveals a similar phenomenon and suggests a social movement made up
of participants whose identities as a race and consumers determined their strategy of economic
development and their vision of the future.
CHAPTER 5
CONCLUSION

The Creation of a Consuming Class

In the early twentieth century, contrary to popular arguments, consumerism and consumer identity were not solely characteristic of the bourgeoisie (Goldthorpe et al. 1968) or, when considered in the realm of the white working class, secondary to a labor identity. Class was not restricted to a person’s relation to the means of production; class could also be understood by examining a person’s relation to the means of consumption. Despite what Glickman (2001) refers to as a “bought of amnesia” suffered by historians who disregard the role of consumption in class formation in the early twentieth century, the working class, as traditionally defined, was also a “consuming class,” defined by exploitation in relations of consumption as much as production. The rise of mass consumption - and the effect of consumption on one’s identity - contributed to and strengthened class delineation and working-class solidarity among white Americans and did not, as critics claim (see Cohen 1989 for a discussion), diminish class demarcation or solidarity. Hinrichs and Allen (2008) note that by the Progressive Era the labor movement recognized the buying power of the working class and “embraced consumer tactics as an important alternative means for social change” (p. 337). More importantly, the labor movement shifted from “negative” strategies emphasizing “don’t buy lists” to more “constructive and positive” strategies that utilized union labels and buy union campaigns, which proved effective (Hinrichs and Allen 2008:337).

Despite a general lack of recognition by scholars, the consumer tactics utilized by the working class in the early twentieth century included consumers’ cooperation in addition to the use of the boycott and “buy union” campaigns. Consumers’ cooperation provided protection for
the working class from exploitation via capitalist owned and controlled means of distribution. Through cooperation, the working class united and challenged the capitalist class as consumers. But unlike other consumer strategies used by the labor movement, consumers’ cooperation did not seek concessions from within the existing economic power structure. By removing their dollars from the market and spending at cooperative stores owned and operated by the working class as consumers, consumers’ cooperation introduced a new bargaining tool for unionization and created an alternative to dependency on the capitalist class for consumer goods even if still dependent on the capitalist class for wages.

The many examples of successful union-affiliated consumers’ cooperatives illustrated a willingness on the part of the working class to embrace a consumer identity as part of a class identity. However, as the Cooperative League of the United States of America (CLUSA) lamented, many working class consumers’ cooperative members were committed to the cooperative model for instrumental, rather than ideological, reasons. Warbasse and other members of CLUSA argued that the idealism of the working class was held back by leaders of the labor movement who emphasized gains within the existing capitalist economy and thus limited the radicalism of the movement.

Even if the working-class participants in the early twentieth century consumers’ cooperative movement did not fully embrace the ideology of the movement, they recognized consumers’ cooperation as a viable alternative to the capitalist means and relations of consumption. Compare this to workers who support unionization. Even those who embrace union representation typically view unionization as modification of the relations of production or, put another way, a source of protection within existing relations of production, not an alternative to capitalist relations of production and certainly not an alternative to the organization and ownership of capitalist means of production. In this sense, consumers’
cooperation is a more radical organization of the working class. Cooperation through consumption, whether for ideological or instrumental reasons, contributed to the development of a class consciousness through the formation of a consuming class, a class that existed in opposition to capitalist control of the means of consumption and actively developed an alternative to private control of the means of consumption. Laborers were not only united through unions as a working class, they were also united through membership in consumers’ cooperatives as a consuming class.

This represents a moment in the narrative of class transformation in the United States that is often neglected. Scholars such as Cohen (1989) have identified the positive effect that consumerism had on working-class consciousness in the Progressive Era and the rise of the citizen consumer who was “regarded as responsible for safe-guarding the general good of the nation, in particular for prodding government to protect the rights, safety, and fair treatment of individual consumers in the private marketplace” (2003:18). Others saw the increase in consumerism in the United States and other Western societies as leading to a breakdown of class consciousness and the acceptance of a middle-class world view; although there is disagreement on what point in history this change occurred (Goldthorpe et al. 1968; Jelin 1973; Bauman 2005). The once-fashionable “embourgeoisement” theory suggested that mass production and consumption led the working class to embrace conspicuous consumption or at least a belief in the importance of private consumption (Jelin 1974). “Lifestyle theorists” are perhaps a contemporary offshoot of embourgeoisement theory and view the rise of a consumer identity as the inevitable “waning of class” (Halnon 2002; 506), which, in part, is replaced by the created lifestyles built by “amassing standardized products” (Strasser 2006:53). Bauman (2005) argues that a working-class identity, eroded by the post-industrial instability of employment, has been displaced by a consumer identity. Strasser (2006) supports this idea and suggests that
“consumption is held to be a source of identification and satisfaction that surpasses work for most people, and rivals it for everybody” (p.53).

The existence of a consumers’ cooperative movement illustrates something distinct from the citizen consumer and the “classless” (or middle-class) mass consumer. Like the citizen consumer, the consuming class saw the social impact of consumer activism and the importance of consumers as a recognized interest group, even a stand-in for “citizen.” The citizen consumer, however, sought consumer protection by gaining a “seat at the table” alongside labor, capital and the state, a strategy that bestowed legitimacy upon existing economic organization. Conversely, the formation of a consuming class challenged the legitimacy of capitalist economic organization by constructing an alternative that undermined the private control of the means of consumption. And despite a symbiotic relationship to the labor movement and labor unions, the consuming class formed in relation to the means of consumption, not production. The consuming class, though related to the traditional working class, was distinct in its formation and identity. What I term the consuming class should not be confused with the more contemporary argument that Americans develop a sense of identity through consumption, which replaces any sort of class identification (Bauman 2005) or Cohen’s (2003) argument that by the 1940s consumption was used to stabilize the economy, restore faith in democracy and promote consumer capitalism. The consuming class that emerged, in part, through the consumers’ cooperative movement viewed consumerism as a radical response to the logic and exploitation of industrial and consumer capitalism.

The formation of this iteration of a consuming class was, relatively speaking, brief. The success of the labor movement starting in the New Deal era increased the importance of a traditional working-class identity and the rise of the middle class corresponded to, and reinforced by, the mass consumer - Cohen’s (2003) purchaser consumer. Both of these factors
made the consuming class less prominent and contributed to the transition of the consumers’ cooperative movement to a middle-class orientation. But the economic environment has changed, unionization rates in the United States are at an all-time low and the prominence of the consumer, in a consumer economy, has increased. Union membership in the United States has plummeted since the 1940s and continues to decline. As of 2014, only 6.6 percent of private-sector wage and salary workers were unionized. Including public-sector workers, the percentage increases to 35.7 percent. Combined, 14.6 million workers, or 11.1 percent of the workforce, are members of a union (Bureau of Labor Statistics 2015). Sixty years before this low point, union membership hit a peak at 34.8 percent in 1954 and has, for the most part, been declining since (Mayer 2004). Possible explanations for the decline include the weakening of labor laws, a decrease in the manufacturing industry, the growth of transnational corporations, a rise in the service sector and an increase in temporary and part-time work.

On the one hand, a decline in working-class consciousness through one’s relationship to the means of production creates new opportunities for the working class to organize as consumers in a consumer-based economy. However, the consumers’ cooperative movement may have missed its opportunity to organize the new working class as consumers. The consumers’ cooperative movement began to shift in the 1940s to appeal, intentionally or not, to the growing white middle class. CLUSA, for example, toned down, and in some ways, abandoned its antagonistic stance against capitalism and began to emphasize the practical management of stores over the organization of the working class. Later, in the late-1960s and early-1970s, consumers’ cooperatives were embraced by younger members of the white middle class. Members of the anti-war, student and countercultural movements formed and joined consumers’ cooperatives as means to create democratic organizations antithetical to modern capitalism (Cox 1994; Ronco 1974) and to support the growing natural foods movement (Curl
and Reed 2012). Currently, consumers’ cooperative membership continues to be characterized by the middle class, but as the radicalism of the 1970s waned, so did the radical ideology of the consumers’ cooperative movement. Consumers’ cooperatives are less interested in the transformation of capitalism and are increasingly invested in food politics (Knupfer 2014).

During the post-WWII economic transition, consumers’ cooperation became a middle-class phenomenon concerned with middle-class issues. In some ways, contemporary consumers’ cooperatives are similar to Progressive Era consumer activist organizations like the National Consumers League (NCL). Like the NCL, contemporary consumers’ cooperatives are disproportionately middle class and, in addition to being functioning stores, advocate (and practice) ethical consumption (in regards to both the production and trade of goods) and the connection between political and civic engagement and consumption. Where contemporary consumer activists, including consumers’ cooperatives, do engage in labor issues, they are more likely to focus their attention and efforts on global matters (e.g., the conditions under which food is produced and traded in third-world countries) over domestic struggles (Johnston and Baumann 2010). Consumers’ cooperatives commitment to global labor conflict in regard to the production and distribution of food has led, in the case of some products, to higher prices, or at least the perception of higher prices, which has discouraged some working-class consumers from joining or shopping at consumers’ cooperatives (see Alvarez and Kolker 2001). The association of all “natural food stores,” which since the 1970s has included consumers’ cooperatives, with Whole Foods Market (the world’s largest natural foods retail chain known for its high prices and the face of the bourgeois shopping experience), only exacerbates the association of consumers’ cooperatives with the middle and upper classes. The gentrification of the consumers’ cooperative movement can be understood as the gentrification of a “symbolic neighborhood” (Halnon and Cohen 2006). Consumers’ cooperation, as well as its ideology, has
slowly been appropriated by the middle class and the working-class origins of the movement have been evicted.

In the face of decreased buying power and a lack of visible alternatives, the poor, working class and to a lesser extent the middle class have not turned to consumers’ cooperation, but instead to “big-box” retailers to meet their consumption needs. The presence and dominance of chain stores in the United States is nothing new. The Great Atlantic and Pacific Tea Company, the A & P, claimed over 15,000 outlets and its sales accounted for more than one percent of the United States’ gross domestic product (Strasser 2006). However, no corporation better encapsulates the “big-box” model than Wal-Mart. Founded in Rogers, Arkansas in 1962 by Sam Walton, Wal-Mart is now the largest private-employer and retailer in the United States (Strasser 2006). According to the United States Department of Agriculture’s Economic Research Service, Wal-Mart’s 2013 grocery sales totaled $117.4 billion, 20 percent of all grocery sales that year. For comparison, the next largest grocery retailer, Kroger, totaled $76.7 billion in sales in 2013. Part of Wal-Mart’s development strategy is to target low-income, underserved areas (Strasser 2006). In this sense, Wal-Mart has stepped in to serve the communities that consumers’ cooperatives originally intended to organize. But while early twentieth century consumers’ cooperatives fought to keep costs low and return profit to their members, Wal-Mart’s low prices are in part created by their relationship with suppliers who exploit labor overseas and the company’s low wages and exploitation of its workforce. The sheer size of Wal-Mart stores keeps them from developing in urban food deserts, which still leaves open the possibility for the development of consumers’ cooperatives to serve marginalized central city communities. Due to residential segregation, this strategy entails targeting poor and working-class black (and increasing Latino) Americans.
The Promise of Black Consumers’ Cooperation in the Twenty-First Century

Consumers’ cooperation offered an alternative means to the development of a class consciousness by expanding the notion of class to include an identity as consumer as well as producer. However, consumers’ cooperation meant something quite different for black Americans in the early twentieth century. Excluded from the labor movement by both segregationist union policies and racist white workers and exploited by the capitalist class, the opportunity for the development of a class identity among the masses of black American laborers was limited. The same was true in regard to the diminutive black American middle class - educated professionals, small business owners and clerical workers (Landry 1987) - who were largely segregated from their white counterparts. What all black Americans shared, however, was influence in buying power. In the early twentieth century Black American consumers united for racial and economic justice (see earlier discussions of the “Don’t Buy Where You Can’t Work” and “Buy black” campaigns), but these campaigns were often temporary and disproportionately benefitted the black middle class. Black consumers’ cooperation was a long-term strategy for economic development based in racial unity, across the small class divide that existed among black Americans at the time, via identification as consumers and expressed through self-segregation. The makings of a closed, group economy already existed; black consumers’ cooperation simply provided an economic framework upon which to build it.

The many successful black consumers’ cooperatives of the first half of the twentieth century illustrate the promise of cooperation as an economic way out for black Americans. Because of the similarity between the contemporary economic and social conditions of black Americans and conditions in the early to mid-twentieth century the development of black consumers’ cooperatives should be considered a viable tactic for economic development today.
Just as the Great Depression disproportionately affected black Americans, the 2007 Great Recession hit black Americans harder than any other racial or ethnic category. According to 2010 data (the first year of recovery following the recession) black households experienced a negative 10 percent change in income since the start of the recession while white households experienced a negative 5 percent change. That same year, the median white household income was $65,135 compared to $39,715 for black households (Mishel 2012). Black Americans fared worse according to other economic measures as well. The black unemployment rate in 2010 levelled at 16 percent compared to 8.7 percent for white Americans. And coming out the Great Recession, black Americans faced a 27.4 poverty rate compared to an 8.7 rate for white Americans (Bureau of Labor Statistics). According to a PEW Research Center report, black Americans’ wealth was disproportionately impacted by the Great Recession. Black Americans experienced a decrease in median household wealth between 2007 and 2010, from $19,200 to $16,600 and continued to experience a decline in wealth into 2013 as median household wealth fell to $11,000. White Americans, on the other hand, experienced a decline in median household wealth between 2007 and 2010 (from $192,500 to $138,600), but saw an increase between 2010 and 2013 (from $138,600 to $141,900) (Kochhar and Fry 2014). Because the average American household’s wealth is based in homeownership, and black Americans have long been the victims of housing and lending discrimination, it follows that there is a significant disparity in homeownership rates between white and black households in the United States. According to the United States Census Bureau, in 2013 less than half of black households, just 42 percent, owned their homes compared to 72 percent of all white households.

Despite the Civil Rights Act of 1968 that prohibited widely practiced racial discrimination in housing and lending policies, black Americans continue to be concentrated in central city locations and segregated from white Americans. In 1960, in the average United States
metropolitan area, eight out of ten black Americans would need to relocate to achieve integration with white Americans. In 2010 the number of black Americans that would need to relocate in the average metropolitan area to achieve integration with white Americans decreased to six (Hall et al. 2015). However, this broad statistical comparison does not capture varied geographic trends as black-white segregation is generally decreasing in western and southern states, but remaining stable or increasing in states located in the Northeast and Midwest (Hall et al. 2015). This comparison also does not take into account the disproportionate impact of the Great Recession on black segregation. Hall and his colleagues looked at almost all foreclosure events between 2005 and 2009 and found that black and Latino homeowners were more likely than white homeowners to be foreclosed on. Additionally, the authors found that racially and ethnically integrated neighborhoods were also hit hard by the foreclosure crisis, which had the effect of encouraging white flight from formerly integrated neighborhoods and increasing the concentration of black Americans in economically declining areas (Hall et al. 2015).

Intense residential segregation in the United States has contributed to the disproportionate presence of “food deserts,” areas characterized by a low number of grocery stores where residents lack access to nutritious and affordable foods (Walker et al. 2010), in predominantly black American neighborhoods. In the early twentieth century, as discussed in Chapters 3 and 4, black-owned stores and black consumers’ cooperatives faced competition from large chain retailers moving into their territories. This trend made it difficult for black consumers’ cooperatives to succeed, but it did not deprive black residents of access to affordable food (it was not uncommon for chain retailers to offer lower prices). But beginning in the post-WWII era new chain retailers bypassed urban locations and developed in middle-class white suburban areas. Those supermarkets that had existed in central city locations relocated
to the suburbs as white-Americans fled to the suburbs leaving black Americans isolated in increasingly jobless, economically depressed cities. The void left by supermarkets has largely been filled by small grocers and “corner stores.” Neither alternative, lacking an economy of scale, can offer food at a price competitive to their supermarket competitors. Additionally, neither alternative can afford to carry fresh foods due to an inability to absorb the costs of unsold perishable items.

The prevalence of food deserts in residentially segregated urban areas, coupled with the inability of black Americans to secure the wealth necessary to start independently-owned stores, provides fertile ground for the development of consumers’ cooperatives. Furthermore, other potential sources of black economic development that helped foster the early twentieth century black consumers’ cooperative movement continue to exist today. Black religious organization, which traditionally provided a foundation for black activism, including consumer activism, have a strong presence among contemporary black Americans. According to a 2009 study by the PEW Research Center, 87 percent of black Americans report a religious affiliation, more than 50 percent regularly attend religious services and roughly 60 percent believe that religious organizations should take a stand on political and social issues. On all of these measures, black Americans score higher than any other racial or ethnic group in the United States (Sahgal and Smith 2009). Alongside religious organizations, black housing developments historically provided a basis for the development of consumers’ cooperatives in the early twentieth century. Black Americans continue to rely on public housing, a trend caused by the racist housing policies of the twentieth century, at rates disproportionate to the population. According to the United States Department of Housing and Urban Development, roughly 45
percent (495,000) of federally-funded public housing residents were black American in 2012 (National Low Income Housing Coalition 2012). ¹

The racial conditions that prompted Du Bois’s advocacy of a self-segregated black consumers’ cooperative movement continue to exist today. In “A Nation Within a Nation,” Du Bois called for the “careful and planned economic organization” of a unified black population (1935:270). Du Bois believed that the black middle class was not yet far enough removed from poor and middle-class black Americans to preclude cross-class, intra-race cooperation as black consumers. The black middle class has still not separated itself from poor and working-class black Americans. In terms of residential segregation, despite an increase in integration among middle-class white and black Americans, segregation remains significant (Adelman 2004; Pattillo 2005). Middle-class black Americans live in neighborhoods with higher levels of poverty and blight and fewer college graduates than their white counterparts (Adelman 2004). When it comes to residential segregation, race appears to trump class. According to almost all economic indicators, black Americans fare worse than any other racial or ethnic group in the twenty first century economy. Black Americans continue to lack access to the individual wealth necessary to start independent businesses. Residential segregation continues to the plague the nation and disproportionately harms black Americans, which makes the population more vulnerable to food deserts and contributes to the overwhelming number of black Americans concentrated in public housing developments. Finally, black Americans are members of, and participate in, religious organizations at a significant rate higher than other racial or ethnic groups. Du Bois and other black Americans’ call for black preservation and economic development via

¹ This figure only accounts for assistance that requires recipients to live in “clustered” developments and excludes forms of housing assistance that allow recipients to live in open-market rentals. Over 2 million black Americans utilize all forms of public housing assistance.
consumers’ cooperation was made in social and economic conditions not unlike twenty-first century America.

The Civil Rights Movement proved that consumer activism, primarily through boycotting, is an effective instrument for social change. However, the success of black consumers’ cooperation illustrates that other forms of consumer activism can also force change. Consumers’ cooperation serves a practical purpose - providing decent products at fair prices - but it also holds transformative promise. Consumers’ cooperation allowed racially marginalized groups to achieve self-reliance, to challenge and even remove themselves from exploitative economic relationships and to disrupt racialized power structures. At the beginning of the twentieth century black academics and activists recognized the importance of buying power for economic development and looked back to the Rochdale Pioneers for guidance. According to the Selig Center for Economic Growth, black American buying power has grown steadily since 2000, hitting $1.1 trillion in 2014 and is estimated to continue to climb (Humphreys 2014). This buying power, as it has in the past, can continue to provide black Americans with a source of influence that they lack in labor and politics. The importance of consumption in economic and social relations should continue to be viewed as a source of power. Scholars should continue to study and community leaders should look to the success and failures of the first black consumers’ cooperative movement and apply those lessons to the organization of consumption in a way that empowers marginalized populations as consumers and citizens.
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