

A BRIEF HISTORY OF COOPERATIVES IN THE PITTSBURGH AREA

By John Curl

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At the time of its incorporation in 1817, Pittsburgh was already a manufacturing center, with a population of around 6,000, supplying the western region with artisanal products almost entirely made by home industry. It had become a manufacturing center during the war of 1812, when the supply of British-made goods have been cut off in the region. In 1817 most manufacturing was still done by independent self-employed artisans using hand tools. But their livelihood was already threatened by the growth of a new system that was making their economy obsolete: factories and wage labor. The first factories (manufactories) did not use mass production techniques, but were warehouses where artisans using hand production worked as employees for hourly wages or piece rates. In the previous few years, at least 259 factories and manufactories had sprung up in the city, with 1,637 hired workers. Competing against the factory system lowered independent artisans' earnings so much that many were being forced by economic necessity to give up their independence and become employees.

PITTSBURGH MANUFACTURING ASSOCIATION

In 1819 a group of these artisans organized the Pittsburgh Manufacturing Association, the first recorded artisan cooperative in this area, with George Sutton as president, and George Cochran as chief clerk, and opened a large brick warehouse on Wood street, between Front and Second streets. The Pittsburgh Manufacturing Association was an attempt by these artisans to retain their independence through cooperative marketing. Similar "cooperative warehouses" were set up in other cities, and it became a widespread movement in the East and Midwest.

Members consigned their products at the Pittsburgh warehouse for sale or barter. No commission was charged. Articles accepted from barter customers included farm produce, wool, cotton, sugar, salt, butter, cheese, flaxseed oil, lard, hogs bristles, linen, yarn, rags, iron, lead, and whiskey. Artisanal products offered at the opening included adzes, augers, axes, balances, bellows, biscuits, blank books, bridles and bridle bits, brushes, buttons, cabinets, castings, castor frames, chains, chairs, cloth, coffee mills, copper stills, counter weights, cruets, cutlery, edged tools, furniture, grindstones, window glass, gun barrels, hackles, hatchets, hammers, hats, hose, bar and rolled iron, nails, plows, mould boards, planes, paper, riding whips, saddles, saw mill irons, scale beams, shot, shawls, shovels, soap, steel, stirrup irons, tacks, tin ware, tea kettles, tobacco, tongs, springs, waffle irons, wire work, and rectified and common whiskey.

The Association was a quick success. In 1823 it did over sixty thousand dollars (\$1,167,775 in 2014) worth of business, and declared a 10 per cent dividend to each member. It retained this success for a number of years, but as the factory system grew, artisanal production became increasingly unfeasible, and the Association slowly faded away, as did the cooperative warehouses in the other cities.

ASSOCIATIONIST COOPERATIVES

By 1847, Pittsburgh was one of the largest cities west of the Alleghenies, with a population of around 40,000.

The first true worker cooperative factory in the city was a foundry opened in 1847 group of iron molders. Their success led in the following years to cooperatives in Pittsburgh of glassblowers, silver-platers, puddlers and boilers. They had a cooperative newspaper, the Pittsburgh *Unionist*. These were part of the Associationist movement, the first large-scale movement of industrial worker cooperatives in America, encouraged in the East by Horace Greeley's newspaper, the *New York Tribune*. The movement began in Cincinnati early in 1847 by another group of iron moulders. In 1849, when a widespread strike of Pittsburgh foundry workers failed, the local trade union discussed starting another large cooperative in the city. But instead, a group of 100 Pittsburgh strikers went off to start a cooperative foundry in Sharon, PA, and two other striker groups started cooperative foundries in Wheeling, WV, and Steubenville, Ohio.

The Boston tailors soon followed with a cooperative. The next year the tailors' union of Buffalo, New York formed a cooperative for eighty of their members in the wake of a losing strike. In New York City, unions organized cooperatives of barrel-makers, hat-finishers, shade-painters, cabinetmakers and tailors. Many of these grew out of unsuccessful strikes. In Buffalo, the seamstresses union formed a cooperative, as did the seamstresses of Philadelphia and Providence. The Pittsburgh cooperatives, like most of the others, were successful for a several years, but ultimately failed.

INTERNATIONAL COOPERATIVE ASSOCIATION OF PITTSBURGH

Shortly after the Civil War, the International Molders Union, led by William Sylvis, America's first great labor leader, put forth a plan in 1867 for a chain of cooperative foundries in major cities run by the international union. Cooperatives were to be a "substitute for strikes", a permanent solution to "the wage problem", and lift their members out of what they called "wage slavery". Sylvis organized the first nationwide workers organization, the National Labor Union. When 150 Pittsburgh foundry workers became locked in a harsh strike, Sylvis took the initiative, and focused on Pittsburgh as a key link in the proposed cooperative chain. The International Union put up \$15,000 (\$250,272 in 2014), and the Pittsburgh Cooperative Foundry opened in May, 1868 on a site just outside

city limits on the Allegheny Railroad. Sylvis urged every molder to buy at least one \$5 share, and almost 2,000 shares were sold (\$88/per share in 2014). The president and treasurer of the international union were both directors along with those selected by the member-stockholders. No one could own more than 400 shares, and each member had one vote no matter how many or few shares owned. Eighty percent of all profit was distributed to workers in proportion to their wages; fifteen percent was distributed to shareholders, and five percent set aside as a sinking fund to reduce company debt.

The movement had begun the previous year, when in 1866 Sylvis' union local in Troy, New York, a major stove manufacturing center, organized the first cooperative foundry. It quickly began operating at full capacity, with more orders than it could fill. Its fifty members received wages at the going rate plus a share of profits, estimated at \$2 per day. After their first eighteen months, they had accumulated \$65,000 (\$1,035,710 in 2014) in capital, including a \$17,000 (\$270,878) surplus to be divided.

The worker cooperative idea spread quickly in the Pittsburgh region. In 1868 the Pittsburgh Cooperative Window Glass Works opened and then, in nearby towns, the Beaver Falls Cooperative Foundry and the Fayette Cooperative Window Glass Association.

But the Pittsburgh Foundry was badly in need of operating funds, and sources dried up. A creditor sued for payment, not enough could be raised and the Pittsburgh Cooperative Foundry went bankrupt in 1869. By that time, various locals of the International Molders Union were operating fourteen cooperative foundries in various cities and towns, and opened two more in 1871. However, in the following years, all failed and disappeared.

KNIGHTS OF LABOR

As the dust settled in the decade following the Civil War, Northern industrialists consolidated control of the federal government and used that power to extend the wage system to a national scale, often at the expense of working people and local economies. In 1877 the tension and anger burst in a railroad strike that quickly took on national proportions and became a confrontation between the forces capital and the working population. This has been called the Great Uprising.

Beginning as a wildcat, the strikers took control of Pittsburgh, Chicago, and St. Louis. In St. Louis, the strikers shut down communication between the East and West coasts for a week. In Pittsburgh, crowds chased state government forces off the streets. The working people of Pittsburgh held the city for five days and organized survival by neighbor helping neighbor in what has been called the Pittsburgh Commune. The federal government in sent troops and finally restored the establishment.

The following decade (1879-89) was punctuated by the rise and fall of the first great labor organization in the US, the Knights of Labor. The KOL became a strong leader in Pittsburgh. Led by Uriah Stephens and Terence Powderly, the KOL picked up the banner

that William Sylvis had raised, and looked not just to improve wages and working conditions, but tried to build a vast network of worker cooperatives that they planned would supersede capitalism and abolish the employee wage system in what they called a Cooperative Commonwealth. ***During that period, at least sixteen worker cooperatives were formed in the Pittsburgh region.*** In Pittsburgh proper were a cooperative nail factory and a laundry. In Homestead, a boot and shoe manufacturing company. In Beaver Falls, two cooperative stove foundries and two glass companies. Other cooperative glass companies were in nearby Wampum, Sharpsbury and New Castle. In New Brighton and Wampum were cooperative wire companies. Cooperative coal mines were in Washington, Elk Lick and Fayette, and in Kittanning a cooperative limestone and clay mine.

By 1886 the KOL had built a network of almost 200 worker cooperatives that they planned would be the basis for their alternative economy. But the 1886 May Day national strike for the 8-hour day brought their movement to an abrupt end when police fired on strikers outside of Chicago, and a subsequent rally in Haymarket Square was disrupted by a bomb followed by a wave of police actions and a nationwide "red scare" that destroyed the Knights of Labor and most of their cooperatives. This marked the rise of the AFL, which was the first major labor organization to accept the capitalist wage system, and lowered their sights to negotiating contracts for improved wages and working conditions.

TRISTATE COOPERATIVE ASSOCIATION

The TriState Cooperative wholesale association was a store movement organized by coal miners union locals during World War I. Many union locals organized and supported cooperative stores in the area. In 1918 a group of 12 coal miner stores came together in Monessen, PA and organized the TriState Cooperative wholesale association. ***In 1919 it moved to Pittsburgh, and soon had 23 branch stores and supplying 44 other stores in various parts of Pennsylvania, West Virginia and Ohio, with an annual income of \$2 million (\$27,066,580 in 2014) and 7,500 members.*** All branch stores were owned jointly by all the members, and managed by the wholesale, assisted by local members. But long and widespread coal and steel strikes wounded TriState. The locals extended credit to their members, who were unable to pay during the strike, so the locals passed the problem onto the wholesale. A major railroad strike dealt the final blow. TriState wholesale failed in the economic crisis of 1921-22, and by 1930 all the local stores were gone.

TWO COOPERATIVE COMMUNITIES OF THE 1930s

WESTMORELAND HOMESTEADS

During the Great Depression the New Deal Division of Subsistence Homesteads set up Westmoreland Homesteads (later called Norvelt), near Greensburg, PA in 1934, a cooperative project for stranded unemployed miners, in areas where the mines had shut down. The program owed much to the "back to the land" movement, which promoted small-scale subsistence farming as a solution to economic exploitation and alienation.

Three other similar communities were founded at the same time: Arthurdale and Tygart Valley Homesteads in West Virginia and Cumberland Homesteads in Tennessee. ***Over the course of the New Deal community program, the federal government started 99 planned cooperative communities.*** The stranded worker projects were planned for part-time farming, with small individual plots and a cooperative farm, with the expectation that some type of industrial employment would also be developed. But only 40 per cent of the heads of families at Westmoreland ever found outside employment. Westmoreland Homesteads consisted of over 1,500 acres, with 772 acres divided into 254 individual lots of 1.7 to seven acres, each lot containing a one-and-a-half story frame house, a poultry house, garage, and a grape arbor. The other 728 acres were reserved for a cooperative farm, a schoolhouse, playground, post office, and other common buildings. By 1937 it had more than 1,200 residents. Homesteaders established garden plots and raised livestock, including hogs and chickens. The Cooperative Association which administered the project was a nonprofit, which also operated a cooperative store and a community health center. The cooperative associations of all of the New Deal colony projects were very closely supervised by paternalistic managers employed by the government, and most members complained of not having real control of their own organization.

From 1935 through 1937 the Resettlement Administration attempted to establish nonindustrial cooperatives in several homestead colonies. At Westmoreland loans were provided for farms, dairies, canneries, and consumer services. Beyond the food produced on their subsistence plots, most residents were dependent upon work at the cooperative farm or on government construction work. In 1937 the Resettlement Administration lent Westmoreland funds to start a pants factory. However, they stipulated that the cooperative had to agree to let a private company manage the project and supply the managerial and sales personnel. The government followed an almost identical procedure with the other three large stranded worker colonies. The pants factory project provided around 150 jobs in 1940, but was a financial failure, and in 1943 the government took it out of the cooperative's hands and leased it directly to a private corporation.

In 1944 the federal government disbanded Westmoreland and dispersed its assets. Most residents had by this time already managed to purchase their homes and property. By 1950, the cooperative store and farm had shut down, but the garment factory, by then under private ownership, continued for many years.

PENN-CRAFT

The American Friends Service Committee, which had worked with Westmoreland Homesteads and other colonies around the country, decided that government bureaucracy was more of a hindrance than a help, and decided to start a cooperative community that would become independent and self-sufficient. In 1937 they bought a 200-acre farm in Fayette County near Brownsville, PA. They spread brochures about their planned experiment in the area. Many of the mines in the county were closed, and nearly a third of the population unemployed. Poverty and malnutrition were widespread in the old coal

company towns. Over 250 families responded. The AFSC assembled a group that contained 18 ethnic groups and several religious denominations.

Applicants spent a trial period clearing land at the farm. With help from 50 Friends volunteers, they plowed, marked homesites, dug basements and started small sandstone houses with indoor plumbing. Each family was allotted a homestead of from 1.5 to 3 acres to build a home, outbuildings and gardens. To pay for the land, they had monthly payments of \$7 to \$10 (\$114 to \$163 in 2014). Residents earned credits for each hour they spent on joint projects, and those credits then were applied to work owed to them by others. Each homesteader family was expected to put in 2,500 hours to build homes for themselves and their neighbors. They established a communal sweater factory, the Redstone Knitting Mill, a goat and produce farm, a community store to sell excess produce, a clinic, a library and a canning kitchen.

Penn-Craft continues today, and their community is still driven by an emphasis on mutual aid.

More at http://www.riversofsteel.com/routestoroots/MonArch_Penncraft.html

Other references:

[United States](#)

[Worker Cooperatives](#)

[Unions & Worker Organizations](#)

[Economic Justice](#)

[Organized Labor](#)

[Workplace Democracy](#)

[cooperative economy](#)

[cooperative commonwealth](#)

Additional research and stories:

Fourth River Workers' Guild: www.languageoftheland.com