

**Victoria Saker Woeste.** *The Farmer's Benevolent Trust: Law and Agricultural Cooperation in Industrial America, 1865-1945.* Chapel Hill: University of North Carolina Press, 1998. xviii + 369 pp. \$23.95, paper, ISBN 978-0-8078-4731-2.



**Reviewed by** Patrick H. Mooney

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Victoria Saker Woeste's *The Farmer's Benevolent Trust: Law and Agricultural Cooperation in Industrial America, 1865-1945* is an account of the political and economic context for the legal history associated with the development of a particular form of cooperative that emerged in California agriculture. It is thoroughly researched, carefully documented and well-written. Woeste describes the history of the influence of the Rochdale principles on U.S. agricultural cooperation in terms of their legal and economic significance in developing two primary arguments. The first argument contends that as cooperatives increasingly gained special legal privileges that enhanced their competitiveness with corporations they simultaneously became more and more like those corporations. The second thesis is that the development of cooperative law, especially from Capper-Volstead through the 1920s, structured the form of state intervention in agriculture in the New Deal.

The book begins by describing the national-level context of the "farm problem" and various efforts at cooperation in the latter nineteenth century, then turns to a more specific focus on the

conditions in California. The second part of the book examines various experiments that sought to circumvent antitrust law at the state level as well as the interventions of federal law that impinged on state-level legislation concerning cooperation's potential "restraint of trade." The heart of the book focuses on the case of the California raisin industry as it developed various organizational and legal innovations in a vain attempt to monopolize the raisin market as a means of controlling price. The last part of the book ties the "new" model of cooperation to the associational state of the 1920s and the subsequent New Deal's administrative usurpation of the functions of cooperatives' interest in price stabilization.

In order to assess the argument that U.S. cooperatives effectively overthrew the Rochdale principles while using them as a means of acquiring special privileges, we should first note those principles that Woeste identifies as emergent and dominant forms of cooperative practice in the Rochdale tradition. These include economic transactions performed at cost with net returns (patronage refunds) to members on the basis of vol-

ume of business transacted; democratic control (one person, one vote), i.e., control is not based on volume of business transacted; limited dividends on invested capital; and ownership limited to patrons. Adherence to these principles is often held by cooperators to be the measure of a "true" cooperative. In the betrayal of these principles Woeste finds the "potentially radical implications" of cooperation subverted by a conservative self-help orientation that did not "directly attack capitalism" but instead developed a more moderate and compatible organizational form that culminated in "corporate cooperatives."

The book is primarily a case study of cooperation in the raisin industry, focusing on the history of the California Associated Raisin Company (CARC), known today as Sun-Maid Raisin Company. It is on this case that Woeste rests her argument that agrarian imagery, public sympathy for the farmer, and the Rochdale principles were manipulated for advantages in coincidence with movement by cooperatives toward unlawful monopoly and increasingly corporate forms that ran counter to those very principles. Woeste argues that the need to move beyond the Rochdale principles derived from the fact that those principles were developed for consumer cooperation while farmers needed marketing cooperatives. This, in turn, pushed for an interest in monopoly market position and in a hunger for capital that encouraged an interest in acquiring investment from other than the producers themselves. The latter interest moved the cooperative toward a more corporate form, while the former interest led to an involuntary (coerced) membership insofar as nonmembers were essentially viewed as "free riders" and an impediment to monopoly positioning. These constitute the betrayal of the Rochdale principles of which the CARC and Sun-Maid were guilty. She argues that the subsequent innovative legal adjustments made in California to accommodate these interests were widely diffused to other states prior to the New Deal.

I might begin to question this argument by noting the significance of supply cooperatives in U.S. agriculture. Farmers do, indeed, seem to need cooperatives to purchase input factors as well as to market their production. In recent years, U.S. agricultural supply cooperatives have generally held about a 25 percent market share, while U.S. agricultural marketing cooperatives controlled about a third of the market. This varies considerably by commodity and also ran somewhat lower in both cases during the farm crisis of the 1980s. Further, Woeste claims to have focused on Sun-Maid because she was told by a contemporary California cooperative official that "Sun-Maid's the one with the skeletons in the closet." This exceptionalism alone might be enough to question the generalizability of this case to the larger cooperative movement. However, in cooperative circles, California cooperatives are often stigmatized as exceptional. (I remember that in a course I took on cooperatives as a student at the University of Wisconsin-Madison the professor claimed that most "cooperatives" in California were not "really" cooperatives at all.) Many texts refer to these cooperatives as "quasi-cooperatives" or as not "true" cooperatives. Unfortunately, the author seems, at times, to want to make broader claims to the generalizability of this case than may be warranted. This is suggested in the very title of the book as well as in claims such as (p. 13): "The California Associated Raisin Company defined modern agricultural cooperation."

At other times, the author seems to be quite aware of the historical specificity of this particular case. This question of generalizability is my greatest and only serious reservation about what otherwise seems an outstanding piece of historical scholarship. Haven't most agricultural cooperatives in the U.S. (even most of the large cooperatives) adhered to the basic Rochdale principles described above? The striking relevance of Woeste's work may be in relation to the so-called "new generation cooperatives." This recent movement in cooperation does stray considerably from those

principles and, in many ways, that deviation is foretold in Woeste's history of Sun-Maid. Perhaps this question of the relationship of California's version of cooperation to the cooperative movement as it emerged in the rest of the U.S. is one good point of departure for discussion in this particular e-format of book reviewing.

Woeste's argument that the Sun-Maid/California model of cooperation had a strong influence on New Deal policy rests on the fact that thirty-eight states adopted laws that permitted the "iron-clad contracts" necessary for monopoly control over a commodity. While this could not stop the overproduction threat and thus could not maximize price, it did lend to the New Deal agricultural policy's interest in stabilizing prices. For Woeste, the Sapiro style cooperative became the "prototype of the associational state" and the New Deal would utilize cooperatives, as a bridge between state and market, to carry out market control programs. Woeste's view of the state, though it draws upon associational state notions of Hawley and Hamilton (which focuses on the blurring of dichotomous notions of state and society), tends overall to lean toward a state-centered view. This may be an inevitable artifact of the focus on the history of legal cases that structured the character of cooperation, facilitating a tendency to privilege the state's role.

The historical detail which Woeste brings to bear is striking. The down side of that quality is that sometimes the overarching arguments (if I have understood them correctly) tend to be obscured by that very detail. The text only infrequently assumes a knowledge of legal terms that might not be readily available to the lay person (or sociologist, in this case). However, this is not a major problem, and for the most part *The Farmer's Benevolent Trust* does a very good job in defining such terms and in translating the legal precedents established in a long list of court cases into understandable language that highlights the

practical implications for cooperatives and agricultural policy.

Woeste makes a curious contention (p. 10) that her work derives from a tradition that seeks to redeem the "business person from the traditional role of corporate villain." However, I came away from this book with a reading that did seem to "villainize" the farmer and the agricultural cooperatives for acting as if they were, in fact, business persons borrowing from corporate practices.

Woeste also presents a somewhat different take on the free rider problem than the typical sociological viewpoint. The violence and negative sanctions that were imposed by the cooperators on those raisin growers who acted independently seem to be held in considerable contempt by Woeste. Sociologists, I think, tend to take such violence for granted or as necessary means (Gans's "success of the unruly") for enforcing solidarity when free rider access to public goods are at stake (i.e., when benefits cannot be distributed only to participants or those willing to bear the costs of collective action). In the case of the California raisin industry, as Woeste details, this is complicated by the presence of a large number of Armenian growers who tended to break ranks with the industry as a whole, even as they apparently closed ranks amongst themselves, giving the whole affair a flavor of racism. It's not clear to me whether Woeste's objections here derive from a standpoint of a legal scholar's concern for the illegality of these actions or from a concern for the ethnic antagonisms and an apparent sympathy for the Armenian population's free riding (a concern that does not seem to be repeated in her contention that internal Armenian solidarity has meant that since World War II "the Armenian-owned packing plants usually deal the cards").

This is not a minor matter, since Woeste points out that it is ultimately the cooperative's inability to control production that subverts their capacity to create a "true" monopoly. The ability to control production, to negatively sanction "free

riders" is, of course, contingent on another monopoly, the monopoly on the use of force or violence. As Max Weber argued, this monopoly defines the state. Thus, it is only in the context of a state that is willing to exercise such coercion that production control is possible. In agricultural struggles, that advantage has sometimes been granted by local law enforcement officials who would either facilitate or fail to repress activities designed to impede "scabbing" by uncooperative producers, though this seems to depend on the nature of the local class structure. In such cases, regional or national-level repressive forces often need to be called in. Nevertheless, the state has sometimes proved willing to use its authority to enforce effective market monopolies so that the responsibility for this enforcement did not have to reside in civil society. Perhaps an even more clearcut case is in the federal government's usurpation of the night riders' function in the contemporary burley tobacco program where the cooperative's production control and monopoly is administered by the federal government. However, except in severe economic crises (such as the Depression), such interventions seem more the exception than the rule in the U.S.

As a sociologist, I would suggest that the analysis presented here invites/demands comparative analysis of the development of cooperative law in other advanced capitalist societies. Cooperation is, after all, an international movement with a strong presence in nearly every advanced capitalist society's agricultural sector. The strength and detail of Woeste's analysis could serve as an excellent base for examining parallel developments elsewhere, providing insight into the nature of the capitalist state's capacities to manage this particular form of class struggle. This book is must reading for anyone interested in cooperative law and the history of the cooperative movement. It would seem to be very useful for those interested in the history of agricultural policy formation or the role of

the state in structuring agricultural development in the advanced capitalist nations.

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