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# **An Interpretation of the Competitive Yardstick Model Using Critical Discourse Analysis**

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Economists cannot explain why cooperative organizer and philosopher Edwin Nourse, unlike his contemporary Aaron Sapiro, did not encourage cooperatives to maximize their market share and influence. Text analysis, a subset of linguistic anthropology, reveals that Nourse's famous competitive yardstick model is more than a model of cooperative organization and purpose. The yardstick is also a model of social change and conflict where a stable, even static, agrarian sector is confronted by dynamic, expansionist businesses who threaten to upset the existing social order.

Attaining sufficient competition so farmers receive fair prices for their grain or pay reasonable prices for supplies like feed or petroleum continues to be an enduring problem for midwestern American agriculture that was the focus of Edwin G. Nourse's cultural and economic model of cooperation popularly called "the competitive yardstick." The Nourse model has received attention primarily for its emphasis on the economic dimension of adding an extra bid to increase competition through the vehicle of a cooperative specifically formed for that purpose. A rarely recognized fact is that associated with this process of obtaining an extra bid is a complex cultural model of social change and conflict.

Nourse advocated cooperatives develop a superior manufacturing technology, allowing others to copy it, than fade into the background after competition has been enhanced by the "discipline" of the yardstick. This role was markedly more passive than the aggressive collective bargaining promoted for fruit and vegetable cooperatives by his contemporary, attorney Aaron Sapiro. Yet, the Capper-Volstead Act of 1922 cleared the way for cooperatives to become dominant entities, if they wished.

Significant "trust-busting" legislation like the Sherman Antitrust Act of 1890 and the Clayton Act of 1914 provided a compatible legislative element because, in the Nourse framework, cooperatives were destined to break up monopolies, not become them. Economists have been unable to explain why Nourse feared cooperative hegemony, although political aversion to the fascist policies of the era may have been a factor (Cotterill 1992). The Nourse yardstick continues to be an enduring, integral performance standard for cooperatives, representing efforts to stimulate industry competition without attempting some form of market dominance. However, cooperatives' overall inability to keep pace with investor-owned firms (IOFs) in key sectors of the agricultural economy--meatpacking, seed, and grain marketing--led Coffey (1992) to question the

contemporary relevance of the Nourse model. Unspoken in Coffey's critique is the possibility that Nourse, as one of the two leading cooperative philosophers, shortchanged cooperatives by allowing them to set their aspirations too low.

But was Nourse right? Some 10 years after Coffey's 1992 review, the dominant problem facing cooperatives is trying to consolidate and maintain their position despite formidable setbacks. Recent high profile failures, including the 2002 bankruptcy of Farmland Industries, the largest domestic cooperative, were partially caused by overexpansion. In retrospect, the Farmland bankruptcy has been viewed by some as institutional hubris, an attempt by a cooperative (via its CEO and directors) to forget who it was and who its members were, in an attempt to become the equivalent of a mega-IOF.

A text analysis using the tools of critical discourse analysis (CDA), a subset of linguistic anthropology, may explain why Nourse failed to set a more ambitious course for cooperatives. Using this methodology and terminology, the analysis examines in detail two portions from the 1945 Nourse lecture, "The Place of the Cooperative in Our National Economy" (Nourse 1992:105-111) that comprise the fundamentals of the yardstick model. The analysis looks for linguistic clues that reflect Nourse's outlook on key aspects of his model-cooperatives, farmers, monopolists, economists. Recurring themes are also identified. This process adds an additional and unexpected dimension to the popular or surface interpretation of the model. A linguistic reading of the text suggests that cooperatives could ultimately betray their agrarian roots if they became-and stayed-large.

## **Methodology**

CDA draws attention to how textual meanings are created (signified) as natural and spontaneous presentations of reality when in fact such meanings rely on a comprehensive foundation of ideological premises (Turner 2003, 172). This "reality effect" creates two implications important for the analysis of the Nourse text. First, the meaning of language is no longer fixed and determinate, but varied and multiple, or polysemic. The same set of signifiers (words) can produce different meanings (Turner 2003, 173), as will be seen with the Nourse text. Second, meaning is inevitably tinged with social struggle. Text, therefore, is never neutral. Or, as Fairclough says, "discourse is the site of power struggles" (Fairclough 1989, 61).

A key premise of CDA is that authors do not necessarily know that their texts are ideological. To them, the text may simply reflect "common sense," taken-for-granted, "doesn't everyone know this?" beliefs about the world (Turner 2003, 172). Often, the ideological component may be so deeply rooted, it is unconscious. And, because texts are ideological, they are inevitably about conflict.

Of course, a surface reading of the Nourse text reveals a certain amount of conflict. The adverse market conditions provided as a rationale for cooperative formation presupposes a degree of social conflict. But economists have ignored this ideological content, preferring to focus on what appear to be purely economic matters, such as cooperative formation and growth, especially as encapsulated in an extra, competitive bid. Lost in such surface readings is how Nourse got to the point where he saw that a cooperative was the answer to farmers' problems. Nourse had to begin with certain assumptions about the world, which were invariably ideological.

Once Nourse formulated the notion of a cooperative as a yardstick, he needed to situate it in a textual space where the ideological issues he began with could be addressed and conceivably, resolved. Since Nourse worked from a "common sense" view of the world, he did not need to "spell out" all the details of his model. Although economists may think they have all the essentials in the Nourse elements of farmers, cooperatives, prices, monopolists, and so on, Fairclough maintains that the ancillary, hidden propositions are equally important because these are part of the ideological structure within discourse that contributes to the reproduction of social structures. So, an important part of the analysis of the Nourse text is teasing out these hidden, common sense propositions which make the yardstick model not just an economic construct but, in a sense, a "miniature world" encapsulating three levels of social struggle identified by Fairclough. These include a situational struggle (such as the ideology of Nourse versus Sapiro), an institutional struggle (cooperatives vs. monopolists), and a societal struggle (farmers and consumers as social classes struggling against the monopolist-industrialist class).

Power reveals itself in discourse through "powerful participants controlling and constraining the contributions of non-powerful participants" (Fairclough 1989, 38). Within the "miniature world" of discourse, this appears as constraints on the following items:

- contents, on what is said or done
- relations, the social relations people enter into in discourse
- subjects, or the 'subject positions' people can occupy (Fairclough 1989, 39)

Furthermore, each of these elements is a conduit into the larger society. So, the contents of a particular discourse shape a society's knowledge and beliefs. The relations affect societal relationships. The subject positions are reflected in social identities. Certainly, the applicability of Fairclough's framework can be seen in rough form by the fact that the constraint on cooperative performance within the yardstick model has permeated the cooperative world and become part of its social fabric, for better or worse.

But much more can be derived from an *instantiation*-or consideration of the multiple aspects of--the Nourse discourse. For example, Fairclough says that,

“the socialization of people involves them coming to be placed in a range of subject positions” (Fairclough 1989, 85). This process comes to be regarded simply as “common sense assumptions about social identity” (Fairclough 1989, 84). Isn’t that the way the world is supposed to be? But, always, for cooperatives, the subject position of farmers is an enduring, vital question because farmer-cooperatives are, by definition, composed of farmers. As well, there is the question of their subject position relative to mega-IOFs, whether competitor, partner, or in the formulation of the yardstick model, shadow. The task of text analysis is to uncover both common sense assumptions and the more obvious surface propositions, and to see how, within this fully articulated textual space, powerful participants control and constrain non-powerful participants. This process will take the Nourse text from simply being the “yardstick model” of cooperative formation and an “extra bid” to a much more complex model of cultural change and resistance.

### **Organization**

The text examined is taken from Nourse 1992, 106-108. This selection reflects, in succinct form, farmers’ reasons for organizing cooperatives, the yardstick’s economic function, and the cooperatives’ role within the larger economic society. The excerpt is contained in Section I. For the preliminary text analysis, the Nourse text was broken down in a series of assumptions that reflected the key issues or points made within the text. Assumptions are the typical schemata corresponding to an economic model which the Nourse text represents. Some assumptions, which seemed to flow verbatim from Nourse, were more obvious than other, hidden, “common sense” propositions, which took many readings to identify. “Filling in the gaps” with such common sense propositions gives the Nourse text a coherence that is a particular aim of CDA. Model assumptions are listed in Section II.

In Section III, each of these categories of assumptions, Nourse-specified or common sense, is identified, justified by textual evidence, and discussed for their cultural and economic implications. Particular assumptions will be also examined in greater detail using concepts of linguistic anthropology like dialogism, heteroglossia, and intertextuality.

### **I. Text Excerpt--The Competitive Yardstick**

*The place in the nation’s business logically marked out for the agricultural cooperative is primarily that of “pilot plant” and “yardstick” operation.<sup>1</sup> Its objective is not to supersede other forms of business but to see that they are kept truly competitive.<sup>2</sup> The farmer’s role in the economy is that of raising crops and producing livestock.<sup>3</sup> He properly expects that, under*

*traditional principles of division of labor and economic specialization,<sup>4</sup> industrial agencies will do the country's manufacturing, mercantile agencies will do its distributing, transportation companies will carry its traffic,<sup>5</sup> and financial concerns will furnish its credit.<sup>6</sup> . . .*

Nourse goes on to state: *It is of the utmost importance, however, that farmers shall have both the legal institutions and the organizational "know-how"<sup>7</sup> to step into these fields when and to the extent<sup>8</sup> that service is inadequate or unduly high in cost.<sup>9</sup> It is important also that they remain in each of these fields with an organization sufficiently large<sup>10</sup> to attain high efficiency<sup>11</sup> so that farmers shall be protected against any subsequent lapse<sup>12</sup> in the quality of service or temptation to profiteer in charges by the noncooperative service agencies.<sup>13</sup> But it is just as important that the cooperatives recognize when they have in fact attained their real objective<sup>14</sup> by demonstrating a superior method of processing or distribution or by breaking a monopolistic bottleneck,<sup>15</sup> and that they should then be content merely to maintain "stand-by" capacity or a "yardstick" operational position<sup>16</sup> rather than try to occupy the whole field or a dominating position within it.<sup>17</sup> In some cases, they may be well advised in entirely terminating operations<sup>18</sup> once they have stimulated regular commercial or manufacturing agencies to competition among themselves.<sup>19</sup> . . .*

Nourse's discussion continues: *The true place of the cooperative is that of economic architect,<sup>20</sup> not commercial Napoleon.<sup>21</sup> If its practitioners grasped the distinctive economic philosophy of this business form<sup>22</sup> they will view it as a means to improve the lot of both farmer and consumer.<sup>23</sup> The largest possible return for a special interest is by improving the efficiency of the economic machine,<sup>24</sup> not by using group force to exact the largest possible return for a special interest.<sup>25</sup> Early cooperatives were small<sup>26</sup> and performed simple local services for their members.<sup>27</sup> There was no possibility they would exploit anyone else<sup>28</sup> or "get too big for their britches."<sup>29</sup> But, as small Davids, they did a great job of breaking down the Goliaths of various market monopolies.<sup>30</sup> They are still holding the good fort Competition at many places<sup>31</sup> and resisting monopolistic aggression at new points as occasion arises.<sup>32</sup> But cooperation, as we are discussing it here in terms of its future outlook,<sup>33</sup> has attained to the importance and the responsibilities of "big business."<sup>34</sup> This growth in size and power has been accompanied<sup>35</sup> in the thinking of some cooperators by a desire or intention<sup>36</sup> to "throw their weight around."<sup>37</sup> Remembering flagrant abuses from which farmers suffered in the past,<sup>38</sup> or chafing under a sense of present wrong.<sup>39</sup> These people look to the cooperatives as a power device<sup>40</sup> to be used militantly to improve the farmers' position<sup>41</sup> wherever and to what extent that accumulated power permits.<sup>42</sup> This was the essence of the Sapiro doctrine<sup>43</sup> that each commodity should form its trust or domestic cartel<sup>44</sup> and turn to collective bargaining with a "big stick."<sup>45</sup> It was to repeat for the farmer the pattern of*

*monopoly power<sup>46</sup> first developed by tightly organized corporate business<sup>47</sup> and more recently repeated in the structures and practice of craft and industrial unionism.<sup>48</sup>*

## **II. List of Assumptions**

1. Farmers have a traditional, ascribed role of farming and livestock production.
2. Farmers normally lack the skills and resources to step beyond this ascribed role.
3. The potential for farmer exploitation and abuse exists.
4. Farmer solidarity is a potential response to such abuse.
5. Farmers have, or can obtain, the required resources to form a cooperative--financial, managerial, organizational, and intent.
6. IOFs are typically monopolistic.
7. IOF's are aggressive and go after what they want.
8. If cooperatives become monopolists, they will emulate monopolistic behavior.
9. Cooperatives are optimal when they are small.
10. Cooperatives are good because they are competitive.
11. Cooperatives have certain safeguards which limit their propensity to become monopolists.

## **III. Discussion**

1. Farmers have a traditional, ascribed role of farming and livestock production.
2. Farmers normally lack the skills and resources to step beyond this ascribed role.

Farmers raise crops and produce livestock (line 3) under traditional principles of division of labor (line 4). These traditional principles of division of labor and economic specialization (line 4) lead them to expect others to perform manufacturing, transportation, distribution, and financial functions (lines 5-6).

Nourse views the social order as a hierarchy of roles where everyone has their allotted place. Nourse is a man of order. What makes the yardstick model remarkable is that it becomes a site for a formation of a discourse of social conflict and cultural contradictions, as farmers challenge their ascribed role. For Nourse to hold these notions of a traditional division of labor shows a strong commitment to ideological conservatism. It would take extraordinary circumstances to upset the "established order of things," as represented by these principles. Such circumstances are found in assumption 3.

3. The potential for farmer exploitation and abuse exists.
4. Farmer solidarity is a potential response to such abuse.
5. Farmers have, or can obtain, the required resources to form a cooperative--financial, managerial, organizational and intent.

Assumption 3 follows from text specification of inadequate, high-cost



service and price gouging (lines 9 and 13). Assumption 4 is a background assumption not specified by Nourse but appears as a common sense implication following his conception of farmers as disadvantaged and economically exploited, who go on to marshal the necessary resources to form a cooperative (assumption 5). Assumption 5 follows from the assets, legal institutions, and organizational know-how bestowed on the farmers by line 7, including a large organization (line 10), as well as the requisite intent to improve their economic welfare (line 23).

The Nourse text repeatedly mentions power or similar terms (bigness, aggression) which Johnstone (2002,112) sees as the asymmetrical component of social relations. The omission of the symmetrical component, solidarity, is especially curious, because group action through cooperatives presupposes such unity. It suggests the concept of solidarity was a contested issue in his conceptual framework.

Clearly, Nourse sees farmers as victims. They are victims of inadequate, high cost service, and price gouging. Particularly in line 38, Nourse voices his sympathy for farmer oppression by noting the “flagrant abuses from which farmers suffered in the past.” Lines 23 and 41 echo concerns about the farmers’ lot. The primary concern of the Nourse agenda is not only to improve the welfare of farmers, but to prevent further problems (lines 12-13). In this perspective, cooperatives are secondary, simply “a means” (line 23) to improve the lot of farmers. Farmers, or farm welfare, are the ultimate good.

Nourse also makes a distinction between farmers and cooperatives, a point not often recognized. They are distinct because they do different things. The farmer’s role is to produce crops and livestock and the cooperative’s role is that of the “pilot plant and yardstick operation” (line 1). Perhaps for that reason, Nourse does not use the hybrid term, “farmer-cooperatives” in line 1, preferring instead “agricultural cooperatives.”

The primary ideological split within Nourse is a distinction between farmers as a victimized group whom he wants to protect from further exploitation, and cooperatives as organizations who may mimic the behavior of the monopolists they originally set out to challenge, and so, potentially turn on their own members. Nourse’s ambivalence toward cooperatives is revealed through the fact that he never states that farmers will form a cooperative, instead, line 10 uses the nonspecific term, “organization.”

This notion of a “split within the author” was proposed by the Soviet linguist Mikhail Bahktin (Dentith 1995, 91). The split reveals itself as “two voices, two ideologies, to be found in a single text, but only as it is constituted by the astute reader who can overcome its delusion, the delusion of its author, that it (he) is monologic” (Holquist 1997, 401).” Bahktin calls these multiple voices, “heteroglossia.”

The pivotal transition from one voice, one ideological position, to another,

occurs primarily in the section from lines 12-19. The voice of lines 12-13 is one which benevolently bestows protection on farmers from “noncooperative” service agencies who, importantly, are not yet called monopolists. The next line shifts voice and topic to cooperatives. Now the discourse of victimhood: rectifying wrongs, and overcoming traditional limitations that we saw in the farmer section (lines 3-13), is replaced by a discourse of containment and retreat, the yardstick model, which is presented in lines 14-19.

Nourse has shifted from a farmer context, where “it is of the utmost importance” that farmers shall have whatever they need to make their non-specific organization effective in fighting exploitation, to a cooperative context where the latter must be constrained from the possibility of using their formidable resources “to extract the largest possible return for a special interest” (line 25). This change of context is another linguistic clue to the existence of heteroglossia. The yardstick model is a reaction to cooperatives’ potential to “occupy the whole field or a dominating position within it” (line 17). With what must be seen as Nourse’s now deliberate use of the word “cooperatives” (reflecting Halliday’s dictum that “text is choice”) comes the association of monopoly present in the rest of the text--lines 21, 25, 30, 32, 34, and 35 (Halliday 1978, 109). So, the source of the contested nature of solidarity within the Nourse framework is the potential for cooperative norms of equal treatment to become perverted, through group force, into becoming vehicles for special interests.

The ideological strength of Nourse’s position, underscored by textual evidence, indicates it would have been very difficult for Nourse to accept anything that might have hurt farmers. Using Bakhtin’s concept of heteroglossia, it is possible to see that, paradoxically, through the cooperatives they themselves had established, farmers might be the agents of their own economic misfortune.

6. Investor-Owned Firms are typically monopolistic.

7. Investor-Owned Firms are aggressive and go after what they want.

The Nourse world is peopled with varieties of greedy Robber Barons, Pirates, Goliaths, and Napoleons. Nourse lived in a threatening world, which may have contributed to his small and powerless heteroglossic “farmer-member” voice that was gratified by small victories over the Goliaths he perceived as giants (lines 26-30).

The behavior of the IOFs around him reflected a combination of raw power, militancy, large size, and economic exploitation. They represent “commercial Napoleons” (line 21); who can be tempted to “profiteer in charges” (line 13); also a “Goliath of various market monopolies” (line 30); who can become “big business” (line 35) with a potential to “throw their weight around” (line 37).

Douglas (1969: xii) observes that commercial agriculture used financial, transportation, marketing, and industrial agencies (institutions also named by

Nourse in lines 5-6) as a springboard both to develop and become integrated into the overall economy. The result was an interdependence between business and agriculture that Douglas calls, “complicated and somewhat ambivalent,” because the producer had no influence on the terms of trade for products sold or bought. Therefore, the producer:

sought, by cooperatives and by influencing government policy, to intervene in a process which he believed made him a victim. On the other hand, the farmer was becoming a business man, by necessity and by virtue of the role of commercial agriculture in which he found himself making business decisions and dealing with the business community. In doing so, he naturally tended to acquire the values and outlook of business. The alliance of the commercial sector of agriculture with the business world is one of the most significant modern characteristics of the American economy. Many values were mutually shared and many current policies are explained only in terms of an agro-business relationship (Douglas 1969, xii).

If farmers acquired the “values and outlook of business,” that meant that cooperatives would, too. The transition to a modern, commercial agricultural economy had profound implications for Nourse. Chief among them was the following fear:

8. If cooperatives become monopolists, they will emulate monopolistic behavior.

From this assumption, the following can be inferred:

Cooperatives will continue in business for an extended period, not just stay on the fringes of industry in a stand-by capacity. They will perform complex operations, going beyond the simple, local services typical of early cooperatives. Their behavior will be militant, arrogant, and hostile. Cooperatives will become indistinguishable from IOFs, imitating them in size, importance, and responsibilities (line 34), power (line 35), militancy (line 41), and sense of direction. This process will take cooperatives from a pacific Nourse-defined mission of keeping other firms “truly competitive” (line 2) into militant Sapiro-based thrust for farmer parity through collective bargaining (line 45).

For these reasons, Nourse believed in the following fact:

9. Cooperatives are optimal when they are small.

The parallel to the “little cooperative-big monopolist” images are the more homely references to David and Goliath, “as small David’s, they did a great job of breaking down the Goliaths of various market monopolies” (line 30). By casting cooperatives in the image of David, Nourse reflects the neighborly, personal aspect of cooperatives, where farmers and managers are on a first-name basis. In the same manner, “Goliath” may refer to a huge, impersonal machine-like IOF culture.

In the Nourse framework, a cooperative must become “sufficiently large” to attain high efficiency (line 11) and protect farmers from service inadequacies (line 9). This is Nourse speaking in a voice sympathetic to farmer concerns,

whether he is representing the position of a cooperative organizer, promoter, or farmer. But the notion of “sufficiently large” from the farmer standpoint is quickly contested, for two lines later, Nourse suggests, in another voice, that a cooperative may become too large for its own good. In this way, the competitive yardstick model raises a fundamental issue--when is a cooperative “sufficiently large”?

Nourse foresaw that cooperatives would aspire “to the importance and the responsibilities of big business” (line 34), and so, become alienated from their membership. Undoubtedly, this would occur behind closed doors, as the managers and directors of cooperatives made the decisions pulling cooperatives from their rural domains to put them in less familiar settings. David would make a similar decision in the same hidden way.

Julia Kristeva used the term, “intertextuality,” to refer to how texts build on, interact, and influence each other in intersubjective, common pools of meaning (Johnstone 2002, 139). Nourse’s reference to David and Goliath is passing, but the actual Biblical encounter, as demonstrated by an intertextual analysis, underscores Nourse’s apprehension about the ultimate outcome of the relationship between cooperatives and farmers.

In the Bible, David puts on helmet, sword, and armor to prepare for the encounter with Goliath. “He walked with difficulty since he had never tried armor before” (New American Bible 1976:1 Samuel 17, 39). This is recognition that the rural youth is out of his element. So, David rejected the manufactured weapon in favor of one more likely to be used by a farmer or rural youth: “five smooth stones from the wadi” (New American Bible 1976:1 Samuel 17, 40).

After having won the encounter with Goliath, David “kept Goliath’s armor in his own tent” (New American Bible 1976:1 Samuel 18, 54). This is the source of the internal, hidden betrayal. Exposed to armor, he rejects weapons both “simple” and “local” [attributes of early cooperatives] for the aggressive manufactured trappings of militancy. If, by wearing Goliath’s armor, David “becomes” Goliath, the metaphor for cooperatives can be further extended to suggest that farmer exploitation could occur through the apparent cure.

For Nourse, the remedy for militancy had to be passivity, effected through strategic retreat, to hold “the good Fort Competition” (line 31) and keep “resisting monopolistic aggression at new points as occasion arises” (line 32). In this heteroglossic reading, aggression has a dual aspect; it is both internal and external. Cooperatives must resist not only the aggression of the monopolists outside “good” Fort Competition, but they must resist their own latent potential to grow in size and power and from there, potentially subvert their original mission of helping farmers. If cooperative power can ultimately be used against farmers, then good Fort Competition is valuable for more than just constraining the “Goliaths of various market monopolies.” It functions to restrain cooperatives as

well.

Nourse grapples with the possibility that his premise that the early cooperatives performed simple local services for their members, “with no possibility they would exploit anyone else, or, in his folksy phrase, “get too big for their britches,” could eventually betray him, and likewise, farmers, once they had gotten proximity to power (lines 26-29). Within the Nourse text, atavistic textual voices demanding that everyone fit in their place (“no one gets too big for their britches”) or get a better deal than anyone else (not be exploited) engage in a dialogue with strident, militant Sapiro-influenced voices calling for a potentially revolutionary agrarian overhaul.

The notion that the multiple (heteroglossic) voices within a text engage in a dialogue with one another reflects Bakhtin’s concept of “dialogism.” These “warring voices” contesting within the Nourse text probably exacerbated his sense of loss and bitterness over a transition that would likely eliminate a way of life that was to him, proper, traditional, and expected. Today, in some circles farming is still called a “way of life.” In Nourse’s day, to think of it as otherwise must have been heresy.

Interpreting the competitive yardstick as a cultural model suggests that Nourse may have tried to preserve rural values and integrity by limiting the amount of time cooperatives spent performing activities similar to monopolists. Industry exit, stand-by status, or production stoppages would impose an effective barrier on any inclination to stray outside their customary rural domain. By shortening the commodity-product orientation of cooperatives, Nourse conceivably heralds the more community- and socially-based “mission is different” notion of cooperatives identified by Cook (1993).

The radical positions--“militancy” and “trade unionism”--represented by the dialogism occurring within the text probably increased the extremism of Nourse’s own voice and position, reflected in the harsh words he used to condemn cooperative’s potential “contamination” by proximity to big business and the passive, rigid way he formulated the competitive yardstick.

9. Cooperatives are optimal when they are small.

10. Cooperatives are good because they are competitive.

To discipline the monopolists, cooperatives must lose the small size that Nourse cherished. Cooperatives need to become large to become efficient (lines 10-11) and develop the superior processing or distribution methods necessary to compete with them. Consequently, Nourse segments competition into “simple local services” (line 27) appropriate to the demands of an essentially pre-industrial economy, and the more complex, “superior” manufacturing or distribution techniques (line 15) required by an advanced economic society. This duality reinforces the notion that the Nourse text represents a discourse of cultural transition and conflict.

Ultimately, however, Nourse is trapped within his own framework which does not admit the possibility of organizations either large and non-exploitative or large and non-militant. For Nourse, it is ultimately a discourse of power unleashed, with the scale balanced through strict limitations and containment on cooperatives. Necessarily then, agricultural cooperatives cannot challenge other agribusinesses even when the cooperative is clearly more progressive (line 15). For the role of the agricultural cooperative is “not to supersede other forms of business” (line 2). Because the farmers’ role “properly” followed from “traditional principles of division of labor and economic specialization,” Nourse ultimately needed to restore balance and order to the paradigm of social conflict inherent in the yardstick model. To remedy farmers’ economic exploitation, Nourse allowed them to momentarily break out of the limitations of their ascribed status. His insistent, demanding, cooperative-promoter-farmer voice is abundantly clear in line 7’s, “It is of the utmost importance,” that farmers shall have whatever they need to organize a cooperative.

The retreat, the restoration of the social order, comes in reaction to the non-farmer voice, where Nourse warns of the revolutionary dangers of the Sapiro doctrine, particularly its parallels with the non-agrarian institutions of craft and industrial unionism (line 48). Indeed, it is of the utmost importance that farmers shall have all they need to improve their situation, but “it is just as important” (line 14) that cooperatives, whom Nourse regarded as separate from farmers, surrender their plant, equipment, legal institutions, and organizational know-how that farmers had acquired (from line 7) and “be content,” he advises, in the ideological language of ascribed status, with going back to their previous origins--in effect, disappearing (lines 16-18). For, as Nourse said, farmers’ “properly” expect other agencies--not cooperatives--to do their manufacturing, distribution, transpiration, and financing (lines 3-6).

So, although Nourse may have had the intention of presenting a model of cooperative formation, in effect, he presents a model of a dual economy, where cooperatives venture from the relatively backward agrarian sector as necessary to protect farmers’ interests, and then hastily retreat, to avoid being contaminated by the values and interests of the advanced economic sector. In this brief foray, cooperatives have been able to triumph over more technologically sophisticated firms and “beat them at their own game,” by developing superior manufacturing or distribution techniques that such firms are forced to imitate to remain competitive. Although cooperatives may falter by becoming monopolists (a moral failing), in the end, Nourse believed they were every bit the technological equal of IOFs.

11. Cooperatives have certain safeguards which limit their propensity to become monopolists.

These safeguards are “excess” or “stand-by” capacity (line 16) or simply

terminating operations (line 18). At the moment of success, when cooperatives have attained their “real” objective, Nourse prescribes retreat, even, conceivably, the dissolution of the cooperative.

Two ideas exist here. A heteroglossic reading of the word, “real,” in line 14 suggests that rectifying the poor service quality or exploitative charges of line 13 may not be any enduring sense the primary focus of a cooperative. Instead, the voice of Nourse, the economic architect (line 20) identifies the real, lasting, criteria in line 15: developing a superior method of processing or achieving market access where there was little before. This significance of such accomplishments makes it almost tragic that Nourse, as rural reactionary, would consider ceding the cooperative position to other commercial or manufacturing agencies (line 19), who either do not possess such creativity or who created market distortions such as monopolistic bottlenecks.

But Nourse’s primary concern is with the welfare of farmers and not with the welfare of cooperatives. He does not want cooperatives to clothe themselves in the trappings of “craft and industrial unionism” (line 48), as David clothed himself in the armor of Goliath, and so forget their simple, local rural origins. He worries that farmers will again become oppressed if their cooperatives do not discipline themselves to avoid the temptation of wielding monopoly power. Yardstick has a dual meaning--the competitive yardstick disciplines both cooperatives and monopolists alike. It disciplines monopolists through “breaking a monopolistic bottleneck” (line 15). It disciplines cooperatives by having them revert to standby capacity as preventative medicine to keep them used to being small. It imposes passivity on them to counter a tendency toward militancy, the inclination to forget their agrarian roots to become “big business” (line 38).

So, the strange reluctance of a leading cooperative philosopher to urge cooperatives to maximize their market position and influence can be understood, through discourse analysis, as a way of preventing cooperatives from mimicking the behavior of the monopolists they contained through the competitive yardstick, and so, re-victimizing farmers.

## Summary

The question considered in this analysis is, why did one of the two major cooperative philosophers, Edwin G. Nourse, impose constraints on cooperative potential through the restraint of his “competitive yardstick model,” when his contemporary, Aaron Sapiro, urged them to take full advantage of their power in the marketplace? The methodology of critical discourse analysis is used to conduct an analysis of the competitive yardstick framework, which is seen as a complex model of cultural and social transition. The analysis reveals that Nourse regards farmers as distinct from cooperatives. He believes it is of the utmost importance that farmers have all the resources they need to start an organization, which is not called a cooperative. Neither is the term monopoly used in the section discussing farmers. Once the term, “cooperative” is introduced, monopolistic reference also occurring in the text, then cooperatives are potentially monopolistic and exploitative toward farmers. This violates Nourse’s values. He regards cooperative formation as a mechanism to help farmers, not as an objective in and of itself. Nourse’s primary concern is with the welfare of farmers, not with the welfare of cooperatives. So, the passivity of the stand-by status of the competitive yardstick has two meanings. It disciplines monopolists by eliminating them through the efficiency of market competition. It also disciplines cooperatives by preventing them from mimicking the behavior of the monopolists they destroyed and so, re-victimizing farmers. The passivity imposed on cooperatives through the industry exit or stand-by status of the competitive yardstick also restores the rural social balance and prevents cooperatives from contributing to the contemporary radical social movements which Nourse abhorred.

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