

COOPERATIVE ASSOCIATION,
THE INDIVIDUAL,
AND THE “ROBBER BARON:”
LELAND STANFORD

Introduction by Professor Richard White:

Cole Manley’s paper on Leland Stanford represents both the kind of paper the assignment in History 150B, a survey of nineteenth-century U.S. history, was designed to produce and a piece of historical writing that goes beyond the bounds of the assignment. It can stand on its own, separate from its origins, as a fine historical essay. What I want students to do is to use archival sources from Special Collections and elsewhere to write upon subjects or themes that my lectures touch upon. The Stanford Papers are a key source. Most students write about Jane Stanford or Leland Jr. since Leland Stanford’s papers were destroyed, but Cole pushed beyond the sources that I made available to use other surviving sources to develop a portrait of Leland Stanford that is located firmly within a specific nineteenth-century context of debates over individualism and cooperation. Cole’s treatment of Stanford is deft, insightful, and will be surprising to those with only a cursory, or clichéd, familiarity with the era. Among other things, he gives readers substantial insight into the complicated motives and thinking that went into the creation of Stanford University.

Cooperative Association, the Individual, and the “Robber Baron”: Leland Stanford

Cole Manley

In the late 19th century in America, a major railroad magnate claimed, “that the benefits resulting from co-operation shall be freely taught. It is through co-operation that modern progress has been mostly achieved. Co-operative societies bring forth the best capacities, the best influences of the individual for the benefit of the whole, while the good influences of the many aid the individual.”¹ These words could have been proffered by the Knights of Labor, Farmers’ Alliance, or Populist Party. They were spoken, instead, by Leland Stanford in his founding address on the opening of Stanford University in 1891. Why would someone the historian Matthew Josephson labeled a robber baron who “owned California” promote the benefits of cooperation?² To answer this question, one must first consider what cooperative association meant in the late 19th century.

During the “Gilded Age,” powerful capitalists controlled much of the economy, and class inequalities were huge and widening. By 1890, the richest “1 percent of Americans received the same total income as the bottom half of the population.”³ The response to such rampant inequality was the formation of cooperative associations like the Farmers’ Alliance, an agrarian movement, and the Knights of Labor, an organization of skilled and unskilled workers.⁴ The Knights proclaimed in an 1886 statement of principles that one of its two main aims was to “secure to the workers the full enjoyment of the wealth they create [and]... all of the benefits... of association; in a word, to enable them to share in the gains and honors of advancing civilization.”⁵ The Knights further organized to supersede the wage system with a “co-operative industrial system” that would help guarantee equal pay for equal work for both sexes.⁶ The Alliance similarly organized to reduce the economic exploitation of farmers, and both groups emphasized the cooperation of labor to protect its political and economic welfare.

These cooperative associations did not deny the liberty or industry of individuals. In the Knights’ declaration, “no one [member] shall be compelled to vote with the majority” and the group was organized to make “industrial and moral worth, not wealth, the true standard of individual [as well as]... national greatness.”⁷ There remained a place for individualism, the belief that one’s fate is in one’s hands, within the Knights. But by the late 19th century, it was obvious with an industrial economy turning workers into wage laborers that one’s fate was often not in one’s hands. The Knights

of Labor, and men like Leland Stanford, accepted a variation of individualism: that within the corporation workers should control their work as individuals. It was amidst great social upheaval that these two ideas—cooperative association and the role of the individual—influenced Stanford and his founding of Stanford University.

This paper analyzes Stanford's views on cooperative association and the role of the individual from the 1860s to 1891. By surveying this period, we can better understand how Stanford's interpretations of these ideas shaped the university he endowed. In evaluating Stanford's speeches in concert with historical accounts of Stanford, Hubert Bancroft's biography, Richard White's *Railroaded*, Edward Bellamy's *Looking Backward*, and other sources, I argue that Stanford had a cooperative vision for the university that cannot be explained away as mere political maneuvering. This was due to the development and strengthening of a belief in cooperative association that we can see through multiple personas of Stanford—the railroad owner and manager, the politician, and the founding trustee. Yet, while I posit that Stanford's cooperative vision transcended politics, I argue that his unclear statements on the role he saw for the individual in the university ultimately weakened Stanford's cooperative dream, and, in turn, Stanford's founding statements for the university.

Stanford as Railroad Owner and Manager: From Friendship to Association

Stanford's place as one of the "Big Four" railroad magnates earned him the dubious distinction of "robber baron." He gained this stereotype as president of the Central Pacific Railroad from 1863 until 1893 and as the first president of the Southern Pacific Company from 1884 until 1890. But contrary to the robber baron mold, by the 1860s Stanford evidenced a belief in a cooperative vision for the corporation with links to his later dream for the university.⁸

This belief took years to strengthen, and at first looked like little more than the hope for some vague friendship between labor and capital. In the 1860s, Stanford weakly articulated this hope to the laborers who constructed the Central Pacific Railroad and built up his fortune. To Stanford, the railroad workers were "friends, [and] 'were engaged in a common enterprise' and ought to be bound together with a 'common bond of sympathy.' The key attributes of friendship were such bonds of sympathy, reciprocity, loyalty, and a presumption of mutual independence."⁹ As to what these bonds would look like, Stanford explained that "[f]riends did favors for one another and worked toward common goals."¹⁰ Clearly, Stanford's idea of what cooperative association meant for his workers in the 1860s was narrowly and confusingly construed. The workers should bond through "sympathy" but not associate for a greater share of the wealth in unions.¹¹

Moreover, that Stanford felt labor should be friends with capital must have seemed somewhat preposterous to many in his audience of workers. Irish and Chinese laborers died constructing the Central Pacific, while Stanford extolled a limited and vague belief in friendship between labor and capital. Nevertheless, even if Stanford showed great naiveté towards labor in the 1860s, in such an address there are also the germinations of his later acceptance of cooperative association on a more practical level. To the farmers of Southern California, Stanford expressed a belief in cooperative association that moved beyond friendship and towards the mobilization of farmers for their, and his, collective economic profit. Beginning in the 1870s, Stanford supported the Grange and other farmers' cooperative movements.¹² He believed that there could exist a symbiotic relationship between the farmers and the Southern Pacific which carried their products. In *Sunset Limited*, the historian Richard Orsi explains that

[b]y the mid-1880s, it had become company policy to encourage farm cooperatives to organize production... to reserve more profits to the farmers to encourage... general economic development in the state. In 1885, Stanford... played a major role in the calling of a series of growers' meetings across the state [where he] exhorted the farmers to form a statewide fruit cooperative.¹³

By 1885, Stanford greatly extended his initial clamoring for friendship into direct action for the mobilization of cooperative associations of farmers. To be sure, this growing belief in cooperative association was not entirely driven by selflessness: Stanford knew that his railroads needed to carry goods to be profitable, and that the cooperation of farmers was critical to supplying this demand. Yet Stanford's actions as a railroad manager emphasized association in a way that transcended a purely individualistic motive. He saw that farmers needed more than friendship—they needed cooperation, organization, and strength in numbers. As his 1885 call for a statewide fruit cooperative attests, Stanford had become much more serious about the benefits of cooperation, and this extended to his political life, as well.

Stanford as Senator:

Affirming a Belief in Cooperation through Legislation

From his tepid appraisal of friendship to his more meaningful calls for association in the 1870s and early 1880s, Stanford complicated his traditional characterization as a selfish and greedy robber baron. The cooperative beliefs which he developed as early as the 1870s also evolved through his political persona as California Senator. Ironically, in advocating cooperative values as Senator, Stanford first had to buy his way into the Senate.¹⁴ Yet, once in office, Stanford's inclinations to help farmers associate extended to politics. He began to develop the broader view of association that would

frame his founding of the university.

As California Senator from 1885 to 1893, Stanford broadened his actions on behalf of cooperative association for not just farmers but all workers. Lee Altenberg in a 1990 article summarizes that “a large part of Stanford’s legislative efforts were toward bills that would give worker cooperatives the necessary legal structure and sources of credit in order to flourish.”¹⁵ Once in the political sphere, Stanford moved to protect and extend the associations he called for as a manager and which developed in Southern California. In just his second year in office, 1886, Stanford introduced a bill in the Senate to create worker cooperatives, a bill with roots in his previous efforts on behalf of farmers. He explained his evolution in saying that

[t]he great advantage to labor arising out of co-operative effort has been apparent to me for many years.... [as] through co-operation, labor could become its own employer.¹⁶

With greater political freedom as a Senator, Stanford generalized the benefits of cooperation he saw for farmers to all laborers.

To some journalists at the time, though, Stanford’s acceptance of cooperative association seemed much more a political stunt than an actual commitment. In a *Los Angeles Times* article from 1891, soon after Stanford re-introduced his 1886 bill for cooperatives, the editors belittled

[this] scheme for... how the laboring millions may avoid work and grow rich by the simple process of cooperation... [as] nearly as rose-hued as Bellamy’s... Mr. Stanford had no expectation that his benevolent scheme would be crystallized into law; he only desired to get before the country, and before the laboring masses who have votes to give, his alluring project for their amelioration.¹⁷

Such a stinging condemnation of Stanford’s motives saw the bill as nothing more than a political ruse. However, the editorial presented no quotes or testimony backing up its claim. Of course, most agree that Stanford did want to become president, yet this political motive is insufficient in explaining away the 1891 bill. For one, the bill was not the first time Stanford had publicly expressed support for cooperatives: In 1886, he had done the same. Furthermore, the attack does not account for Stanford’s longer-term support for cooperative association within the “Big Four.” The 1891 editorial also overlooks the vital role Stanford thought cooperative association should play as the founder of a university. In this third persona, we see that from 1885 to 1891 Stanford’s beliefs in association had extended from farmers to laborers to students.

Students and Cooperative Association

By 1885, Stanford had supported the cooperative associations of laborers as both a manager and a politician. The next logical step in this evolution was for Stanford to support the cooperative association of what he saw as the laborers of his university—students. In deeper analysis of two of Stanford’s speeches, along with correspondence from Bancroft’s biography, we see a founder who wanted his university to reflect cooperative principles of students working together for the betterment of the school, society, and themselves.

In a November 14, 1885 address to the trustees of the university at their first meeting, Stanford evoked a belief that cooperation could help not just his students but all of humanity. Stanford lectured the Trustees that through the intelligent application of cooperative

*principles... there will be found the greatest level to elevate the mass of humanity, and... to [grant] the poor man complete protection against the monopoly of the rich... Hence it is that we have provided for thorough instruction in the principles of cooperation [and that we have] it early instilled into the student’s mind that no greater blow can be struck at labor than that which makes its products insecure.*¹⁸

This elevation of humanity was at the center of Stanford’s vision for the university: a global one based on the fruits of cooperative education. But in order to benefit humanity, students first had to associate and sympathize with labor.

Students were to be instructed in the “principles of cooperation” to protect the poor man—the working class—from the rich—the Stanfords of the world.¹⁹ Students were to understand the position of labor, something Stanford recognized in managing the Central Pacific. He did not want students to see themselves as distinct from or superior to labor. Rather, through cooperation Stanford hoped that students could elevate themselves and, in the process, the masses of humanity. In this selection, Stanford’s explicit reference to labor is a link to his earlier history as a railroad manager, when he saw how labor could be both abused by capital and helped through association. In this address to his wealthy trustees, Stanford extended a broad, humanitarian, and cooperative vision to the students he hoped to educate.

Stanford saw many benefits of association. According to Stanford’s 1885 address, cooperative education could be a remedy for “an unequal distribution of wealth.”²⁰ He explained how this could happen by arguing “[t]hat this remedy has not been seized upon and adopted by the masses of laboring men is due wholly to the inadequacy of educational systems... It will be the aim of the university to educate those who come within its atmosphere in the direction of cooperation.”²¹ In this statement, Stanford generalized the benefits of association. He posited that the graduates of the university could help the “masses of laboring men” adopt the belief in co-

operative association they internalized.²² In so educating his students, Stanford could educate a larger swath of labor. By 1885, Stanford connected the cooperative association of his students to the cooperation of the laborers his students would ultimately teach. He had advocated for the cooperation of railroad workers, the cooperation of farmers, and, now, the cooperation of students as a means of educating and uplifting the masses.

Six years later, Stanford reiterated his hope that the university would teach its students cooperation for the welfare of humanity. His October 1, 1891 address on the opening of the university was to a much different audience than that of 1885. According to the *San Francisco Chronicle*, 5000 people were present from throughout the Santa Clara Valley, San Francisco, and San Jose.²³ Despite this much larger and more economically diverse crowd, Stanford publicly reaffirmed that “the benefits resulting from cooperation shall be freely taught. It is through co-operation that modern progress has been mostly achieved. Co-operative societies bring forth the best capacities, the best influences of the individual for the benefit of the whole, while the good influences of the many aid the individual.”²⁴ His words were backed up by a long history of supporting the cooperation of labor. By 1891, this was not a political stunt; it was an appeal from someone with direct experience. As a railroad manager, Stanford had seen the literal fruits of the “co-operative societies” he spoke of, and it was unsurprising that he wanted the university to value similar societies for students. As to how exactly Stanford wanted his students to associate—whether in student clubs, co-operative housing, or something else—he was unclear. Yet throughout the 1891 speech, Stanford returned to his general hope for cooperation.

In perhaps his most radical restatement of this commitment, Stanford expressed the highest of hopes for cooperative education. He argued that

*the great masses of the toilers now are compelled to perform such an amount of labor as makes life often wearisome. An intelligent system of education would correct this inequality. It would make the humblest laborer's work more valuable... would dignify labor; and ultimately would go far to wipe out the mere distinctions of wealth and ancestry. It would achieve a bloodless revolution and establish a Republic of industry, merit, and learning.*²⁵

To Stanford in 1891, as in 1885, students could correct the immense class inequality of the time through cooperation. The workers of the world were “toilers,” something Stanford undoubtedly saw in managing the Central Pacific. By 1891, we see some oblique knowledge on the part of Stanford that the toil of the working class cannot continue, and that cooperative education is the panacea. His was a halcyon vision for the university and paralleled Edward Bellamy's educational model in *Looking Backward*.

Bellamy's utopian novel, published in 1888 to huge popularity, de-

scribed an America that achieved a “bloodless revolution” similar to Stanford’s vision.²⁶ The revolution implemented a public school system with “equal education” for all from ages 6 to 21 which helped eliminate all class inequality.²⁷ Of course, Stanford was founded as a private university—not a public one—but, with free tuition and in Stanford’s speeches, we see a desire to educate as much of the masses as he can.²⁸ It is clear that, far from moving away from cooperative association, Stanford expanded the benefits of cooperation: now, not only should students learn to cooperate, but in such cooperation they might correct the wide class divisions so plaguing the “toilers.”²⁹

Complicating Stanford’s Cooperative Vision: The Role of the Individual?

Stanford’s halcyon vision was not as clearly nor as simply conveyed as Bellamy’s. What role would the individual play in the kind of cooperative associations of students Stanford supported? How did Stanford see the individual as related to cooperative association? While I argue that Stanford’s cooperative vision transcended politics, his unclear statements on how he thought the individual student should relate to the larger collective—the university—weakened this cooperative dream, and, in turn, Stanford’s founding of the university as a cooperative place. On the one hand, Stanford’s answers to these questions were ultimately unclear and insufficient because he never explained how much students should value personal success over the cooperative success of the university. In the same 1885 address in which Stanford thought cooperative education could promote the general welfare, there is evidence of a man unwilling to do away with a potentially contradictory view of the individual.

Deeper analysis of this address reveals that Stanford wanted his university to help students reach a high level of personal success, an important revelation because of its implications for the cooperative spirit Stanford professed. In the address to his Trustees, Stanford argued that the object of the university should be “not alone to give the student a technical education, fitting him for a successful business life, but... also to instill in his mind an appreciation of the blessings of this government [and] a reverence for its institutions...”³⁰ Stanford attempted to expand the object of the university, but, in so doing, showed the value he still placed in a “successful business life.”³¹ There is confusion in this part of Stanford’s argument as to what the central object of the university should be. Should it be to help students get rich through a technical education? Stanford realized it cannot be that alone.

Yet in this admission, Stanford revealed one complication weakening the cooperative ethos of the university: he was unable to divorce himself from the value he saw in “business life.” Such a life propelled Stanford to great riches and great fame. Consequently, Stanford reserved the hope that

with all his talk of cooperation for humanity the university would make his students value personal success, too. This alone is unsurprising coming from Stanford, a man with great wealth. The error Stanford made was not in the reference to “business life” alone, but in his inability to elaborate on this hope as related to the object of a university. If he had then continued that through a successful business life students would be able to educate their laborers as to the fruits of cooperation, he would have made a stronger link to his cooperative dream. He made no such elaboration, and, thus, students, faculty, and historians are forced to guess as to what value Stanford still saw in a more individualistic business life.

In 1891, Stanford’s opening address did little to clarify how he hoped the personal success of his students should relate to the cooperative success of the university, or the humanity he liked to reference. A *San Francisco Chronicle* article summarized the object of the university using the same terminology in the 1885 grant: to “qualify students for personal success and direct usefulness in life.”³² In his 1891 address, Stanford evoked a strong belief in cooperative association, but as the article attests, the object of the university was still unclear. What did he actually mean by “personal success?”³³ Stanford wanted graduates of the university to be useful and practically minded, but should they be useful for themselves first, for their personal success, or for their community, state, or nation? Once again, the vagueness of this summation mired and muddled his address. If Stanford had clarified that “personal success” meant success insofar as one helped the nation ease its class inequalities, this would have cemented the link between the individual and the collective. As it stood, the individual student’s place in the university and beyond the university remained unclear.

Stanford’s inability to explain how the individual should relate to or value the collective can also be seen in 1885. In a different section of his address to the Trustees, Stanford instructed that “[i]t will be the leading aim of the university to form the character and the perception of its industrial students into that fitness wherein associated effort will be the natural and pleasurable result of their industrial career.”³⁴ Once again, Stanford praised “associated effort.”³⁵ In this selection, it is clear Stanford wanted his industrial students, meaning students in engineering and the hard sciences, to value association both during college and beyond it in their careers. But as to the specific things these students should associate around—clubs, societies, study groups—he does not specify. This vagueness plagued him in 1885, and it plagued him in 1891. Moreover, it weakened the cooperative dream he had so consistently evoked.

Conclusions

Stanford died in 1893, just two years after the founding of the university. With more time he may have clarified how he felt the individual should relate to the cooperative. Stanford’s own views on association

changed during his life, and it was perhaps because he was still refining these views that his vision for the university was so confusing. Nevertheless, in surveying the progression of Stanford's life—from his days as a railroad mogul to a politician to a trustee—we see a man more complicated than the robber baron stereotype. Stanford's cooperative vision for the university extended from his earlier personas, and his actions in support of cooperative association went beyond political motivations.

Stanford's speeches did have some effect. In 1891, students took to Stanford's cooperative beliefs and formed "the Leland Stanford Junior University Cooperative Association...which operated the first campus bookstore for seven years."³⁶ On the whole, though, the university did not support cooperative association in meaningful ways. One class in the 1891 course catalogue entitled "Co-operation: Its History and Influence" disappeared from the record in later years.³⁷

If Stanford had lived longer, he may have seen his university move closer to the cooperative ideals he preached, but he just as likely may have seen it abandon them. Even with Stanford's wealth, he and the university were not immune to the political and social environment in the United States. Both the decay of the Populist Party after 1896 and the bloody history of labor-capital relations in the late 19th and early 20th centuries symbolized the difficulty in preaching cooperative education as an antidote to class conflict, let alone as the founding doctrine of a university. Leland Stanford tried, though, and that is more than most people realize or give him credit for today.

ENDNOTES:

¹Opening Day, 1891 and Program of Exercises, 1891, Leland Stanford Papers, Box 5a, Dept. of Special Collections, Stanford University Libraries, Stanford, California.

²Matthew Josephson, *The Robber Barons* (New York: Harcourt, Brace & World, Inc., 1962), 203.

³Eric Foner, *The Story of American Freedom* (New York: W.W. Norton & Company, 1999), 117.

⁴These associations were not socialist. As Lee Altenberg points out in a 1990 article on Leland Stanford entitled "Beyond Capitalism," "[c]ooperatives were seen not as an end to free-enterprise, but as a freeing of enterprise for common people from domination by the 'plutocracy' of wealthy industrialists."

⁵"Labor: Its Rights and Wrongs," accessed February, 25, 2013, 30-31.

⁶*Ibid.*, 31

⁷*Ibid.*, 30

⁸Richard White, *Railroaded: The Transcontinentals and the Making of Modern America* (New York: W.W. Norton & Company, 2012), 254.

⁹*Ibid.*, 100.

¹⁰*Ibid.*

¹¹*Ibid.*

¹²Richard Orsi, *Sunset Limited: The Southern Pacific Railroad and the Development of the American West, 1850-1930* (Berkeley, CA: University of California Press, 2007), 320.

¹³*Ibid.*, 320.

¹⁴White, *Railroaded*, 254

¹⁵Altenberg, "Beyond Capitalism."

¹⁶*Ibid.*

¹⁷"Mr. Stanford and the Presidency," *Los Angeles Times*, January 17, 1891, Accessed March 1, 2013.

¹⁸The Leland Stanford Junior University: Circular of Information No. 1 and 2, 1891, Leland Stanford Papers, Box 5b, Dept. of Special Collections, Stanford University Libraries, Stanford, California.

¹⁹The Leland Stanford. Box 5b.

²⁰*Ibid.*

²¹*Ibid.*

²²*Ibid.*

²³"The Leland Stanford Junior University: The Opening Ceremonies," *San Francisco Chronicle*, October 2, 1891, Accessed March 1, 2013.

²⁴Opening Day, 1891, Box 5a.

²⁵*Ibid.*

²⁶Edward Bellamy, *Looking Backward* (Mineola, New York: Dover Publications), 28.

²⁷*Ibid.*, 66.

²⁸An 1891 magazine article buttresses this point, attributing to Stanford "the plan of establishing at Palo Alto a complete system of education, the best of its kind in the world, in the three lines of art, technics, and liberal culture, from the earliest kindergarten work to the highest graduate special training." Milicent Shinn, "The Leland Stanford, Junior, University," *Overland Monthly and Out West Magazine* (San Francisco, CA: Overland Pub. Co.), Accessed March 1, 2013.

²⁹Opening Day, 1891, Box 5a.

³⁰The Leland Stanford, Box 5b.

³¹*Ibid.*

³²"The Leland Stanford Junior University: The Opening Ceremonies," *San Francisco Chronicle*.

³³*Ibid.*

³⁴Hubert Howe Bancroft, *History of the Life of Leland Stanford: A Character Study* (Oakland,

CA: BIOBOOKS), 114.

³⁵Ibid., 114.

³⁶Altenberg, "Beyond Capitalism."

³⁷Ibid.
