

THE UNIVERSITY OF MANITOBA

JACOB JOHN SIEMENS  
AND THE CO-OPERATIVE  
MOVEMENT IN SOUTHERN  
MANITOBA 1929-1955

by

HENRY DYCK

A thesis  
submitted to the Faculty of Graduate Studies in Partial  
fulfilment of the requirements for the degree  
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Department of History  
Faculty of Arts

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"Let us build a school to teach our children what we as co-operators believe in".

J.J. Siemens 1948



## FOREWORD

This study is a brief survey of a regional co-operative movement between 1929 and 1955. The period was selected because it parallels the career of Jake Siemens, the principal person in Southern Manitoba's co-operative movement, and because the movement reached its apex during these years. The area to be considered encompasses the rural municipalities of Morris, Rhineland and Stanley in Southern Manitoba. The subject of the study is the origin, evolution and consolidation of co-operatives among the Mennonites in Southern Manitoba. Considerable emphasis is placed on Mennonite attitudes and their relationship to co-operative ideology and co-operative institutions.

The thesis examines a number of questions. Some analysis is given to the issue of Mennonite participation in co-operatives and the reasons underlying the development of a strong regional co-operative movement in the province. Much of the analysis focuses on the leadership of Jake Siemens because, it is contended, he shaped the character of the movement and gave it a uniqueness. What made this regional co-operative movement unique was its far-reaching co-operative education program. It was not unique in the sense that it was the only program in existence, rather in the way it was organized and implemented. Because the formation of co-operatives among the Mennonites, as elsewhere in Canada, was primarily a response to economic need, the study assesses the overall impact of co-operatives on Southern Manitoba's economy.

Organizationally, the thesis is divided into five chapters and an epilogue. The first chapter is an introduction which provides historical background on the evolution of co-operative institutions;

it also describes the local setting where the events occurred and looks at the Prairie agricultural economy in relation to the regional economy of Southern Manitoba and briefly examines Mennonite society. Because Jake Siemens provided the dynamics of the regional co-operative movement and became a well-known co-operative leader in Canada, the second chapter is devoted to the person and his accomplishments. The third chapter, covering the period 1929 to 1938, dwells on the beginnings of the movement and its organizational problems. The era of expansion for co-operatives coincided with World War II and is the subject of chapter four. Co-operative education, a vital part of the co-operative movement from 1930 to 1955, has been examined in the fifth chapter. Finally, the epilogue reviews the changes in Southern Manitoba's co-operatives from 1955 to 1975 and attempts to shed some light on the state of the movement.

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## I. INTRODUCTION

To understand the place of co-operatives and of J.J. Siemens in the history of Southern Manitoba, it is necessary to recall the context within which they existed. This chapter provides a brief overview of co-operative institutions and their characteristics in the North Atlantic World, showing the influence of the European co-operative experience in the evolution of the Canadian co-operative movement. It then discusses the agricultural economy of the Prairie Provinces between 1927 and 1955 and the economic circumstances in which many Canadian co-operatives began. The third part of the chapter focuses on the local setting and compares it with the rest of the Prairies. The fourth segment looks at Mennonite society, its institutions and its relationship to co-operatives. Finally, a brief survey of the historiography on the Mennonites and the co-operative movement will provide some insight into the place of this thesis in the historical literature relating to Western Canada.

### I

Co-operatives in Canada were a part of the numerous reform movements that flourished early in the twentieth century. Co-operative enterprise was one response to the needs of the times. The era of growth had brought with it a number of economic and social problems: inadequate housing, destitution, lack of sufficient social services and exploitation of labour. In the agrarian areas, many farmers encountered marketing problems, rising costs and labour shortages.<sup>1</sup> Given the adverse circumstances, the environment was suitable for the appearance of a new form of enterprise with distinct characteristics.

Co-operative organizations were quite different from traditional capitalist businesses. One important characteristic was "one person, one vote", which defied the capitalist doctrine of the dominance of invested capital. In their quest for economic democracy, co-operators adopted two other characteristic rules: neutrality in political, religious and racial questions; and the acceptance of the idea that invested capital should bear a low, fixed rate of interest. Co-operatives also established the practice that surplus earnings were distributed to the membership in proportion to their patronage. Participation rather than investment determined the amount of the refund. Another important but less universal characteristic of the movement was the emphasis upon co-operative education. Co-operatives differed considerably in their interpretation of the meaning of education: for some it meant the promotion of patronage; for others it encompassed all forms of co-operative action; for others it meant a general adult education program; and for a few it included all of these. A final characteristic involved trade on a cash-only basis. This feature aroused considerable controversy among the co-operatives serving the ever cash deficient farmers and miners, and rarely worked effectively.<sup>2</sup> These characteristics gave the co-operatives an identity both in Canada and abroad.

The co-operative movement first gained widespread acceptance in Great Britain. Influenced by the utopian experiments of Robert Owen early in the nineteenth century, people experimented with co-operatives for the rest of the century. The most successful co-operatives emerged out of the work of Dr. William King and the Rochdale pioneers during the 1840's. The Rochdale experience marked the beginning of rapid expansion

of the British co-operative movement. By 1900, Great Britain led the world in co-operative activities and thought. One of the distinctive characteristics of the British movement was its narrow base; it focused on the organization of consumer co-operation. Believing in the primacy of the consumer, British co-operators developed an extensive network of co-operative stores including wholesales.<sup>3</sup> Initially only supply agencies, the wholesales gradually diversified their activities; they entered into the production of industrial and agricultural goods and then into banking and insurance services for their stores.

Other co-operative institutions in Great Britain were truncated in their development. Raffeisen-type co-operative banks or credit unions were seldom successful if and when organized, despite the efforts of a strong advocate, Henry Wolff. Even today, co-operative credit in Great Britain is much weaker than in Continental Europe. Producer co-operation also grew very slowly and never gained the prominence achieved in North America and Scandinavian countries. British co-operative leaders distrusted the controlling power of producer co-operatives and opposed their development.<sup>4</sup> Nevertheless, some marketing co-operatives were established, but they were still few and small in the twentieth century.<sup>5</sup>

The co-operative movement in Continental Europe differed considerably from that of Great Britain. Co-operative credit institutions based on the Schulze-Delitsch and Raffeisen models developed into a powerful movement in Germany. The consumer movement, although less advanced than in Britain, was similar to agricultural producer co-operatives.<sup>6</sup> In the Scandinavian countries all forms of co-operative activity were evident. Denmark had a strong producer co-operative tradition based on the

co-operative dairy societies and co-operative bacon factories. The producer dominated Danish co-operative movement can be attributed in part to the extensive rural adult education program, the folk high school.<sup>7</sup> Other important co-operative organizations were banks and consumer societies. In Sweden, a staff training college and study clubs formed an integral part of the consumers co-operative movement. In other European countries, the most notable growth occurred in co-operative credit and marketing associations.

The British and European experience influenced the character of Canadian co-operative institutions. Co-operators as a rule followed the Rochdale principles in operating their co-operative businesses. British immigrants often provided much of the expertise and leadership in the co-operative store movement. George Keen, former secretary of the Co-operative Union of Canada and co-operative organizer, favoured the British philosophy of co-operation. This approach emphasized the strength and autonomy of the consumer societies. Before organizing the first people's bank or *caisse populaire* at Levis, Quebec, Alphonse Desjardins studied the European co-operative credit movement, particularly the parish-based system in Italy. Even the pragmatic agrarian co-operators acquired some of their knowledge from Europe.

While the Canadian co-operative movement initially depended considerably on European co-operative tradition, it soon established its own pattern of development and institutions. Canadian co-operative institutions differed by size, function and region. Producer co-operatives have and continue to dominate the Canadian co-operative movement. Organized by primary producers - farmers, fishermen, fruit growers - to eliminate the middleman in the marketing of their products



and thus give them a voice in the marketplace, these co-operatives developed early and rapidly in most regions of Canada. But nowhere was it more evident than on the Prairies. Beginning as a protest movement against the traditional method of marketing crops, prairie farmers conducted a relentless campaign for co-operative marketing. This led to the formation of the Grain Growers Grain Company in 1906, Saskatchewan Co-operative Elevator Company in 1911, Alberta Farmers Co-operative Elevator Company in 1913, and the wheat pools during the twenties.<sup>8</sup> Because of the nature of their function - grain marketing - these co-operatives experienced rapid growth during every decade except the thirties. In fact, the wheat pools collapsed in the 1930's but recovered remarkably with government assistance. Other marketing associations, including dairy co-operatives, and fruit marketing co-operatives have given producer co-operatives further strength and diversity during their evolution in Canada.

Another major co-operative institution in Canada was based upon consumers. Initially weak and decentralized, the consumer co-operative store movement developed slowly and with great difficulty in both rural and urban areas. After the introduction of the chain store system in Southern Ontario in the early twenties, co-operative stores made only a minor impression in most cities and larger towns. For many years there was considerable friction between producer and consumer groups over the method of co-operative buying. The large marketing co-operatives on the Prairies, advocates of large-scale centralized purchasing, organized supply departments and competed directly with the independent consumer co-operatives by 1917.<sup>9</sup> Similarly, the United Farmers Co-operative in Ontario and the agrarian co-operators in Nova Scotia and New Brunswick

supported large-scale co-operative buying schemes.<sup>10</sup> The ensuing controversy inhibited the growth of the consumer movement for a number of years.

The fortunes of consumer co-operation began to turn in the late twenties, particularly in the Prairie Provinces. The wheat pools became more sympathetic toward the consumer movement and "... were less willing to dismiss the co-op store as a puny palliative for consumer grievance."<sup>11</sup> Many farm leaders even were willing to consider the formation of wholesales. Co-operative wholesales were organized in Saskatchewan in 1926, Manitoba and Alberta in 1928. The birth of the wholesales reflected a better relationship between producer and consumer organizations. Greater co-operative unity improved considerably the environment for expansion of consumer co-operatives.

The most notable development in consumer co-operation was the organization of Consumer Co-operative Refineries in 1935. During the early thirties some stores and numerous co-op oil stations in Manitoba and Saskatchewan had started handling petroleum products. When the large oil companies reduced the wholesale-retail margin and subsequently the patronage refunds, disenchanted co-operators raised \$32,000.00 and built their own refinery.<sup>12</sup> This achievement was a manifestation of the movement's vitality.

Unlike consumer co-operation, the co-operative credit movement expanded much more rapidly and uniformly throughout Canada. Co-operative banking began in Canada at the turn of the century. Alphonse Desjardins, a Quebec journalist, while attending the parliamentary debates in 1898, discovered that banks and finance companies did not meet the credit needs of the workers. The institutions often

charged exorbitant interest rates and ignored the small loans field. Concerned about the poverty and the credit problems of the people in rural Quebec, Desjardins sought a solution. After studying the co-operative credit societies in Europe, he organized the first people's bank or *caisse populaire* at Levis in 1900.<sup>13</sup> Organized on a parish basis, the movement spread quickly in rural Quebec. By 1921 nearly two hundred *caisses* were operative in the province.<sup>14</sup> The success of the *caisses* soon attracted attention inside and outside Quebec.

Because of a schism between English-Canadian co-operators and French-Canadian co-operators in the *caisse populaire* movement after 1912, most of English Canada learned about credit unions from the United States. Using the Desjardins model, the American movement had expanded quickly under the leadership of E.A. Filene and Roy Bergengren and formed a powerful organizational arm in the Credit Union National Extension Bureau. This organization was active in the formation of credit unions on the Prairies, Ontario and British Columbia. The American presence also extended into the Atlantic Provinces when Moses M. Coady and Jimmy Tompkins, leaders of the Antigonish movement, sought and received assistance from Bergengren in the preparation of credit union legislation for presentation to the Nova Scotia government.<sup>15</sup> These proposals were enacted in 1932. The concept of co-operative credit spread quickly in Nova Scotia and the other Atlantic Provinces. By 1939, Nova Scotia had two hundred credit unions and a federation known as the Nova Scotia Credit Union League.<sup>16</sup> Much of the credit union expansion was due to the activities at Antigonish. Beginning in 1930, the Extension Department of St. Francis Xavier University sponsored an adult education program emphasizing economic and co-operative

action. Using the study club approach, the field workers helped communities identify their credit problems and alleviate them through the formation of credit unions. The Antigonish leaders promoted these self-help projects not only in Nova Scotia but also in other parts of English speaking Canada. In 1936 and 1938, Moses Coady toured the Prairies and publicized events in the Atlantic Provinces.<sup>17</sup> Similarly, A.B. Macdonald addressed groups in Manitoba in 1939 and 1940. Such publicity stimulated interest in credit unions on the Prairies.

Other significant co-operative institutions have appeared in Canada largely in response to specific needs. Prairie farmers organized Canadian Co-operative Implements in the 1940's to deal with high machinery costs. Saskatchewan co-operators formed a life insurance company, Co-operative Mutual Benefit Association in 1940.<sup>18</sup> During the forties, co-operatives also entered the processing business: United Co-operatives of Ontario purchased a fertilizer plant in 1941 and poultry processing plants in 1945; farmers in Southern Manitoba organized a co-operative oilseed processing plant and a co-operative cannery; some Prairie wholesales joined with the United Farmers Co-operative and National Co-operatives of the United States to buy a shingle mill in British Columbia; and the Manitoba Co-operative Wholesale began producing livestock feed in 1943.<sup>19</sup> Other smaller institutions worthy of mention are health co-ops, recreational co-ops, film co-ops, housing co-ops and transportation co-ops. All the co-operative institutions, evolving as they did in a diverse nation, profoundly affected one another. In fact, in each other they often found their strength. That co-operative unity would pervade co-operative activities in Southern Manitoba.

## II

On the Prairies, more than anywhere in Canada, economic conditions have fostered large-scale co-operative enterprises. The vagaries of the weather, the volatile grain markets and dependence upon a single crop - wheat - have contributed to an unstable economy. The economic instability coupled with the farmer's distrust of the private grain trade and the open market, have provided a fertile environment for the development of agricultural co-operatives. The study will examine briefly the agricultural environment where co-operatives could begin and thrive.

All parts of Canada experienced hard times during the thirties, but the Prairie region was in the worst shape. Basically an agricultural economy founded on wheat production, it was quite vulnerable to the vagaries of the weather and the export markets. Although the one-crop economy was fragile at the best of times, Prairie farmers ignored that fact during the expansionistic, prosperous twenties and purchased land at inflated prices. With increased farm mechanization, farmers also invested heavily in new farm machinery. The rapid increase in farm debt heightened the possibility of grave economic consequences for the region in the event of a sudden downturn in the world economy.

The collapse of the stock market in 1929 signalled the beginning of a world depression. As the depression deepened, world trade declined drastically. The foreign markets for Canadian foodstuffs collapsed and prices of all agricultural products declined sharply.<sup>20</sup> Wheat prices dropped from \$1.06 per bushel in 1929 to \$0.38 in 1932 and remained below the dollar level throughout the thirties.<sup>21</sup> In the Prairie Provinces, a drought unprecedented in its severity and duration weakened

the economic position of farmers even further.

The impact on Canadian farm income was immediate. Net farm income fell from \$642 million in 1928 to \$109 million in 1933.<sup>22</sup> So severe was the decline that cash from the sale of farm commodities did not always cover the operating expenses and depreciation costs. The combination of depressed prices and unfavourable crop conditions reduced farm income to a negative quantity in Manitoba in 1931 and in Saskatchewan in the years 1931 to 1934 and again in 1937.<sup>23</sup>

Because of the prolonged drought, farm income reached the lowest level in the Prairie Provinces. The Net Farm Income Index, using 1926-29 as the base of 100, shows that net farm income in the Prairie Provinces remained below the national average throughout the thirties. For example, in 1931 farm income in the region dropped to -8.9, while the Canadian figure stood at 23.5.<sup>24</sup> The loss of farm income wrought economic havoc in most farm communities throughout the Prairies. Capital accumulated during prosperous years was largely consumed in a few years of economic distress. Both private and public debt grew. Farmers no longer invested in their enterprises; as a result, the condition of farm buildings and farm machinery deteriorated. Destitute people, particularly in Saskatchewan, went on relief to alleviate their economic distress.<sup>25</sup>

While relief requirements in the Prairie Provinces remained relatively high for most of the decade, the Canadian economy began a gradual recovery after 1933. Agriculture shared in the improvement as farm prices edged upward. The foreign markets so vital to the Canadian agricultural economy were re-opened. Of special significance was the restoration of large-scale trade in foodstuffs with Great Britain and

the resumption of trade in agricultural products with the United States in 1934.<sup>26</sup> With improved markets and better prices, agricultural returns improved in the second half of the thirties in comparison with the first. Drought conditions on the Prairies in 1936 and 1937 notwithstanding, Canadian agricultural income averaged \$317 million annually for the five year period, 1935 to 1939, as opposed to merely \$188 million a year for the period 1930 to 1934.<sup>27</sup>

Another development which contributed to the reconstruction of the Prairie economy was the establishment of the Prairie Farm Rehabilitation Administration (P.F.R.A.) in 1935. An agency of the federal Department of Agriculture, it promptly began a program of renewal. By experimentation and demonstration the agency introduced new cultural practices such as strip farming and the replacement of black summerfallow with crops that provided a trash cover. Large acreages of the poorest land were taken out of cultivation and regrassed. The Administration also initiated a program of water conservation through the construction of small dams and dugouts on individual farms. Larger projects involved the development of irrigation systems for the moisture deficient prairie cropland.<sup>28</sup>

Although better economic conditions prevailed, the Canadian agricultural community had only partially recovered from the economic depression and drought when World War II began in 1939. Land and buildings had been neglected and machinery was in disrepair. Agricultural debt had declined only slightly from its peak in 1938. The western farmer faced another problem: a wheat surplus. Record world wheat production and good wheat crops in Canada in 1938 and 1939 had created an over-supply.<sup>29</sup> The wheat economy on the Prairies again

demonstrated its vulnerability to changes in the world market, and World War II would exacerbate the marketing problems of the large wheat carry-over.

Initially World War II brought about only a moderate demand for Canadian agricultural products. Consequently, the prices of all commodities improved. Wheat prices in particular responded favourably. Wheat which had been selling for less than fifty-five cents a bushel on the Winnipeg Grain Exchange advanced twenty-five cents a bushel in the first two weeks of the war, and upward pressure continued into 1940 and reached ninety cents a bushel.<sup>30</sup> Canadian exports of cheese to the United Kingdom increased, especially after a formal agreement on cheese was signed in 1940. The slight increase in British prices coinciding with very low production increased the Canadian prices from eleven cents in 1939 to nineteen cents in 1940.<sup>31</sup> However, export demand for Canadian farm commodities as a whole was relatively weak. In 1940 stocks of all commodities except cheese exceeded those of the previous three years.<sup>32</sup> Potential relief for the existing surplus declined with the German occupation of Western Europe early in the war. The realization that the market for Canadian wheat would not extend beyond the United Kingdom during World War II lowered the price of wheat nearly thirty cents on the Winnipeg Grain Exchange before the federal government intervened to avert further losses.<sup>33</sup>

The combination of high wheat yields and limited demand pushed the volume of wheat reserves that Canada could carry to the limit. Given the large carryover and the exigencies of war, the federal government intervened increasingly in the marketing and production of wheat. Facing a carryover of 480 million bushels in 1941,<sup>34</sup> the federal



government introduced the quota system which restricted farmers' marketing to two hundred and thirty million bushels for the 1941-1942 crop year. To further reduce wheat production, the government paid farmers four dollars per acre to divert wheat acreage to summerfallow.<sup>35</sup>

The response was immediate: farmers took 6.5 million acres<sup>36</sup> out of wheat in the 1941-42 crop year, and in 1943 wheat acreage was the lowest in twenty-five years.<sup>37</sup>

The year 1941 marked a turning point for Canadian farm products. Livestock and dairy products began to shift from heavy surpluses to potential deficiencies, strengthening prices. As the war progressed, acute shortages of dairy products and bacon began to appear. Even wheat marketing increased gradually. To stimulate livestock production the government introduced incentives for Prairie farmers to grow feed grains instead of wheat and provided freight subsidies for the shipping of the grains to the livestock producers in Eastern Canada and British Columbia. The freight assistance for feed grains, started in 1941, did not end until 1950 and cost the federal treasury as much as twenty million dollars annually.<sup>38</sup>

Another serious deficiency was in edible oils. In the past Canadian domestic vegetable oil requirements had been met by imports of flaxseed from Argentina and palm oil from the Far East. With the loss of the traditional sources of supply due to disruption in ocean transportation and war with Japan, Canada had to expand domestic production of oil-bearing crops to meet its own needs. To stimulate production the federal government fixed the price of flax at \$2.25 a bushel in 1942<sup>39</sup> and implemented a system of price guarantees for special crops such as sunflowers and rapeseed. Sunflower production

increased steadily even after government price supports were removed and reached 60,000 acres in Manitoba in 1949.<sup>40</sup> The market for vegetable oil remained until 1950 when competition from imported sunflower and soybean oils depressed prices and reduced plantings of oilseeds. A positive result of the war-time shortages of edible oils and other food commodities was the diversion from wheat to alternate crop production in Western Canada.

Wartime demand for higher total farm output presented several problems for Canadian farmers. The surplus agricultural labour force of the thirties had given way to scarcity in many rural areas. Enlistment in the Armed Forces and employment opportunities in war industries in the cities had facilitated the movement of an agricultural labour force from the farms on a scale unknown for a decade or more.<sup>41</sup> It is noteworthy that the movement to urban centres was a continuation of an established migration; the war merely intensified it.

The labour supply problem was complicated by a shortage of farm machinery. Agricultural implement purchases had fallen drastically during the Great Depression. Although sales revived somewhat after 1936 Canadian farmers entered the war with poorly equipped farms. With industry concentrating on the production of wartime goods, even machinery repair parts became scarce. These shortages hindered agricultural productivity and continued into the post war period. Nonetheless, Prairie farmers increased their agricultural output.

Acting through the Wartime Prices and Trade Board, the federal government tried to alleviate some of the farmers' production problems. The government introduced a system of subsidies to offset the price ceiling on farm products and thereby keep down farm costs. Prices of

numerous imported goods were reduced through the removal of duties and taxes. Various producer goods, including farm machinery, binder twine, feed, fertilizer, harnesses, lumber, pesticides, petroleum products, and wire and wire fencing, qualified for a subsidy. To improve producer returns, the government purchased beef cattle at export market prices and resold to the packers at domestic ceiling price.<sup>42</sup> While these measures contributed to increased productivity and bolstered the agricultural economy as a whole, it did not necessarily increase cash farm income to pre-depression levels.

Despite wartime requirements, the prairie wheat economy recovered very slowly from the drought and depressed markets of the thirties. From 1935 to 1939 cash agricultural income in the Prairie Provinces was less than half of the Canadian total. More significantly, this low proportion continued until 1943. Not until the final two years of the war did prairie agriculture attain a cash income which compared favourably with other Canadian agricultural regions. Although farm income in the Prairies averaged fifty percent of total Canadian farm income during the six war years, it did not attain the high proportional share of the twenties,<sup>43</sup> and average cash income during the war years in the Prairie Provinces only exceeded the years 1926 to 1929 by twenty percent.<sup>44</sup> Nevertheless, the prairie farmers' net income in the years between 1941 and 1946 increased from \$250 million to \$625 million. The increase can be attributed partly to higher production, higher returns for farm produce and the price control and subsidy programs which held down farm production costs.<sup>45</sup>

Numerous changes occurred in Canadian and prairie agriculture during World War II. These changes took place in a time when the

Canadian economy was subjected to increased state intervention. Production programs were guided largely by agricultural policies based on war needs. Due to wartime demand there were notable changes in the type of farm produce raised on the Prairies. Farmers shifted from wheat production to more diversified agriculture. Primarily due to poor wheat markets, and rising prices for livestock and livestock products, prairie farmers expanded their production of feed grains, poultry, beef cattle and hogs.<sup>46</sup> However, the decline in wheat production was only temporary. By 1944 improved wheat prices increased wheat acreage and hog production began to decline. Wheat again became the most important crop on the Prairies.<sup>47</sup>

Other changes were significant in prairie agriculture during the war years. Farms became fewer but larger as many rural residents moved to the cities and towns in search of better employment opportunities. Nevertheless, these fewer farmers increased agricultural production and relied more on mechanization. With higher farm income, owner-operators on the Prairies reduced their mortgage indebtedness to \$83 million, a fifty-two percent reduction between 1941 and 1946. Not only did prairie farmers reduce their debt, but they also increased the number of owner-operated farms. The value of farm capital also increased with the largest relative increases occurring in the value of buildings and farm machinery.<sup>48</sup> Most of these changes were to remain in place during the transition from a war to a peace-time economy.

The five year period immediately following the war was a period of adjustment in the Canadian agricultural economy. Controls imposed during the war years were lifted. In 1946, the Federal Department of Agriculture discontinued subsidies on milk, beans, canning crops and on

the transportation of fertilizer. At the same time the Wartime Prices and Trade Board allowed price increases in the aforementioned commodities.<sup>49</sup> By December 1949 all controls on farm commodities had been removed. But, the federal government had introduced a program of price support on various farm commodities including potatoes, butter and dried skim milk to combat surpluses.<sup>50</sup>

Initially Canadian agricultural production maintained its wartime production levels to meet the food shortages in war torn Europe. The strong export markets and a growing domestic market resulted in a gradual increase in agricultural production in the second half of the forties. The strong market for wheat, livestock products, coarse grains and dairy products insured higher farm income for agricultural producers. Farm net income in the Prairie Provinces increased from \$373,745,000 in 1945 to \$552,416,000 in 1946, the largest gain of any region in Canada.<sup>51</sup> Net farm income on the Prairies continued to increase until 1949 when poor weather conditions and higher production costs intervened.

Economic conditions in the Prairie Provinces continued to improve during the early fifties. Large crops and better prices in most agricultural products resulted in record farm income. While farm operating costs increased, their advance was slower than the rise in farm income.<sup>52</sup> Beginning in 1953 the Prairie economy began to experience a significant downturn as wheat marketings declined. Farm income in 1954 declined ten percent from the previous year and most of the decrease was due to lower wheat prices and fewer sales.<sup>53</sup> The large wheat crops in 1952 and 1953 combined with the lower sales resulted in large carryovers. The situation was serious enough that

the federal government introduced loans to grain producers in order to meet their financial problems arising from their inability to deliver grain because of a congested grain handling system.<sup>54</sup> Given these problems, farmers became increasingly concerned about the narrowing margins between the production costs and prices of farm commodities. Despite these problems, Prairie agriculture was in a stronger position than ever before. Farm income had risen steadily since 1945, reaching record levels in 1952.<sup>55</sup> The increasing use of technology and better management practices had improved productivity, which often offset the lower farm commodity prices. The Prairies had recovered sufficiently that farmers again received one half of the nation's agricultural income.<sup>56</sup>

### III

Situated within the Prairie region is a small area of Southern Manitoba which encompasses three rural municipalities: Morris, Rhineland and Stanley. Within the municipal boundaries are found the towns of Altona, Winkler, Morris and the incorporated villages of Gretna and Plum Coulee. The unincorporated villages of Lowe Farm, Reinland, Halbstadt and Horndean also are important for purposes of this study. The term Southern Manitoba will refer to the geographic area lying within the boundaries of the three municipalities aforementioned. The area is located in the Red River Valley and has good soils suitable for conventional as well as special crop production. Originally prairie grassland, with trees restricted to the banks of rivers and creeks, the area attracted settlers with an agrarian tradition, notably the Mennonites.

Of the ethnic groups, Mennonites comprise the highest proportion of the population in the Rhineland, Stanley and Morris municipalities. The census of 1931 shows that thirty-eight percent of the population in the Morris municipality was Mennonite. In the Rhineland and Stanley municipalities, Mennonites constituted a majority of the population with eighty-two percent and sixty percent, respectively.<sup>57</sup> By 1941, census figures indicated Mennonites formed more than one-half of the total population or sixty-three percent of the Morris municipality. In Stanley the Mennonite population also rose sharply to seventy-eight percent of the total, but the highest concentration was still in Rhineland which stood at ninety-four percent.<sup>58</sup> While there has been considerable out migration of Mennonites to the city of Winnipeg and other countries, and an influx of some non-Mennonites, the Mennonites remain the dominant group.

The population of the three municipalities increased continuously before World War II, peaking in 1941. Natural increase and the immigration of Russian Mennonites during the twenties accounted for much of the population growth. Because Mennonites favoured rural life, believing that the economic strength of the group lay in farming and that the agrarian tradition could best perpetuate Mennonite culture, they were less inclined to move to the city than the rest of Manitoba's population. In 1941, only thirty-five percent of the urban Mennonite population lived in Winnipeg, while sixty-nine percent of Manitoba's urban population resided in that city.<sup>59</sup> Finally, during the Great Depression when job opportunities dwindled in the city, many urban Mennonites returned to the country and the farm. That trend was also evident in the incorporated town of Winkler where the population

dropped from 1,005 in 1931 to 812 in 1936, and the incorporated village of Plum Coulee which lost 37 people during that period (see Table II).

TABLE I

Population of the R.M.'s							
<u>Municipality</u>	<u>1926</u>	<u>1931</u>	<u>1936</u>	<u>1941</u>	<u>1946</u>	<u>1951</u>	<u>1956</u>
Rhineland	8,281	8,314	8,537	8,936	7,406	6,730	6,451
Morris	4,437	4,509	4,838	5,095	4,770	4,458	4,183
<u>Stanley</u>	<u>5,657</u>	<u>5,948</u>	<u>6,109</u>	<u>6,204</u>	<u>5,872</u>	<u>5,586</u>	<u>5,631</u>

In this study, the term rural will refer to the population living outside the incorporated towns and villages.

Unlike the municipalities, population in the villages and towns showed greater fluctuation and more modest growth. Population in the incorporated villages of Gretna and Winkler declined between 1926 and 1941. Gretna's hinterland gradually was being absorbed by Altona, a centre with an extensive trading area. The largest increase occurred in the town of Morris where steady growth coincided with that in the rural municipality of Morris.

As in most parts of Western Canada, Southern Manitoba's rural population declined appreciably after World War II. According to the 1946 census, Rhineland recorded the highest population loss, primarily because the rapidly expanding village of Altona appeared in the census for the first time (see Table II). While the town of Morris and the villages of Gretna and Plum Coulee experienced a decline in population during the early forties, their population stabilized and began to increase after World War II. But, Winkler and Altona recorded the greatest population growth in Southern Manitoba in the post war period.



A further significant drop in population occurred in Rhineland and to a lesser extent in Stanley in 1948 with the migration of more conservative Mennonites to South America. While the trend was less conspicuous in Southern Manitoba than elsewhere, nonetheless the area also was affected by the movement of people from the farms to the towns and cities in the post war period. An analysis of the region by the Manitoba Department of Industry and Commerce reveals that the net out migration was 903, 1,197 and 595 in Morris, Rhineland and Stanley municipalities, respectively, for the period 1951-1956.<sup>60</sup>

Although the farm population was declining, agriculture was and would remain the basis of the local economy. The rich soil of the Red River Valley and a suitable climate not only favoured the production of cereal crops, but also provided the opportunity for the introduction of special crops such as corn, sunflowers, rapeseed and sugar beets. Except for the Morris municipality, where the heavy clay soils were more suitable for grain production, crop diversification became well established in the area during the forties and fifties. That meant that the area relied less on grain production for its farm income and was relatively less affected by the vagaries of the international wheat market. The broadening of the agricultural base strengthened Southern Manitoba's agricultural economy and contributed to the increased growth and prosperity of the towns and villages in the area.

Trading centres in Southern Manitoba had always played an important role in Mennonite society. In the early years, they functioned as major points of contact with the external world and presented an option to those Mennonites who rejected agricultural village life. By 1940 these trading centres had assumed important economic

roles and provided much of the leadership.<sup>61</sup> Trading centres were most numerous and best developed in the Rhineland municipality. Altona was the pre-eminent town with a large hinterland, solid leadership, expanding population and good transportation connections. Further evidence of its dominance was a newspaper and radio station, established in 1941 and 1957, respectively. The establishment and growth of local industries, a printing shop and oilseed crushing refining plant, processing locally grown products reinforced Altona's position as a major centre in the region. Two other centres, Plum Coulee and Gretna, which had been declining in relative importance since early in the twentieth century mainly due to the ascendancy of Altona and Winkler, continued to serve ever contracting hinterlands, usually with fewer services. Their declining importance as trading centres is reflected in the stagnating populations (see Table II).

TABLE II

## Population of Towns/Villages

<u>Villages Incorporated</u>	<u>1926</u>	<u>1931</u>	<u>1936</u>	<u>1941</u>	<u>1946</u>	<u>1951</u>	<u>1956</u>
Altona	-	-	-	-	1,065	1,438	1,698
Gretna	591	541	581	507	482	608	603
Plum Coulee	420	456	419	440	433	467	498
Winkler	971	1,005	812	957	1,164	1,331	1,634
<u>Towns</u>							
Morris	777	768	796	953	920	1,193	1,260

In Stanley, Winkler was a leading market centre. Always noted for its retail trade, it too diversified its economic base with the establishment of a cannery in 1948 and extended its sphere of influence into the Mennonite villages south and east of the town.

Following the Russlander immigration of the twenties, Winkler became a cultural centre and replaced Gretna as the Mennonite capital of Southern Manitoba.<sup>62</sup> The flood prone town of Morris possessed the most extensive services in the Morris municipality and served a vast grain growing region. Lowe Farm and Rosenort, while much smaller, served as agricultural service centres too.

There were several differences between Southern Manitoba and the rest of the Prairies. First, starting during the thirties, the area practised more diversified farming. Both the quality of the soil and continental humid climate greatly facilitated greater agricultural diversification which often was virtually impossible in other regions. Diversification was most evident in Rhineland and Stanley. Sugar beets introduced in the early forties, were a widely acceptable crop in the Rhineland municipality by 1946 with approximately 2,289 acres contracted. The census of 1946 indicates that approximately 5,028 acres of crops other than cereals were grown in Stanley that year (see Table III).

Secondly, farms were considerably smaller in Southern Manitoba, notably in Rhineland and Stanley. Densely populated by a relatively cohesive agrarian population, the area had a large number of small farms. In 1941, only forty-two percent of the farms on the Prairies were less than 300 acres.<sup>63</sup> Approximately eighty-two percent of the farms in Rhineland were less than 300 acres, and in Stanley sixty-seven percent were in that category.<sup>64</sup> Only in the Morris municipality where grain growing still prevailed, were the farms larger and comparable with the Prairie region (see Table IV).

Like the rest of the Prairies, Southern Manitoba's farms increased in size with the decline in the number of farm units, but the

TABLE III

## Farm Production - Field Crops (Acres)

	<u>Total Area of Occupied Farmland</u>	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flax</u>	<u>Mixed Grain</u>	<u>Tame Hay</u>	<u>Corn for Silage</u>	<u>Other Fodder Crops</u>	<u>Potatoes</u>	<u>Other Field Roots</u>	<u>Other Field Crops</u>
Stanley													
1931													
1936	198,733	61,893	24,002	16,025	3,335	1,015	575	8,436		3,131	421	15	444
1941	204,689	28,520	9,526	15,646	619	1,824	1,831	3,507		1,127	89	5	23
1946	200,069	37,313	26,565	24,139	341	6,105	6,433	1,987		1,117	454	207	5,028
1951	204,540	31,555	28,803	29,018	1,698	16,707	13,360	2,185		958	450	837	5,166
1956	206,679	23,900	30,909	16,265	599	28,423	2,099	5,073	649	979	607		
Rhineland													
1931													
1936	225,706	80,820	29,585	29,423	4,722	1,626		8,935		4,884	286	15	1,692
1941	228,852	31,957	10,700	21,597	500	3,179	5,426	3,824		2,310	75	276	
1946	224,466	59,395	27,738	38,821	377	10,112	4,251	1,306		4,707	262	2,289	
1951	228,754	55,615	33,767	43,750	585	18,320	6,194	921		3,176	229	4,893	7,598
1956	226,101	32,816	35,146	25,173	497	42,599	765	3,775	287	946	229		13,187
Morris													
1931													
1936	238,834	99,212	18,827	33,194	4,453	7,531	49	5,198		1,182	175	2	
1941	252,009	59,290	25,725	37,861	5,321	5,838	33,870	4,440		2,499	304	1,499	1
1946	242,097	78,626	28,977	41,943	290	7,626	1,440	2,296		906	87	432	1,516
1951	240,373	90,847	28,251	42,865	216	14,135	1,823	2,256		1,127	49	559	890
1956	231,436	62,921	37,881	20,373	300	33,202	2,143	6,320	163	724	52		

TABLE IV  
Farm Size by Municipalities (Acres)

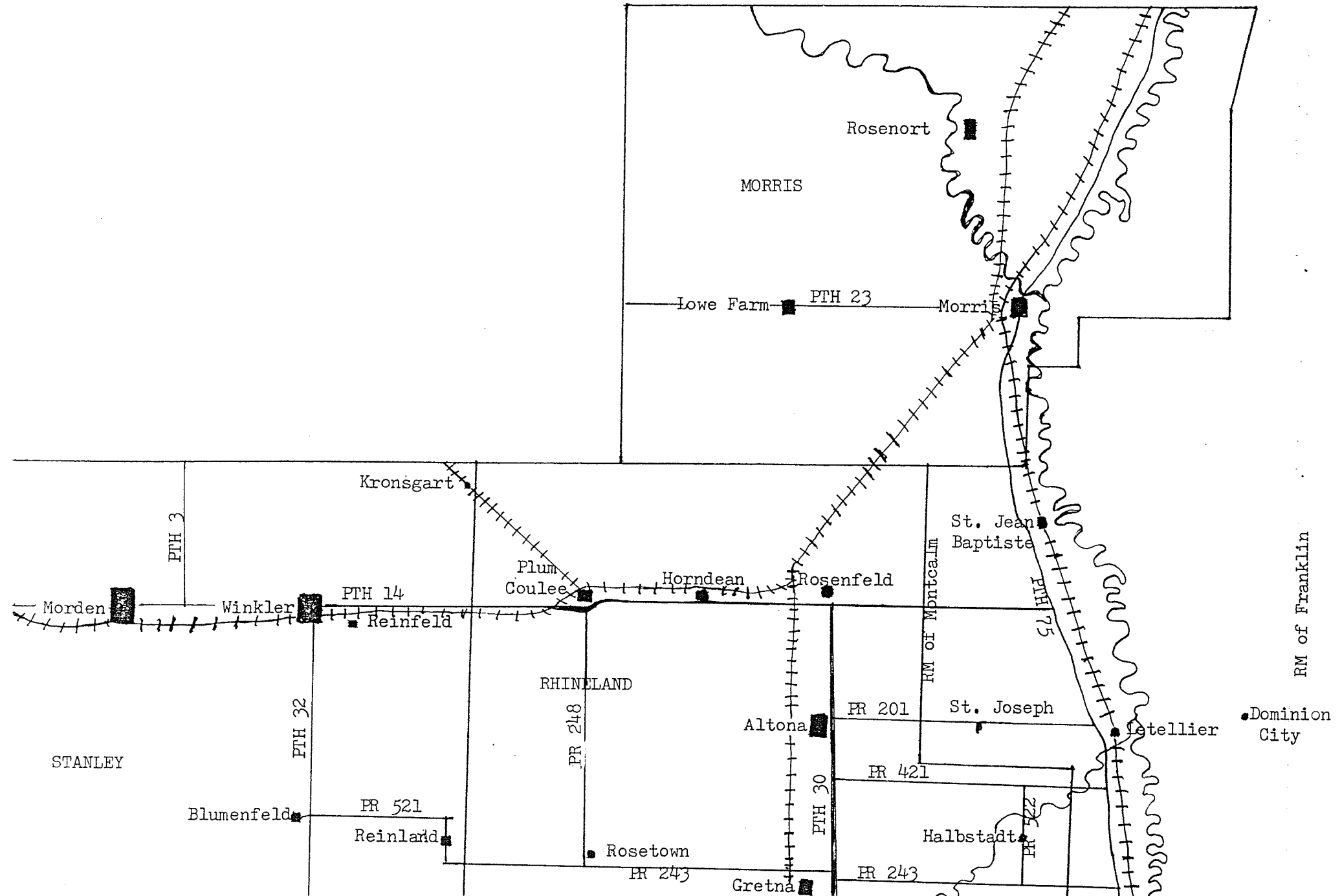
	<u>1926</u>	<u>1931</u>	<u>1936</u>	<u>1941</u>	<u>1946</u>	<u>1951</u>	<u>1956</u>
Rhineland							
1-50 acres			200	244	237		
51-100 acres			148	139	145		
101-200 acres			480	441	417		
201-299 acres			199	195	193		
300-479 acres			179	184	176		
480-639 acres			24	34	43		
Morris							
1-50 acres			44	31	36		
51-100 acres			36	37	63		
101-200 acres			237	200	211		
201-299 acres			90	112	103		
300-479 acres			199	213	216		
480-639 acres			67	80	76		
640 acres and over			94	84	79		
Stanley							
1-50 acres			140	128	203		
51-100 acres			79	75	99		
101-200 acres			305	302	270		
201-299 acres			105	106	122		
300-479 acres			197	192	219		
480-639 acres			45	60	45		
640 acres and over			31	45	26		
			<b>2899</b>	<b>2902</b>	<b>2979</b>		

TABLE IVa

## Farm Size by Municipality (Acres)

<u>Rhineland</u>	<u>1951</u>	<u>1956</u>	<u>Morris</u>	<u>1951</u>	<u>1956</u>	<u>Stanley</u>	<u>1951</u>	<u>1956</u>
Under 3 acres	5	2		-	-		14	9
3-9 acres	43	40		5	5		52	62
10-69 acres	194	146		33	24		131	133
70-239 acres	571	521		216	190		329	305
240-399 acres	287	265		252	260		238	249
400-559 acres	60	73		105	107		89	91
560-759 acres	19	23		77	63		38	37
760-1119 acres	2	8		21	28		14	14
1120-1599 acres	2	-		9	6		1	2
1600-2239 acres	-	-		2	1		-	-
2240-2879 acres	-	-		-	-		-	-
2880 and over	1	1		-	-		-	-
	<b>1184</b>	<b>1079</b>		<b>720</b>	<b>684</b>		<b>906</b>	<b>902</b>

I - Southern Manitoba: Municipalities of Morris, Rhineland and Stanley



proportion of farms exceeding 479 acres was always lower than other parts of the Prairies. The smaller farms in Southern Manitoba were more conducive to intensive agriculture and the introduction of special crops, which explained, in part, the rapid acceptance of agricultural diversification.

The uniqueness of the area can be found in its ethnicity. As one of the largest rural Mennonite settlements in Western Canada, Southern Manitoba stood out in the Mennonite community in terms of its economic development and social growth through the formation of co-operatives. Despite denominational factionalism, ideological differences, community rivalry and power struggles, there was a degree of unity based on ethnic background which encouraged a concern for the welfare of the whole region, partly to protect the communities and partly to sustain the Mennonite culture.

#### IV

Since their origin, Mennonites have sought security and refuge in places where they could practice their religion freely. When their religious freedom has been threatened, Mennonites have moved to a new country which promises to protect their religious rights. In one of the migrations, in the 1870's, a group of 6,674 Mennonites from Russia moved to Manitoba, settling southeast of Winnipeg (near Steinbach) and the treeless plain between the Red River and the Pembina Hills.<sup>65</sup> Due to poor soil and woodland, approximately one-half of the settlers east of the Red River joined their brethren on the more fertile, grassy plains west of the Red River between 1876 and 1882. This group and their descendants are called Kanadier. Another important migration of Mennonites from Russia to Manitoba occurred after the Russian



Revolution, that is, between 1923 and 1930.<sup>66</sup> The group and their Canadian-born children are the Russlander.<sup>67</sup> By 1937, four hundred seventy-six families of Russian Mennonites had settled in the Mennonite area between the escarpment and the Red River, often on farms and in villages vacated by Manitoba Mennonites who left for Latin American countries after 1921.<sup>68</sup> Thus, Mennonite society was undergoing considerable change and adjustment as it entered the Great Depression.

Some of the changes in Mennonite life are well documented in the field survey of the Mennonite settlement west of the Red River by Professor C.A. Dawson, a McGill University sociologist, in 1932. According to Dawson, Mennonites gradually were relinquishing some of their customs in dress, manners and language in favour of the Canadian traditions. The progressive Mennonites had begun to participate more fully in the social and economic life of the Canadian society instead of practising their traditional isolationism. Canadian institutions such as Boy Scouts, Womens' Institute, Junior Red Cross, Agricultural Society, Seed Growers' Club, Canadian Girls in Training, and co-operatives were becoming more acceptable. Different types of commercial recreation such as dances and movies appealed to many Mennonite young people.<sup>69</sup> The church, the focal point of the Mennonite community, gradually was losing its overpowering influence in the Mennonite community. Increasingly, Mennonites rejected their religious tradition and participated in secular gatherings such as school picnics, fairs, sports days and political meetings.<sup>70</sup> Finally, the influx of new ideas through the largely secular educational system was changing Mennonite attitudes towards the rest of Canadian society and slowly bringing them closer together.

Although secularization was beginning to penetrate Mennonite society, many of the old traditions and attitudes still prevailed. The conservatives tried to avoid the Canadian society as much as possible. This meant indifference if not a passive resistance to secular education, opposition to all forms of recreation and amusement and other secular Canadian institutions. They believed that the acceptance of Canadian institutions would undermine and possibly replace Mennonite organizations, weakening Mennonite society. But the influence of the conservative Mennonites was waning; a goodly proportion of them<sup>71</sup> had left Manitoba during the twenties and most of those that remained were more willing to adapt to Canadian life.<sup>72</sup> Furthermore, the coming of the more progressive-minded Russlander enhanced the development of a more liberal outlook in Mennonite society.

Despite a society in transition, several traditional Mennonite institutions remained largely intact. The oldest and most important organization was the Waisenamt (orphan's bureau). Under the auspices of the church<sup>73</sup> this financial organization administered the estates of orphans and widows. It set out the regulations or Waisenverordnung that governed inheritances and the transfer of estate property. The Verordnung required all estates to be divided equally among the children and the surviving parent. That salient principle of equality ensured justice for all.<sup>74</sup> However, the concern for the welfare of the orphans and widows or the community would not always be the priority of the Waisenamt.

By the twenties, the Waisenamt was primarily a lending institution. It received deposits not only from the widows and orphans but also from other church members. Interest rates on deposits and

loans followed the prevailing rates in Manitoba at the time. Unlike most banking institutions, no securities were needed for loans other than promissory notes signed by two reputable church members. Frequently, loans covered the entire value of the property. These dubious practices resulted in very large sums of money out on loan. The Sommerfelder Waisenamt had \$1,072,000 out on loan in 1924.<sup>75</sup> Of the Bergthaler Waisenamt's working capital of \$1,267,078, merely \$312.20 was not out on loan in 1921.<sup>76</sup> When the Great Depression came, the Waisenamt found themselves with too many outstanding loans, particularly on farm properties. With the decline in land values, many farmers preferred to forfeit the land rather than repay the loans. Other loans also could not be collected, and the organization lacked a frozen reserve to protect itself against a sudden economic downturn. As a result, the Waisenamts lapsed into insolvency. That event would have important implications for the development of a credit union movement among the Mennonites in Southern Manitoba during the forties.

Another noteworthy Mennonite institution brought to Manitoba from Russia was fire insurance. Under the system, all Mennonites could obtain insurance coverage at very low cost. Dues were collected only after a fire. Thus, the annual cost of fire insurance depended on the number of fires in a year. These fire insurance organizations, sponsored by the churches, eventually became mutual insurance associations and later incorporated as mutual insurance companies.<sup>77</sup>

While the Mennonites still depended on their own institutions, they also made use of Canadian institutions. During the late twenties, Mennonites in Southern Manitoba turned to co-operative organizations. Beginning with the formation of an oil station co-operative in 1929, the

co-operative movement spread quickly during the thirties and forties and soon included stores, marketing associations, processing plants and credit unions. In fact, the area became a leader in the Manitoba co-operative movement. The origin and development of Mennonite co-operatives in Manitoba has been examined briefly by only a few writers. Nonetheless, several interpretations have emerged.

One interpretation suggests that co-operatives were the secular replacements of the church-controlled mutual aid systems. E.K. Francis, an American sociologist, in his book In Search of Utopia (1955), discussed the reasons for co-operative action among Manitoba Mennonites during the Great Depression. Traditional Mennonite economic institutions collapsed and co-operatives filled the void. The formation of credit unions as substitutes for Waisenamts exemplified Francis' viewpoint. The adoption of the new secular organizations involved a re-organization of Mennonite society which weakened the position of the church in the community. Moreover, the co-operative philosophy resembled the solidaristic type of peasant economy familiar to the Mennonites.<sup>78</sup> When the Canadian agricultural economy faltered, Mennonites rejected agrarian capitalism and reverted to "... a modified form of subsistence farming."<sup>79</sup> In the struggle for greater self-sufficiency, Mennonites revived the traditional principles of self-help and mutual aid. Renewed interest in these principles was expressed through co-operative action.

The Mennonite sociologist, J.W. Fretz, who studied the Mennonite mutual aid system extensively, sees a relationship between co-operatives and mutual aid. In his doctoral dissertation, "Mennonite Mutual Aid" (1941), Fretz equated mutual aid with co-operation.<sup>80</sup> He

referred to the Waisenamt as the oldest and most important co-operative business association in Mennonite society.<sup>81</sup> Given their experience with mutual aid, Mennonites possessed an affinity for co-operative action. Using an American illustration, Fretz noted that:

In addition to the strictly Mennonite and semi-benevolent mutual aid activities, we discovered the rather extensive existence and development of co-operative economic enterprises among American Mennonites. In the communities cited we discovered that Mennonites were prominent in the leadership of producers', consumers' and distributors' co-operatives. This was true even where Mennonites constituted only 25 to 30 percent of the total membership.<sup>82</sup>

Whether the American experience could be applied to Manitoba Mennonites was questionable; yet the Fretz view is not unworthy of consideration.

The only study of the co-operative movement in Southern Manitoba is Robert Meyers' The Spirit of the Post Road (1955). Meyers believed that co-operatives not only spearheaded the economic recovery of Southern Manitoba, but also set in motion an economic and social revolution. He shared the E.K. Francis view that to overcome their adversity, Mennonites revived their co-operative tradition:

Yet in spite of this unpromising situation, the Depression years saw the revival of co-operation in the West Reserve. Once again the people were actively working together to solve their common problems, employing, as did the early settlers, the time-tested method of co-operation for the common good.<sup>83</sup>

Much less emphasis on the Mennonite co-operative tradition is found in the work of Peter Zacharias. In his study of the Reinland community (1976), he examined the co-operative experiments of the late thirties and early forties, in the context of community development. He concluded that co-operatives were organized to meet various local community needs: employment opportunities, farm diversification,

consumer goods at reasonable prices, and additional sources of income.<sup>84</sup> In other words, co-operatives were established primarily for economic reasons and their success ultimately would strengthen the community.

Another interpretation of Mennonite involvement in the co-operative movement asserts that Mennonites turned to the larger society for advice during the Great Depression. John H. Warkentin, in a definite study of Southern Manitoba's Mennonite communities, sees co-operatives as external institutions, introduced to alleviate the economic distress of the times; and the Mennonite "co-operative" tradition has been overemphasized as an explanation for the success of the co-operative movement. Education in co-operation and new agricultural techniques, in Warkentin's opinion, played an important positive role. Finally, Mennonites had not organized farmers' organizations. The energy which had produced them in other parts of Manitoba was released and utilized in the co-operative movement.<sup>85</sup>

The most recent work discussing the co-operative movement among Manitoba Mennonites was Frank H. Epp's book, Mennonites in Canada 1920-1940 (1982). Epp asserted that co-operative ideology was an important factor in the co-operative movement in Southern Manitoba.

The movement, which sprang up among the Kanadier in the West Reserve area, was a necessity born of depression, but it was also inspired by the international co-op philosophy, the work of the movement in Canada and the heritage of Mennonite mutual aid.<sup>86</sup>

This thesis will argue that there were various reasons for the formation of co-operative organizations in Mennonite communities of Southern Manitoba during the thirties and forties. During the "dirty thirties" Manitoba Mennonites emulated the rest of Canadian society; they investigated all forms of co-operative action to relieve their

economic problems. Co-operatives could be started with little capital; many could be run with primarily voluntary help; and all were based on the popular idea of community self-help.<sup>87</sup> However, more importantly, the Mennonites of Southern Manitoba possessed a sufficient number of interested, informed leaders. The principal figure was Jake "J.J." Siemens. His inspirational leadership motivated others to struggle for the "cause". The presence of enthusiastic, co-operative leaders in most Mennonite communities was vital to the organization of co-operatives.

Much of the leadership originated in the Rhineland Agricultural Society which was the forerunner of many co-operative endeavours. Through the agricultural society, Mennonites took a collective approach to pressing agricultural problems during the thirties and again in the early forties with the organization of Co-op Vegetable Oils. Unquestionably the Rhineland Agricultural Society was instrumental in the development of southern Manitoba's co-operatives. A former member of the Rhineland Agricultural Society described the relationship:

But the best thing about the R.A.S. (Rhineland Agricultural Society) was that it got us working together and we found out that there was a lot we could do ourselves to make things better. We didn't have to depend on other people - we could do it ourselves. And the more experience we got helping ourselves, the more jobs we were willing to tackle. Sure as anything we never would have gone into co-ops anything like we did if it hadn't been for the RAS.<sup>88</sup>

Another important purpose of the Mennonite co-operatives was the protection of the economic position of the group. Many felt that this objective could be best achieved through local ownership and control. Co-operatives and credit unions provided the opportunities for a degree of local autonomy in economic affairs. Capital, when deposited in credit unions, remained in the community and could be used by those who

needed it. Earnings of co-operative associations belonged to the members and also stayed in the community and could be recycled through the local economy.

In view of the economic advantages, combined with the Mennonite predilection for independence, co-operatives could serve a useful function. However, local control was to be a divisive issue among southern Manitoba's co-operators at times, threatening the unity of the movement and affecting Mennonite relations with the Manitoba co-operative movement.

The following chapters will demonstrate that the Mennonite mutual aid tradition was insignificant in the co-operative movement in southern Manitoba. There was a similarity between the Mennonite philosophy of mutual aid and the ideology of the international co-operative movement in that both were concerned about the welfare of mankind; yet, there also were important differences. Mennonite mutual aid was rooted in religion. Mutual aid activities were expressions of the principle of brotherly love in daily life.<sup>89</sup> Thus, most mutual aid societies were church directed. The co-operative movement was a secular force and there is no evidence that Mennonite co-operators were motivated by religious convictions. In fact, the hierarchy of one Mennonite denomination at Altona was unalterably opposed to the co-operative philosophy. Other conservative segments of Mennonite society distrusted the "radical" secular ideology of co-operation and criticized its socialist character.

It is the contention of this thesis that, despite their experience with informal co-operation such as butchering hogs, threshing grain, community pastures and constructing buildings, Mennonites were not



particularly amenable to co-operative action in business or as a way of life. They had to be persuaded that co-operation was a solution to their social and economic problems and it was a "... difficult uphill battle".<sup>90</sup> Thus, Diedrich Reimer, who as the first fieldman for the Federation of Southern Manitoba Co-operatives during the forties, helped organize a number of co-operatives, strongly questioned the relationship between Mennonite informal co-operation and the formal co-operative institutions:

I have never felt that there is much of a transfer of co-operative effectiveness; namely, from the informal to the formal.. I question that the historic informal co-operations had much to do with the material successes of the co-operatives in Southern Manitoba. There were just too many opposing factors from within that allow me to feel that the co-operative development was natural or more readily acceptable among Mennonites than perhaps other groups. I have often felt co-ops succeeded in spite of the Mennonite spirit of supposed togetherness, mutual aid and brotherhood.<sup>91</sup>

The frequent references to the Mennonite historical experience in informal co-operation and mutual aid reflected the views of the co-operative leadership. They believed that through co-operatives they were restoring some of the traditions of community and mutual aid. However, the appeal to the past was also part of a marketing strategy during the organizational period. Particularly, J.J. Siemens, in his innumerable "sales pitch" type speeches (often given in the Mennonite folk dialect - Low German), used examples from Mennonite history to illustrate the association between co-operatives and the Mennonite past.<sup>92</sup> Similar references appeared in co-operative advertisements and publicity in the Altona Echo in 1949. Although the strategy may have been effective occasionally, the Mennonite mutual aid tradition was largely incidental to co-operative development in Southern Manitoba.

## II. Jacob John Siemens - Co-operator

Numerous co-operative leaders emerged in various communities during the era of co-operative development in Southern Manitoba. One of the leaders, Jacob John Siemens or "J.J.", of Altona, achieved national stature as a co-operative organizer and promoter. This chapter will examine briefly Siemens' role in the evolution of co-operatives in Southern Manitoba. Included in the study will be his economic views, co-operative philosophy and the relationship to Canadian co-operative thought and Mennonite religious beliefs. While not a psychological study, a brief look will be taken at Siemens, the person, to gain some insight into his behaviour, attitude and convictions.

### BACKGROUND

Jacob John Siemens was born in 1896 on the farm homesteaded by his father, Johan Siemens, in the Schoental district near Altona. He was part of an average Mennonite family of the times; he had four brothers and three sisters. After completing his high school education at the Mennonite Educational Institute in Altona, he entered the Provincial Normal School in Winnipeg in preparation for a teaching career. He had no intention of farming and chose teaching because education always had been valued in the Siemens' family. His four brothers were well educated; in fact, two of them obtained doctors' degrees. Following his teacher certification, he taught school for ten years at Halbstadt, Grossweide and Lowe Farm. While teaching, he married Marie Heinrichs of Halbstadt at the Altona Bergthaler Mennonite Church in 1922. When his father retired, one of the sons was expected to take over the farm

and perpetuate the agrarian tradition synonymous with most Mennonite families of the time. That responsibility to preserve the family farm fell on Jake Siemens because his brothers were not interested in farming. In 1929, just prior to the onset of the Great Depression, Jake Siemens left his chosen vocation and took over the family farm. He established himself quickly as a successful farmer and eventually managed an 800-acre farm.<sup>1</sup> That was characteristic of the man; he would apply himself wholeheartedly and completely to every task, be it education, agriculture or co-operation.

As a farmer, Siemens identified closely with agricultural needs and problems. Writing in the Rhineland Agricultural Society's Quarterly in 1932, Siemens graphically described the economic plight of the farmers during the depression.

... Numerous are the questions that crop up at this time of the year. One thing, however, stands out more clearly than all the rest, and that is the matter of production costs of the farmer. How can he put in and harvest his crop at the least possible outlay? Where can he save cash expense and still till the land in such a way that he can expect returns to cover his expenses and leave him a livelihood. The farmer as a producer and also a consumer has to figure very closely these days, a few cents count, and if he does not save where he can possibly do so, he finds himself in deep water.<sup>2</sup>

To mitigate the economic devastation on the farm wrought by the depression, would form the basis of Siemens' activities during the early thirties.

Always a champion of the farmer's cause, Siemens participated in various agricultural organizations. For approximately twenty years, beginning in 1931, Siemens devoted much of his time to organizations like the Rhineland Agricultural Society. The Society was the vehicle for the promotion of progressive agricultural practices in the

Altona area. Siemens also served with distinction in other agricultural organizations. When local farmers began to grow sugar beets during the late thirties, they found that they needed to convey their views as producers to the sugar industry. As a result, Siemens and others organized the Manitoba Beet Growers' Association during the early forties.<sup>3</sup> J.J. Siemens, like other agrarian leaders wanted to insure that farmers would have a greater voice in agriculture. Only by exercising more control over marketing their commodities would farmers be able to protect their interests.

Furthering the interests of the farmers meant more than simply higher prices for farm products; it involved the development of the rural community and the improvement of the quality of rural life. Preserving and improving rural life was in the national interest. The building of a better community, according to Siemens, involved the development of people, and that could be accomplished through adult education.

For Siemens, the soil had a spiritual dimension. On numerous occasions, either at public meetings or in private conversations, he used the Biblical verse, "The earth is the Lord's and the fullness thereof..." He believed that the Lord had richly endowed the earth and that mankind as stewards had the responsibility to make maximum use of the earth's resources. He practiced good land management and encouraged other farmers to do the same.<sup>4</sup> Whether this view was a religious conviction is not clear, but it underlined Siemens' commitment to the betterment of agriculture. Perhaps it also provides some insight into the character and the behaviour of a man, often unappreciated and unrecognized. Like his faith in the Scriptural passage, similarly other

beliefs would sustain this man in his many struggles while working on behalf of the co-operative movement.

J.J. Siemens was an idealistic person, who envisaged a society where co-operation would be the mode of life. People would work together, not only to further their own interests, but also for the benefit of others. Through co-operation, Siemens believed man could live in harmony and peace. The formation of the first co-operative at Altona, Rhineland Consumers Co-operative, represented the beginning of the march of mankind towards a better world. In an article commemorating the 25th Anniversary of Rhineland Consumers Co-operative, Siemens exhorts the leadership with the following quotation: "Hold high the torch; keep clear the vision; march onward to ever greater heights; until we reach the goal - The Brotherhood of Man."<sup>5</sup> His idealism sustained him during his struggle against almost insurmountable obstacles. While the idealism may have clouded his judgement on occasion, it nonetheless served him well as a leader in the co-operative movement.<sup>6</sup>

The quality that made Siemens so effective in the co-operative movement was his dynamic personality. Always filled with stimulating new ideas, he inspired others. A persuasive man and an excellent speaker, Siemens could "sway the crowd" at public meetings.<sup>7</sup> Menno Klassen, former agricultural director for the Rhineland Agricultural Society, likened Siemens at mass meetings to an evangelist who, "... kept the fires of the co-operative spirit going steadily".<sup>8</sup> This ability he used often, especially when things were not going well. In 1936, while president of Rhineland Consumers Co-operative, a disastrous fire destroyed the oil station, a business merely five years old. As

president, Siemens rallied the membership behind him and saw that new premises were constructed in only four months.<sup>9</sup> But his enthusiasm was taxed to the nth degree in 1944. Having invested \$15,000.00 of local capital in an obsolete oil press, Siemens and other organizers had to go back to the shareholders, explain the loss and ask for additional money.<sup>10</sup> This was done through a series of schoolhouse meetings with Siemens usually the main speaker. That additional funds were raised attests to the man's persuasive powers.

Another important aspect of Siemens the man was his aggressive style. After careful analysis of a situation, he defined the problem, developed a goal and followed a course of action to achieve that objective, usually in a very logical manner. Using this approach, Siemens could be quite intolerant of opposition; he knew that a certain decision or action was necessary and could not understand why others disagreed.<sup>11</sup> For example, Siemens strongly believed that each co-operative should contribute a portion of its surplus earnings towards the promotion of co-operative education. Co-operative education was the "lifeblood" of the co-operative and without it the whole movement was doomed. According to Peter Brown, a founding member of Co-operative Vegetable Oils, Siemens threatened to resign from the board of directors of that organization over the issue of co-operative education funding.<sup>12</sup> Other co-operators considered dividends or the building up of the assets of the co-operative more important and were reluctant to approve the allocation of earnings towards education.<sup>13</sup> Only through perseverance did Siemens get his way and usually it was less than he wanted. His aggressiveness often alienated people and probably undermined his work and causes at times, but in totality his

actions were taken with the best of intentions and the results were good in the the long term.

One of Siemens' assets was his intellect. Blessed with a keen analytical mind, he was seldom incorrect in his assessment of a specific situation. He could assess administrative problems and analyze financial statements. Believing that a co-operative had to work efficiently, Siemens devoted considerable time in assisting struggling co-operatives.<sup>14</sup> In most instances he demonstrated sound judgement. Of particular note was his vision of a co-operatively-owned industry that would create additional employment opportunities in Southern Manitoba. His promotion of rural industrialization demonstrated excellent foresight. According to Died Reimer, a long time friend and co-operative worker, Siemens had great confidence in his own judgment.

Although Siemens was an outstanding leader and personality, he was not without foibles. A man of action, he could be most impatient with others and occasionally would quash opposition enroute to his goal. This could involve making deals "behind the scenes" so that so-called opposition was beaten before the issue came to a vote at a meeting. His obstinacy also would enter into issues. Following his breach with the Bergthaler Church, a product of disagreement over fiscal management of the Waisenamt and personal differences with Bishop Schulz, Siemens refused to communicate with many members of the community, and with the Bergthaler Church leaders.<sup>15</sup> By taking an uncompromising position, he not only hurt himself but also the co-operative cause. Nevertheless, his positive qualities far outweighed the negative ones.

The main reason for Siemens' interest and involvement in co-operatives was an economic one. Having taken over the family farm at Altona

in 1929, after ten years of teaching, Siemens had to confront the problems that beset agriculture during the depression. Low commodity prices coupled with poor yields threatened the solvency of Manitoba farmers. Farmers could no longer service the debt incurred during the expansionary years before the Great Depression. Debt ridden farmers often lost their farms to the moneylenders. The debt situation in the Rhineland Municipality was similar to the rest of the province. The 1936 census showed that owner-operators had a mortgage indebtedness on farms of \$1,356,000.00 and 455 out of 614 fully-owned farms had mortgages.<sup>16</sup> In addition to the mortgage debt, farmers owed money to farm machinery dealers and stores. With increasing foreclosures and gravitation to tenant farming, the traditional pattern of the family farm was quickly disappearing. The agrarian way of life, an integral part of the Mennonite heritage, seemed threatened.<sup>17</sup> Mennonite youth in particular faced a dismal future in the Rhineland Municipality, and there were a lot of them; approximately 53 percent of the total population of Municipality were under 19 years of age.<sup>18</sup> So serious was the situation that it had gone beyond individual solution. One person who had reached that conclusion was J.J. Siemens.

Siemens was a member of a group that met in 1931 at Altona to plan to deal with the community crisis. Siemens and other participants in the discussion felt that some of the fault and part of the solution to the economic plight of the local farmer could be found at home. They were convinced that the one crop economy had undermined Rhineland farmers and contributed to foreclosures. Diversification, in their view, would soften the blow of the economic depression.<sup>19</sup>

The plenary meetings led to the formation of the Rhineland Agri-



cultural Society in 1931. The Society, led by J.J. Neufeld, J.J. Siemens and P.D. Reimer, fostered the attitude of self help and self reliance. Instead of futilely "cursing the darkness", farmers were encouraged to unite, analyze their problems and devise their own solutions. The concept aroused immediate interest and support in the community.

Enthusiasm for the idea of self help expressed itself through co-operatives. Co-operatives were seen as another way of improving the economic welfare and stability of the community.<sup>20</sup> Rhineland Consumers Co-operative, formed in 1931, was an outgrowth of the interest in self help at the time. The seeds of the co-operative movement in Southern Manitoba had been placed in the ground.

The events and experiences of the organization of an agricultural society and Rhineland Consumers Co-operative conditioned and shaped the thought of its organizers. J.J. Siemens was no exception. He believed that the community faced a long, arduous struggle, but the battle could be won if the people worked together towards a common goal: economic self-improvement. His experience had convinced him that people could best attain their economic goals through the organization of co-operatives.

Of special concern was the economic plight of the farmers, the economic backbone of the community. Farmers often found that expenses exceeded income due to low commodity prices. For Siemens, co-operatives were an instrument which enabled the farmer to better regulate his production costs. Therein lay the economic salvation of the farmer. Writing in the Rhineland Agricultural Society's Quarterly in 1931, Siemens explained the advantages of economic co-operation:

The Rhineland Consumers Co-operative is anxious to help the farmers in making his (sic) dollar buy more. It is in fact a farmers co-operative buying machine, built on the foundation that there is a saving in buying in large volume. The greater the volume of trade, the cheaper the cost of the commodity, the lower the cost of handling.<sup>21</sup>

The savings aspect was to be a constant theme in J.J. Siemens' promotion of co-operatives.

Through co-operatives farmers had the opportunity to exercise a degree of control in the competitive market place, a goal long sought by the co-operative movement in Western Canada. Siemens believed that the farmer presence in the market place was essential to their economic survival during the depression. Farmers effected considerable savings by purchasing their supplies through their own businesses, the co-operatives. Any profits accrued by the co-operative beyond the cost of the merchandise and handling expenses were returned to the farmers as patronage dividends. In 1931, farmer members received more than \$2,000.00 as a refund from business transacted with Rhineland Consumers Co-operative.<sup>22</sup> Siemens often recalled what happened to fuel prices when farmers decided to help themselves: the price of fuel (gasoline and distillate) at the bulk station declined five cents per gallon.<sup>23</sup> That impact on the price charged by a farmer-owned co-operative was never forgotten. Siemens quickly learned a lesson in economics that subsequently influenced his views on capitalism.

Siemens wanted more than savings for farmers. He wanted producer representation in those industries that either purchased farm commodities or sold goods to farmers. That view is not surprising in that local farmers had protested against the high petroleum prices, but the major oil companies had rejected their appeals. The major oil

companies controlled the distribution of fuel supplies and were apparently indifferent to declines in farm income.<sup>24</sup> Thus, Siemens ardently supported the Manitoba Co-operative Wholesale, the farm machinery co-operative, Canadian Co-operative Implements and Consumers Co-operative Refineries. The producer had a voice in the operation of these organizations and ultimately could make them responsive to his problems and needs.

Convinced that producer control was necessary, Siemens worked hard in promoting the concept. When the sugar beet industry was established in Manitoba in 1940, Siemens favoured producer representation, maintaining that farmers in the past had helped build up huge corporations but had no control over their operations or policies. This, in his opinion, was an injustice.<sup>25</sup> Siemens was not alone on the issue. A group of farmers in Southern Manitoba examined the possibility of erecting a co-operative sugar beet factory, but the idea eventually was abandoned for financial reasons.<sup>26</sup>

Siemens' convictions on producer control and autonomy were put to the test during the organization of Co-operative Vegetable Oils. In the desperate quest for capital, Siemens approached Canada Packers for funds. However, Canada Packers was only interested if they could control the industry. Not surprisingly, Siemens refused the offer even though it created financial hardship. Several years later, Siemens was instrumental in the building of refining facilities for the oilseed crushing plant, primarily for the purpose of making the industry more independent.<sup>27</sup> Clearly, Siemens advocated that farmers have greater control over their economic destiny.

Beset with an economic depression, people often questioned and even condemned the capitalistic, free market economy. Many believed that the competitive economic system had failed. They pointed to the excesses of the profit system and the concentration of wealth in the hands of a few. Private enterprise, they said, possessed by profit-making, was not interested in the economic welfare and needs of the individual. Some of these people began to agitate for economic reform. One of their alternatives for economic development was co-operative action. A leaflet, published in 1945 by the Federation of Southern Manitoba Co-operatives for use in discussion groups, provided some causes of the economic ills and reasons for co-operative action at Altona in 1931.

With the profit motive and the introduction of mechanized farming and increased population we experienced unemployment and tenancy. 1931 will long remain in our memory - economic depression ..

We discovered that capitalist industry does not exist to supply needs; it exists to make profits. The supplying of need, or services to the public is purely incidental. If it "pays" we get it; if it doesn't we don't. This is not an ethical or customary judgement about capitalism, but a fact, and it holds good irrespective of the moral or intellectual qualities of individual capitalists.

As a result of our experiences during the years of the depression, people naturally turned to the idea of co-operation as a remedy. Their discontent and frustration provided the motive forces ... Naturally these people were discontent and almost rebellious about the economic conditions under which they found themselves. They could not increase their income from increased production because of the surplus wheat, their products. They turned toward lower cost of consumer goods. The private profit merchant could not provide them with a "service at cost" commodity, hence the appeal to organize themselves with service at cost - consumer co-operatives.<sup>28</sup>

Of the co-operators in Southern Manitoba, J.J. Siemens was a leading proponent of change in the economic system. He believed that the competitive capitalistic system had not served the best interests of society. In fact, the relentless pursuit of profit had bred economic injustice and victimized the people. He saw in capitalism only exploitation and impropriety in the quest for profit.<sup>29</sup> The profit motive led to ruthless competition in which only the fittest survived. These aspects of the economic system, in his opinion, were responsible for the poor economic conditions in the industrialized world.<sup>30</sup>

Siemens had become convinced that co-operative action had to replace economic individualism in order to improve economic conditions. The people had to help themselves by working together for the common good. This meant establishing their own businesses which emphasized service at cost, not profit. To be successful, these co-operative businesses had to follow an economic philosophy which focused on the economic well-being of the whole society rather than the individual. That view is apparent in one of Siemens' favourite quotations:

Let each man find his own in all mens' good  
And all men work in noble brotherhood.<sup>31</sup>

The depression notwithstanding, Siemens' desire to replace capitalism with the co-operative system was perceived as a radical view even in the more liberal circles of Mennonite society. Because of these economic views, Siemens was frequently labelled as "red" or "communist",<sup>32</sup> and to a small extent, it hampered his effectiveness as a co-operative organizer in the early years. Despite the fears of his critics, Siemens was not out to destroy the capitalistic system.

Adopting the viewpoint of the American co-operator, Dr. J.P. Warbasse, Siemens favoured the constructive development of co-operatives in places where profit-oriented business had failed to meet the needs of society.<sup>33</sup> Co-operatives would evolve resulting in fundamental changes in the economic institutions, which in turn would lead to social change. Siemens had a collective view of society; a society in which co-operation had replaced competitive techniques. That collectivist approach was central in his co-operative philosophy.

Several schools of co-operative thought were identifiable in the Canadian co-operative movement. One group, the utopians, believed that co-operation in conjunction with similar religious and political reform movements could change society. A relatively homogeneous group until 1914, it could not agree on the question of political involvement. Many utopians wanted to unite with the trade unions and the socialist political parties in the establishment of a new social and economic order. Others within the utopian sphere, "the co-operative idealists" or "mystic co-operators" became increasingly estranged from politics and trade unions.<sup>34</sup> Independent co-operative action, this group believed, could eradicate the evils of competition and restore morality in the market place. The products of capitalism - poverty, crime and human misery would disappear as a new society, the co-operative commonwealth emerged. In that co-operative society, the method of distribution of goods would be collectively owned and goods would be distributed at cost. The primary motive of economic activity would not be profit; rather it would be service for the mutual benefit of all the people.<sup>35</sup> This approach, proponents of the commonwealth view thought, would lead to social and economic justice in society.

The concept of the co-operative commonwealth was closely linked with the consumer co-operative movement. George Keen, a co-operative commonwealth enthusiast, and editor of the Canadian Co-operator, a national publication of the co-operative movement, saw co-operation as basically a consumers' movement. Consumers, he argued, were the most important component in the economic system because they provided the compensation to the producers of merchandise.<sup>36</sup> In other words, everyone was a consumer. Consumer co-operation, the heart of the co-operative reform program, in his view, could be best developed through the co-operative store.<sup>37</sup> This view had a considerable following in Canada during the 1920's and 1930's.

But the largest group of co-operators in Canada was composed of liberal pragmatic co-operators. More moderate than utopians, this group viewed co-operatives primarily "... as correctives to the existing system ..."<sup>38</sup> Some of the urban co-operators and the majority of the agrarian co-operators identified with this approach. Co-operatives, in their thinking, were not the instruments of re-arranging the economic and social structure; rather they were methods of protecting the rights of farmers and workers.<sup>39</sup> This group saw co-operation as private enterprise - a form of economic and social democracy suited to their needs.<sup>40</sup> The strong agrarian presence made the view influential in Canadian co-operative thought.

The third theory of co-operation centred on specific occupations or classes. Significant during and after World War I, this approach found the greatest expression in the producer co-operatives. Particularly important were the wool producing , honey, dairy and tobacco co-operatives. According to this view, co-operatives existed to help

the farmer-owner; they had no responsibility to the wider movement. This approach gained a wide following during the period of agricultural diversification in the late twenties.<sup>41</sup>

In Southern Manitoba, co-operative ideology centred around J.J. Siemens. His co-operative philosophy could be best described as practical idealism, having both utopian and pragmatic characteristics. Siemens was a utopian in the sense that he viewed co-operation as a philosophy of life dedicated to peace, justice, morality in business, and service to one's fellowmen.<sup>42</sup> Co-operatives in his view were not only a means to improve the economic system, but also a medium which would develop character.<sup>43</sup> His viewpoint was based on the belief that by working with others for the common good, man's best qualities are enlisted and amplified, and in the moulding of these qualities the man himself becomes a better person.<sup>44</sup> To improve the world through co-operation, Siemens believed, required an extensive co-operative education program so that co-operators clearly understood the co-operative principles and lay the foundation for a co-operative society.

Siemens' utopian convictions can be attributed in part to his long association with Manitoba Co-operative Wholesale. From 1935 to 1954 Siemens was a director of the wholesale serving as vice-president and as secretary. During this time he worked with a number of utopian co-operators, notably W.H. Popple, president of the wholesale from 1929 to 1942. Through the wholesale, Siemens met and listened to the addresses of another utopian co-operator, George Keen, secretary of the Co-operative Union of Canada, during his annual tours of Western Canada during the late thirties.<sup>45</sup>



Like a number of utopian co-operators, Siemens believed in the primacy of the consumer. That everyone was a consumer and that the economy of society should be organized to meet their needs was vital. As a farmer and producer, Siemens often pointed out that producers were also consumers and that producers should organize as consumers to protect their interests in the market place.<sup>45</sup> It appears that he always tried to show that consumers and producers had the same interests. He was well aware of the divisiveness within the broader Canadian co-operative movement along producer-consumer lines.

Despite some utopian tendencies, Siemens was a pragmatic co-operator as well. The co-operative association, he believed, had to succeed as a business in order to survive, and every successful co-operative would serve as an inspiration to other and future co-operatives. For Siemens, Rhineland Consumers Co-operative at Altona was the model of a well managed co-operative enterprise and he used that example as frequently in promoting consumer co-operation as he used Co-operative Vegetable Oils as an example of rural economic development. Siemens, more than anyone, recognized the importance of paying a regular dividend to the co-operative members because it symbolized an efficient, prosperous co-operative. Nonetheless, Siemens always remembered the social objectives of co-operation and often reminded co-operators to look beyond the materialistic aspect of co-operation.

We have such wonderful opportunities, to democratically achieve these good things in life through working and planning together. Let us not forget the ideals of co-operation, the co-operative philosophy of service, the principles of fellowship and eventual Brotherhood of man. Unless these ideals remain in proper balance with

our materialistic striving we shall experience a feeling of frustration and uselessness.<sup>47</sup>

Siemens saw a relationship between co-operative philosophy and theology. The co-operative commitment to social justice and economic well being of the whole society was an expression of Christianity. Religiosity meant more than an individual's relationship with God; it meant a concern for economic and social problems: poverty, unemployment, illiteracy, war and economic exploitation. Given the social and economic conditions, Christians could not defend the status quo; they had to question it and agitate for change. Christianity had failed in this regard; in fact, it had perpetuated social and economic inequality by supporting the existing social and economic institutions. As a result, Siemens became increasingly skeptical about the value of religion.

The progressive, liberal interpretation of the gospel clashed with the conservative religious fundamentalism of the Mennonites. In the Anabaptist tradition, Mennonites adhered to orthodox religious beliefs based on the literal interpretation of Holy Scripture. Interpretations were left to the individual but required divine inspiration.<sup>48</sup> People were expected to practice the Biblical teachings in their daily living. Although originally a product of the religious reform movement, Mennonite doctrine assumed a rigidity which stifled the spirit of enquiry and enlightenment. New and different ideas often were viewed as false teachings that would undermine Mennonite faith. The church leadership of both conservative and liberal denominations also rejected any attempt to integrate the Christian faith with secular society. Thus, Mennonite churches were silent on social and economic questions. These were secular issues, unrelated to spirituality.

Moreover, even the most liberal denomination, the Bergthaler, was more interested in maintaining the status quo than in examining the challenging possibilities of the future.<sup>49</sup>

Not surprisingly, J.J. Siemens soon dissociated himself from the Mennonite faith. Although a member of the most liberal denomination, the Bergthaler, Siemens could not accept the static, provincial position of that church. Nor was his dissent limited to the Bergthaler church. The Mennonite scholar, Frank H. Epp, in an editorial in the Canadian Mennonite, commented on Siemens' disenchantment with the Mennonite church as a whole:

... What troubled him most was the static condition of the church, its irrelevance to everyday life with its social and economic problems, and its preoccupation with the past and the future at the expense of the present.<sup>50</sup>

One event precipitated Siemens' estrangement from the Bergthaler church. This concerned the Bergthaler WAISENAMT, a church administered trust company which served as a banking house for the congregation. But its primary function was the protection of the financial interests of orphans and the management of estates.<sup>51</sup> During the Great Depression when the Bergthaler WAISENAMT experienced serious financial stress, J.J. Siemens' father, Johan Siemens, a member of the church board criticized the use of orphans' deposits to cover bad loans. J.J. Siemens also questioned the ethics of such a measure and publicized the problem. In the process, he attacked one of the directors, David Schulz, an influential church leader.<sup>52</sup> By using this approach he challenged the very integrity of the church hierarchy.<sup>53</sup> In the bitter controversy that followed, a major split occurred between the church leadership and J.J. Siemens.

The dispute had a far-reaching significance for the co-operative movement in Southern Manitoba. Separated from the church, J.J. Siemens, in a sense, found a new religion - co-operative philosophy. Given the social concern, ethics and morality of co-operative philosophy, religious values could be readily associated with it. With determination and zeal, he spread the gospel of co-operation to anyone who would listen. Although Siemens saw a spirituality in co-operation, the Mennonite church perceived co-operativism as a secular force in the community. Particularly the Bergthaler church, in the person of David Schulz, opposed Siemens. Frequently, Schulz's sermons reflected a strong antipathy to Siemens and the co-operative movement.<sup>54</sup> Co-operatives, it seemed, personified an evil Satanic force that could infiltrate the church. Schulz's concern is understandable because the co-operative movement had a distinct ideology which had attracted considerable attention. Youth, too, had become involved through the Rhineland Agricultural Institute. There they had learned about the philosophy of co-operation and its application to society. Schulz, a man of deep spiritual concern, who saw to it that no false teachings entered his church,<sup>55</sup> distrusted the new secular force in the community. Schulz was not alone; the more conservative churches also expressed misgivings about the emphasis on co-operative education and the influx of new secular ideas into the community. So intense was the concern that occasionally a religious leader followed J.J. Siemens to his co-operative organizational meetings.<sup>56</sup> The difference between Siemens and the church harmed the co-operative movement. Although a widely respected individual, Siemens lost some of his credibility in the Mennonite community. In a society where church membership had both

a spiritual and cultural meaning, religious dissent was not well received. Especially critics of co-operatives, usually people with vested interests, used religion to discredit Siemens and the co-operatives. Nonetheless, the co-operatives survived and grew, partly because Siemens renewed his determination to succeed, and partly because the liberal thinkers in the church rejected the narrow interpretation of the gospel by the Mennonite church leadership. Furthermore, the church gradually was losing some of its control over the people.

There is an irony in the dispute between Siemens and the Mennonite church. The Mennonite faith emphasized love of fellowmen and sharing with the needy. Over the years the church developed mutual aid institutions in fire insurance, the administration of inheritances, and support of the poor. Co-operative purists like Siemens strongly supported the mutual-aid and self-help principles because of their importance in co-operative ideology. The local co-operative press often mentioned the relationship between co-operatives and Mennonite religious beliefs.

The very essence of the Mennonite faith has always been a common brotherhood and mutual aid. Co-operative organizations are a natural part of the Mennonite people, giving practical demonstration to the philosophy they teach.<sup>57</sup>

Although definitely propaganda, it suggests a plausible connection which only a few Mennonite co-operators accepted or even considered. The Mennonite scholar, J. Winfield Fretz, a friend of J.J. Siemens, defined mutual aid as co-operation which Mennonites had practiced informally for centuries in their quest to aid their fellowmen.<sup>58</sup> Nevertheless, Siemens and the Mennonite church did not differ as much

in belief as in approach to the problems in society.

Farmers, despite opposition, clearly understood Siemens' message and enthusiastically supported farm supply co-ops and co-operative stores. However, Mennonite farmers were pragmatic co-operators who valued the economic advantages of the co-operative movement. Basically conservative in outlook on economic and social issues, the Mennonites distrusted the concept of a co-operative commonwealth; in fact, some of the ill-informed considered it radical, communist-inspired philosophy. Despite the radicalism associated with Siemens, most people, especially farmers, accepted and respected him as an individual and co-operative leader.

Despite suspicion and distrust of utopian co-operative philosophy in some quarters, a number of individuals and groups in different communities became steadfast Siemens supporters. During the early thirties some of his closest allies were found in the Rhineland Agricultural Society. Organized in 1931 by a small group of enlightened individuals including teachers, farmers and businessmen to improve the agricultural economy in the Rhineland Municipality, the Society became an important forum for the introduction, discussion and dissemination of new agricultural techniques and co-operative philosophy. Within the Society, Siemens staunchest ally was a former colleague, Peter D. Reimer, who served as secretary of the Society and editor of the Rhineland Agricultural Society Quarterly. Reimer had much in common with Siemens; he resided at Altona, belonged to the Bergthaler Mennonite church, acquired a good education and shared Siemens' co-operative pragmatism and idealism.

Another group of Siemens loyalists were some of the directors of

the Rhineland Consumers Co-operative. The original board, consisting of Jacob H. Hildebrand, Abram Janzen, J.J. Reimer, all of Gretna; P.B. Sawatzky, W.W. Heinrichs and P.C. Heinrichs of Halbstadt, were dedicated, faithful co-operators who generally supported Siemens in his co-operative endeavours. Other directors, David Wall of Gretna, A.A. Wiebe of Sommerfeld, John J. Peters of Rosenfeld and H.H. Schroeder of Altona, also were close to Siemens. Of the group, only P.B. Sawatzky and A.A. Wiebe were affiliated with the Sommerfelder Mennonite church; the others belonged to the more liberal Bergthaler denomination. There is no evidence that these men encountered any opposition in their respective churches even though they worked closely with J.J. Siemens. Their positive relations with the churches probably stems from the fact that none of these men were perceived as agitators or radicals who wanted to alter the Mennonite society; they were hard working farmers who simply wanted to have more control over their own economic affairs. Moreover, while they worked tirelessly for the oil station co-op, none of them had the combative disposition of Jake Siemens and all were more inclined to compromise on controversial issues and not get involved in disputes with others, particularly church leaders. Ideologically, most of the directors of Rhineland Consumers Co-operative were pragmatic co-operators. For them, co-operation was mainly a method to protect the solvency of the family farm and the rural community. Like most farmers in English Canada, they saw co-operatives bringing more democracy into the market place, potentially strengthening the economic position of the producer, but at no time did they envisage a restructuring of society.

Jake Siemens always attracted educated, capable young people, most

of whom became involved in co-operative educational work. The most outstanding Siemens disciples from 1940 to 1954 were the educational directors of the Federation of Southern Manitoba Co-operatives, an educational arm of all the member co-operatives in Southern Manitoba. The three educational fieldmen, Diedrich Reimer, Jake Schroeder and Jake Fehr, were all former school teachers in their twenties who had lived and taught in the Altona area. Of the three men, Diedrich Reimer was the most dynamic; in fact, he emulated the style of Jake Siemens in that he was a tireless and fearless fighter for the co-operative cause. As the first full-time educational worker for the Federation of Southern Manitoba Co-operatives, Reimer like Siemens was "blazing new trails" and constantly trying to make co-operative education acceptable in a basically conservative society. Reimer shared Siemens' co-operative convictions and with the same enthusiasm. His views are set forth in a report, delivered at a convention of the Federation of Southern Manitoba Co-operatives in 1942.

We are often apt to worry about and criticize such matters as exorbitant prices, high rates of interest, insufficient share capital in our co-operatives, increased production, which are not supplimented (sic) by increased demands, unemployment, and coming depressions and seldom do we as a people stop to realize that the solution of all of these is largely a matter of proper understanding and control of our economic and social structure. Much of the exploitation that the producers and consumers have in recent years benn (sic) subjected to is largely their own fault and the sooner these two economic forces realize this the sooner will a greater economic freedom and security be established among our own people ... As co-operators we believe that national democracy cannot be retained unless economic democracy can be developed which would mean control of business by the people through co-operative action. This, as I understand it, is the main objective of the Federation of the



Southern Manitoba Co-operatives as well as all other true co-operative organizations. .... Today the thought we must learn to bear one another's (sic) burden and to seek one's own in all men's good in order to live in noble brotherhood ... that it (co-operation) is not merely a way of doing business but that it is a way of living.<sup>59</sup>

Reimer's successors, Jake Schroeder (1948-1952) and Jake Fehr (1952-1954), also possessed strong co-operative beliefs, but it appears that they lacked the Siemens-Reimer evangelical zeal and idealism. They were less inclined to organize new co-operatives and credit unions and to propagandize. That is understandable because most of the organizational work had been done by the late forties and little work remained except to strengthen some of the co-operative educational work begun by Diedrich Reimer.

Outside the Federation, Jake Siemens also had several disciples. Menno Klassen of Gretna, a graduate of the Rhineland Agricultural Institute and the University of Manitoba, and Leonard Siemens of Horndean, a university graduate. Klassen, a religious and idealistic person, was convinced that co-operatives were the solution to the economic ills of society. Like Siemens, he saw co-operation as an expression of true Christian living.<sup>60</sup> Leonard Siemens had stayed with the Jake Siemens family while attending high school in Altona. In that environment Leonard Siemens became a dedicated protege of Jake Siemens. Following graduation from the University of Manitoba, Len Siemens not only became an agronomist for Co-operative Vegetable Oils at Altona, but also continued co-operative educational work by serving on an organizational committee promoting the establishment of a co-operative training centre at Altona. Another university educated young man who identified with J.J. Siemens was Gordon Leckie of

Winnipeg. An educational worker for the Manitoba Federation of Agriculture, Leckie always stressed the social as well as the economic advantages of co-operation. Co-operatives were more than a business; they were an approach to living.

An often forgotten part of the Siemens legacy is the women's co-operative guild movement. Siemens recognized the importance of women in the co-operative movement. A product of patriarchal society where decision making and leadership rested with the male members of the population, Siemens showed considerable prescience in advocating the participation of women in the co-operative movement. Familiar with the co-operative guilds in Great Britain, Jake Siemens introduced and promoted the formation of women's co-operative guilds in Manitoba.<sup>61</sup>

As a result, he sometimes was a guest speaker at guild meetings. Speaking to a group of guild members at the annual meeting of the Manitoba Co-operative Wholesale in 1951, Siemens pointed out that women had never had the opportunity to play their full role in the co-operative movement but were nonetheless necessary partners because men could not manage the affairs of co-operatives alone.<sup>62</sup> Therein lies Siemens' motive in encouraging women's co-operative guilds; namely, that women's involvement would strengthen the co-operative movement.

Co-operative guilds were organizations of women (usually wives of active, dedicated co-operators) who studied co-operation and tried to apply co-operative philosophy to the family and thereby foster a better understanding of co-operation and loyalty to co-operatives. Besides conditioning the family to practice co-operation, the guilds were important in the introduction and promotion of co-op label products.

Their baking demonstrations, using the co-op brands at the local co-op store, was an effective way of advertising and penetrating the retail market. But, guild members rarely participated directly in the shaping of policy of the co-operatives because no women served on the boards of directors. While the role of women in the co-operatives was quite traditional, the fact remains, women were still encouraged to be "involved" even if only in a superficial way, and that was a "break-through" in Mennonite society.

Women's co-operative guilds were organized throughout the province during the late forties and early fifties. In Southern Manitoba, three guilds were organized at Altona, Winkler and Lowe Farm. The three guilds were active throughout the fifties and some into the sixties, but all suffered from a lack of membership and eventually dissolved during the late sixties.

By combining pragmatism with idealism, Jake Siemens created and moulded the character of Southern Manitoba's Co-operatives from 1930 to 1955. While most people were pragmatic co-operators, they understood the ideals of the co-operative ideology. The annual report of Rhineland Consumers Co-operative in 1958, captured the Siemens' spirit of co-operation.

Our work is not for savings of dollars alone, our real purpose in building is not reported on the Balance Sheet, but recorded in the souls of men. We are building a system that seeks to free men from want and fear; a system which does not divide men against one another, but unites them in harmony; a system which Msgr. M.M. Coady asserts "permits men to be masters of their own destinies." We seek no profit except the profit of freedom for all men.<sup>63</sup>

Siemens was the crucial individual in the creation of Southern Manitoba's co-operatives, but the emphasis on him is not meant to suggest that he was the only moving force. The study dwells on him

because he was the central figure and his ideas were vital in the creation of the distinctive spirit of this regional co-operative movement.

The economic development of Southern Manitoba owes much to the leadership of J.J. Siemens. A founding member of the Rhineland Agricultural Society, he continuously promoted progressive agriculture through that organization. This included the organization of the Rhineland Agricultural Institute, a training centre in agricultural education and home economics. His organizational work resulted in a crop diversification program which improved the economic stability of Southern Manitoba's agricultural economy. However, Siemens went even further; he worked selflessly and untiringly to strengthen the economic foundation of Southern Manitoba. His vision and efforts led to the establishment of a co-operatively owned oil extraction plant (Co-op Vegetable Oils) and oil station (Rhineland Consumers Co-operative) at Altona. Frank H. Epp, a well-known Mennonite historian, has compared the economic leadership of Siemens in Southern Manitoba with that of Johan Cornies in nineteenth century Russia.<sup>64</sup> Cornies, considered by some as the most influential Mennonite ever to live in Russia, introduced a program of agricultural reform that broadened the Mennonite horizons. He motivated the creative young farmers to adopt new agricultural practices which accelerated an already prosperous agricultural economy.<sup>65</sup> Similarly, J.J. Siemens introduced and practiced new ideas and approaches in agriculture which helped farmers in Southern Manitoba and ultimately strengthened the rural community.

For Siemens, economic co-operation provided the answer to the building of a sound rural community. Siemens, more than anyone,

realized the economic benefits of processing the locally grown crops. In 1945, during the organization of Co-operative Vegetable Oils, Siemens estimated that the sunflower crop of that year would inject \$500,000.00 into the local economy and a processing plant in the area would produce additional revenue.<sup>66</sup> A believer in co-operative production and distribution, Siemens strongly supported the processing co-operative. But co-operation was more than ideology; it was a technique which united people in the struggle towards a common goal. That process fostered the development of people and a community consciousness so essential to a strong economic foundation. At the annual meetings of Co-operative Vegetable Oils before the plant began production, J.J. Siemens often repeated the following statement:

We are building more than just an oil processing plant - we are building a community. Everyone must assume his share of the responsibility.<sup>67</sup>

Perhaps one of his greatest contributions was the service to the community through his co-operative work.

### III. The Formative Years - 1929-1938

The foundation of the co-operative movement in Southern Manitoba was laid between 1927 and 1938. The first co-operative institutions - consumer, marketing, processing and financial co-operatives - were formed in the region during that decade. Consumer co-operatives were the first to appear and dominated the co-operative movement. During the organizational period several leaders emerged in each community, including Ben W. Thiessen of Lowe Farm, who was to serve as the first president of the oil station co-op, John N. Dyck, a highly respected and trustworthy person in the community, David K. Friesen and Jacob H. Hildebrand, but Jake Siemens, was the "driving force" in all co-operative activities. By the end of the period, three consumer co-operatives, one processing co-op, one marketing co-operative, one credit union and a number of study groups existed in the region.

The buying clubs of the early 1900's preceded the organization of co-operatives in Southern Manitoba. Dissatisfied with the high cost of farm supplies, farmers throughout Manitoba formed buying associations which purchased carload quantities of fuel, twine and other bulk commodities for their members. Many buying groups had been organized through the United Grain Growers Grain Company, a farmer-owned grain handling co-operative, and the United Farmers of Manitoba, a farmers' political party committed to the philosophy of co-operation.<sup>1</sup> The combination of bulk purchases and the use of voluntary labour in the distribution of the commodities resulted in appreciable savings to the farmers.

The Mennonites, who had practiced collective purchasing during the pioneering era, established buying clubs in some communities. In Lowe

Farm, the people had organized and operated a distribution local under the auspices of the United Grain Growers from 1912 to 1919.<sup>2</sup> In 1921, in order to combat the exorbitant prices of the oil companies, the farmers in the Altona-Gretna area formed the Co-op Buying Association and purchased their fuel in carload lots. Because of the substantial savings, the method of bulk buying proved to be so popular that by 1931 approximately ninety members belonged to the group.<sup>3</sup> In both cases, the farmers demonstrated that they could help themselves by working together towards a common goal: lower petroleum prices. This concept of self help was basic to consumer co-operation in rural Manitoba.

The experience with buying clubs set the stage for the organization of formal co-operative associations. The buying clubs had lacked a sound organizational structure and had been too dependent on voluntary labour. Nevertheless, the participants had gained valuable experience in collective purchasing that proved advantageous in the formation of local co-operatives.

#### CO-OPERATION AT LOWE FARM

Formal co-operation among the Mennonites began in 1930 at Lowe Farm, a small farming community in the southern part of Morris Municipality. Hard hit by the economic problems of the depression, farmers began to examine ways of improving their economic situation. In 1930, a group of young farmers held a series of study group meetings in the community to discuss the pressing economic problems.<sup>4</sup> In their discussions, the group considered the revival of the buying club through the United Farmers of Manitoba. The buying clubs of the early 1900's had demonstrated that farmers could realize considerable savings

by pooling their purchases. However, the group also realized that all group buying experiments had failed because of their loose structure and a lack of group loyalty. Thus, the discussion group turned to the study of the co-operative concept. Following close examination of the Rochdale principles and their application to the Lowe Farm community, the study group decided to establish a consumers co-operative oil station.

Organizing a community-oriented business with a new economic and social philosophy presented numerous problems for the co-operators. A major concern was the public attitude towards co-operation. Because of ignorance much of the community was indifferent to the co-operative idea. Others, particularly those with vested interests such as the local businessmen, felt threatened by the co-operative business, and understandably so. Some people were also distrustful and skeptical about a farmer-operated business in view of the buying club failures and the farmers' lack of business experience. The community also had groups that were very hostile to the co-operative philosophy and its proponents. Aware of the Mennonite experience with the Bolsheviks in Russia after 1917, this group attempted to exploit it by identifying co-operatives with communism.<sup>5</sup> That the "red scare" tactic was used suggests the intensity of opposition in some quarters of the Lowe Farm community.

The presence of opposition was understandable. For the first time, a small community was exposed to a fundamentally "radical" ideology. People would set up their own business for service and not for profit. The supplanting of the profit motive challenged the essence of the private enterprise system. Furthermore, advocates of co-operation



were saying that free enterprise was failing society because farm commodity prices were low and production costs were high. This view was widespread in Western Canada. Thus, not surprisingly, the business sector protested vociferously against the co-operative movement. Finally, the influx of an external "radical" idea aroused certain people in the community. For the conservative Mennonites who historically had opposed new secular influences, co-operatives could not be trusted. Some of those people rejected co-operation simply because it was new and different.

Another organizational problem was the acute shortage of money in the community during the Great Depression. Farmers in this wheat growing area had seen wheat prices plummet from \$1.06 per bushel in 1929 to \$0.38 per bushel in 1933.<sup>6</sup> Given the economic circumstances of the times, co-operative organizers found it very difficult to raise the required capital. Even those impressed with co-operation were not always willing to or could not invest scarce cash in a new business venture. The following remarks, heard frequently, during the campaign for funds, underscored the financial plight of many people in the community:

I grant that the idea of co-op sounds good, even if it is new and sort of risky. But the only money I could put into a co-op share would have to be taken out of tomorrow's food money.<sup>7</sup>

Despite serious obstacles, the organizers gained the confidence and support of the majority of the community and established the first consumer co-operative oil station in a Mennonite community. Despite strong interest in the idea, only eleven people had purchased shares totalling \$120.00.<sup>8</sup> After paying incorporation fees, the Lowe Farm Consumers Co-operative Ltd. opened for business in 1931 with only

\$90.00 of working capital.<sup>9</sup> Like other co-operative oil stations in the province, the Lowe farm Co-operative handled only a few commodities initially. Sales for 1931, the first year of operation, were a mere \$4,850.07.<sup>10</sup> By 1937, the sales volume of the association had increased to \$98,272.48.<sup>11</sup> Such remarkable growth in a depressed economy and a competitive market<sup>12</sup> reflected a loyal membership and a strong commitment to the philosophy of co-operation.

Unquestionably, the initial consumer co-operative venture in Southern Manitoba gave impetus to future co-operative development in other Mennonite communities. The enthusiasm and idealism of the Lowe Farm co-operators was a source of inspiration for others. The agricultural community in the Altona vicinity had been following the Lowe Farm experience closely.

#### CO-OPERATION AT ALTONA

The organization of the first consumers co-operative oil station at Altona in 1931 was closely linked with the organization of the Rhineland Agricultural Society. During the Society's organizational meetings of 1930-31, farmers and others discussed the formation of a co-operative. As in Lowe Farm, farmers at Altona objected to the high gasoline prices (22.5 to 26 cents per gallon)<sup>13</sup> charged by the oil companies. Thus, the group gave serious study to the need of establishing their own gasoline business. Some members of the group belonged to the Farmers Oil Company which already was supplying the fuel needs of its ninety members. Given the success of the farmer-owned oil business,<sup>14</sup> many people were prepared to consider the organization of a co-operative. Furthermore, some of the leading

advocates of the agricultural society, like J.J. Siemens and W.W. Heinrichs, also promoted co-operatives. They were convinced that agricultural reform through the Society and a co-operatively owned business were part of the solution to the economic problems in the community.

Following a series of meetings, a provisional board of directors was elected to proceed with the organization of a co-operative oil station. In May 1931, Rhineland Consumers Co-operative Limited was incorporated and the first permanent board of directors was elected with J.J. Siemens as president.<sup>15</sup> Little did the small group of co-operators know of the impact that this consumers co-operative and Jake Siemens' leadership would have on the co-operative movement in Manitoba and Western Canada in future years. This consumer oil co-operative would serve as a model for co-operative action in the community.

Like other consumer co-operatives of the time, Rhineland Consumers Co-operative experienced immense difficulties in starting the business. The major obstacle was the shortage of working capital. According to Jacob H. Hildebrand, a charter member of the organization, only \$466.00 in shares had been purchased or pledged in 1931.<sup>16</sup> Despite the shortfall in funds, the board of directors convinced the membership to purchase the assets of the Farmers Oil Company at Altona for \$3,071.00. The agreement included a down payment of \$300.00 and the stipulation that the balance was to be paid off at a rate of one cent for each gallon of fuel sold.<sup>17</sup> This arrangement was possible primarily because the farmers who owned Farmers Oil lacked the time to operate their own business, but desired that ownership should be

retained by a non-profit organization such as a co-operative. The board of directors obtained further working capital of \$7,500.00 through a bank loan, but only after they had "put up" their farms as security.<sup>18</sup> Such personal sacrifice underlined the co-operators' deep commitment to their cause. This struggle to raise money also united the membership, inspired loyalty and injected a sense of strength in the organization that would prove invaluable in the struggle for survival during the early years.

The first challenge to the young consumers co-operative came in 1933. Since its inception in 1931, the Rhineland Consumers Co-operative had been more than a business. The co-operative was interested in the improvement of all aspects of the community: education, recreation and health. Consequently, the association actively supported the Rhineland Agricultural Society's programs in leadership training and progressive agricultural practices. Numerous co-operative leaders, like J.J. Siemens, provided leadership in the Society's boys' and girls' club work,<sup>19</sup> a youth activity which stressed informal co-operation, good citizenship, practical agriculture and home economics. The involvement of the local consumers co-operative, a secular organization, in the education of youth, evoked considerable opposition among the conservative elements in the community.

The conservative opposition viewed the co-operatives as a threat to Mennonite culture. Historically, the Mennonites had isolated themselves from the rest of society and had made a concerted effort to avoid "worldly" influences. Although the conservative groups had accommodated somewhat to Canadian life or emigrated during the 1920's, they still distrusted many secular Canadian ideas. The local consumers

co-operative, a member of the Manitoba Co-operative Wholesale since 1931, associated freely with the Manitoba co-operative movement. The broader world view held by local co-operative leaders like J.J. Siemens and the entrenchment of the co-operative concept created suspicion. Understandably, the conservative Mennonites were aroused when the co-operators talked about co-operation as a "way of life".<sup>20</sup>

Most of the antagonism towards co-operatives was found in the Altona business community. Some of the leading businessmen were B.J. Klippenstein, a lumber and coal dealer, C.C. Bergman, a bulk fuel distributor, A.D. Friesen, a realtor, and C.P. Heinrichs, a garage proprietor.<sup>21</sup> For obvious economic reasons, the businessmen felt threatened and attempted to undermine the co-operative movement during its infancy. They often collaborated with the larger companies in branding co-ops as communist.<sup>22</sup> The fuel distributors for the private oil companies, in particular, applied economic pressure on the co-operative oil station. The private oil companies reduced their prices during the early 1930's in an attempt to force Rhineland Consumers' Co-operative out of business. When the price war failed, the oil companies attempted to negotiate a set price for oil products with the co-operative.<sup>23</sup>

Allied with the Altona business community was the Bergthaler Church, a denomination which supposedly contained the more "liberal" elements of Mennonite society. Most of the business leaders were Bergthaler Church members and some of them served on the church board. The church leadership, not surprisingly, identified with the business establishment and participated in the attempt to destroy the co-operative movement at Altona and the vicinity.

The tactic used by all the opposition to a greater or lesser extent was the "red peril". Co-operatives were portrayed as being a foreign subversive force. A typical "red baiting" statement of the time was as follows: "Co-ops are merely the beginning, in a few years the Communist takeover will occur".<sup>24</sup> The business people, supported by some of the churches, played on this theme and attempted to influence the public, particularly the uncommitted. The opposition also resorted to a smear campaign against the most vocal co-operative leaders, Peter D. Reimer, secretary of the Rhineland Agricultural Society and J.J. Siemens, president of the Rhineland Consumers Co-operative. The opponents circulated lies and rumors about these two men and succeeded in having Peter D. Reimer removed from his teaching position in Altona. However, J.J. Siemens, a farmer and less vulnerable to public pressure, continued as a vigorous advocate of co-operation. The incident probably reinforced his co-operative convictions.

The involvement of the church in the organized opposition to co-operatives can be attributed to its dominant position in the community. This is indirectly illustrated in the church's resistance to the boys' and girls' club movement in the area begun by the Rhineland Agricultural Society, and financially supported by Rhineland Consumers Co-operative. The various clubs - seed, garden, poultry and calf - organized in co-operation with the Manitoba Department of Agriculture, exposed Mennonite youth to progressive agricultural techniques and rural leadership development. The agricultural clubs were popular among young Mennonites. In 1931, approximately 100 boys and girls joined the clubs.<sup>25</sup> The following year, nine new clubs were

formed in the Rhineland Municipality.<sup>26</sup> The increasing participation of Mennonite youth in club work upset the church hierarchy. Because of church pressure, parents often forbade their children to join clubs and boycotted the Rhineland Agricultural Society's annual fair.<sup>27</sup>

Unquestionably, the presence of the new secular force in the community challenged the traditional role of the church in preparing Mennonite youth for life. Perhaps most important was the fact the clubs' youth activities, an area long neglected by the churches, seemed to fill a void in Mennonite society. That the void should be filled by a secular organization insured rigid resistance from the churches. To complicate matters, Siemens' conflict with the Bergthaler leadership over the WAISENAMT also occurred in this period and alienated some church members from the co-operative institutions.

Only a small group in the Altona community actively opposed the co-operatives. Persons with vested interests and some church leaders were the most vocal.<sup>28</sup> Often the opponents lacked an understanding of the co-operative idea and criticized it out of ignorance. Occasionally the clash of personalities was the overriding factor. Nonetheless, most of the citizens in the Altona area were sympathetic to co-operatives. The farmers, in particular, were interested and quite supportive. And the farmers had the most to gain.

Despite the resistance, Rhineland Consumers Co-operative experienced a steady growth in sales and membership after 1932. By 1935, the loan to purchase the oil station facilities had been repaid. This self help enterprise was to become the nucleus of the rural co-operative movement in Southern Manitoba and would serve as a model for co-operative development in the community. Its reputation as a

co-operative was quickly recognized in The Manitoba Co-operator:

The Rhineland association operates at a lower expense ratio than most of the consumers' co-operatives in Manitoba and is a model of efficiency and good management.<sup>29</sup>

#### PROBLEMS OF THE CONSUMER CO-OPERATIVES

The cash shortages in the agricultural community presented serious problems for the newly organized consumer co-operatives throughout the province. Rhineland Consumers Co-operative, organized in 1931 with a membership investment of \$670.00, depended on bank loans for its working capital from 1931 to 1934. In 1935, when all debts had been discharged, the working capital was only \$2,405.76.<sup>30</sup> The average investment in co-operative oil stations in 1933 was only \$5,000.00, of which \$3,000.00 was paid up capital.<sup>31</sup> By being undercapitalized, co-operatives were in a weak financial position and quite vulnerable to competition.

One of the most difficult problems confronting the co-operatives was the availability of credit. The newly formed local oil co-operative, for financial and ideological reasons,<sup>32</sup> adopted a cash trading policy and extended very limited credit to its membership. The private oil companies in 1930 and 1931 provided their customers with very liberal credit terms. Because farmers required credit for petroleum purchases, co-operatives lost some business.<sup>33</sup> Occasionally local co-operatives would respond to membership demand for credit trading. The Lowe Farm Consumers Co-operative sold two carloads of coal and farm machinery on credit in 1935. When rust ravaged the grain crops, farmers were unable to pay their debts and the co-operative



suffered a severe financial setback.<sup>34</sup> The credit question was a perennial one for all the co-operatives and never could be totally resolved.

A general lack of business expertise was common among the early co-operative associations. The board of directors, mostly farmers, had no business experience except on their farms. The local managers had no training for running a co-operative enterprise. In most cases, the board of directors would hire a manager who was an enthusiastic co-operator, but not necessarily an efficient businessman. Some directors mistakenly believed that co-operative principles were enough to operate an efficient business. Inevitably, the co-operatives experienced serious management difficulties, often threatening the very existence of the association. The boards of directors soon realized the importance of sound management to any co-operative association and endeavoured to attain that objective.

The Manitoba Co-operative Wholesale played a central role in providing business advice to Manitoba's consumer co-operatives. H. Hindson, a fieldman for the Manitoba Co-operative, assisted in the organization of both co-operatives at Lowe Farm and Altona. The Manitoba Co-operative Wholesale also conducted a concerted campaign to educate its member associations. Directors and management schools were organized. The Wholesale featured regular articles in the Manitoba Co-operator on the importance of sound business practices.

In view of their limited business experience, it is significant that the co-operatives survived, let alone prospered during these harsh economic times. But the co-operators were shrewd, pragmatic and courageous individuals. More importantly, they had faith in their ability

to help themselves. This unbounded belief in co-operation inspired a fierce loyalty that sustained the struggling co-operative associations during the 1930's. J.J. Siemens described the degree of membership commitment in the Altona area in the July, 1932 edition of the Rhineland Agricultural Quarterly.

On May the 19th, (1932) the Rhineland Consumers Co-operative were setting up another gas tank. It required a number of hands to erect the tank and set it up properly. It was suggested that we invite the shareholders to give the necessary assistance in the erection of the tank, and the response was most gratifying. In fact we had a real picnic, farmers from 20 miles away, were on the grounds early in the morning with rope, chain, wrench, etc; and they all knew what was wanted of them. The result was that in six hours the tank was in its place and standing in position. Everybody was cheerful and happy due to the fact that the work done did not cost the organization one cent for labour.<sup>35</sup>

The success of the consumers' co-operative oil stations set the stage for the organization of co-operative stores at Altona and Lowe Farm in 1937 and 1939, respectively. These communities had gained a sense of self-confidence and pride in operating their own co-operative business. Moreover, these co-operators believed that providing services on a cost basis through the co-operative lowered prices and ultimately benefited the entire community.

The influence of this early co-operative experience was very much in evidence at Altona. Impressed with the savings realized through Rhineland Consumers Co-operative, co-operators demanded that a greater variety of products be made available through the co-operative. This demand arose in part from the behaviour of some of the local businessmen. Farmers who could not pay their debts, mortgaged their farms to the local merchants and occasionally lost them through foreclosure

during the mid 1930's. At Altona, only one merchant foreclosed on a farmer.<sup>36</sup> Nonetheless, this practice caused bitter resentment and alienation in the farm community. Some co-operators blamed the exploitative capitalistic economic system and its pursuit of profit for their economic problems. A member of Rhineland Consumers Co-operative saw co-operatives as a solution.

If you want to do something constructive about the abuses of the private profit method of buying and selling, you should support co-operatives.<sup>37</sup>

In 1937, nine members of the Rhineland Consumers Co-operative initiated discussions on the feasibility of establishing another association to provide additional goods and services. Believing that co-operatives had an important role in the community, these committed co-operators each invested five dollars in share capital and started Altona Co-operative Service on June 8, 1937. Besides forty-five dollars of share capital, the association obtained a \$600.00 loan guaranteed by the original members.<sup>38</sup> Again these early co-operators were willing to pay the economic cost of co-operation. That faith would sustain the new association during these trying times when many businesses were failing.

The co-operative store in Altona experienced a series of problems common to consumers co-operative stores in Manitoba. The concept of a consumer-owned retail food store, entirely foreign to the Altona area, was a direct challenge to the private entrepreneur. Threatened by this alien influence, the town merchants attempted to undermine the co-operative concept through ridicule and distortion. That the newly organized co-operative was the subject of ridicule is not surprising in view of its very modest beginning. Because of a lack of capital it

rented 20 square feet of space and displayed its limited stock. With total sales of a mere \$10.87 during the first day of operation, the future for Altona Co-operative Service Limited seemed precarious at best.<sup>39</sup> Thus, being an inferior retail store, the co-operative initially lacked credibility in the community.

The nature of the retail store business presented serious difficulties to the co-operative. It required considerable capital to purchase and stock a wide variety of goods. It also needed a substantial volume of business to insure a reasonable margin between the purchase and selling price. Altona Co-operative Service initially lacked capital and the membership to insure a sufficient volume of business. Therefore, the co-operative found it difficult to effect savings for its membership. An additional problem for the co-operative was its limited trading area. Co-operators who patronized the co-operative oil station were not prepared to travel considerable distances to purchase their food supplies. Despite these disadvantages, by 1940, Altona Co-operative had 466 members and merchandise sales of \$58,749.36.<sup>40</sup> The rapid expansion can be attributed primarily to the sound management and a loyal, informed membership. It should also be noted that Canadian agriculture had experienced a limited economic recovery since the mid 1930's. Consequently, economic conditions in rural communities were improving.

Other Mennonite communities besides Altona organized co-operative stores. At Gretna, approximately seven miles south of Altona, a co-operative general store opened for business in 1939. Again, people with experience in working together in the Community Progress Competition, and members of the oil station co-operative, were

Competition, and members of the oil station co-operative, were instrumental in making the Gretna Consumers Co-operative a reality.

Similarly, a group of Lowe Farm co-operators, assisted by Phil Isaacs, the manager of Rosenort Co-operative, established a co-operative store association at Lowe Farm in 1940.<sup>41</sup> In both instances, past co-operative experience played a major role in the development of co-operative stores.

#### AGRICULTURAL PROCESSING CO-OPERATIVES

Depressed farm commodity prices, accompanied by a decade of drought and low yields, saw Manitoba farmers increasingly favour the collective marketing of their products. In 1932 farmers were selling whole milk at a loss. Farmers anxious to diversify their farming operations aggravated the pricing problem by increasing the size of their milk cow herd between 1931 and 1936, and created a milk surplus. Farmers then tried to cope with the problem by organizing co-operative cheese factories. So successful was the venture that twenty such co-operatives were operating in Manitoba in less than ten years.<sup>42</sup>

One of the co-operative cheese factories was founded in the Mennonite village of Reinland southeast of Winkler in 1936. The first agricultural marketing co-operative in Southern Manitoba consisted of fifty shareholders (including local Winkler businessmen) who invested one thousand dollars in the enterprise.<sup>43</sup> The co-operative progressed rapidly and eventually drew milk from six surrounding villages. Manitoba cheese production peaked in 1939 when 141,619 pounds valued at \$18,605.00 were produced.<sup>44</sup> A reason for the early growth and success of the Reinland Dairy Society can be found in the attitude of the

Mennonites in the Reinland village. The village dwellers possessed a deep sense of loyalty to the community and viewed the marketing co-operative as a community enterprise. They were interested in additional employment opportunities and markets for the local farmers. The close identification of the co-operative with the community fostered an ardent loyalty as well as a strong co-operative spirit.<sup>45</sup> Perhaps most important is the fact that in this tiny community a co-operative organization was seen not only as a protest against low farm commodity prices, but also as an instrument of economic development. This concept of co-operation was to play a significant role in several Mennonite communities during the 1940's.

Co-operative marketing of grain in Western Canada has been an important part of the farmers' movement to establish a greater producer presence in the market place. At the turn of the century, prairie farmers protested against the underweighing and undergrading of the line elevator companies by organizing local co-operative elevators. In 1906 farmers organized their own grain company, the Grain Growers Grain Company.<sup>46</sup> When the federal government refused to reactivate the Canadian Wheat Board as grain prices plunged during the early 1920's, farmers organized wheat pools. A pool was a central selling agency that marketed the wheat of the pool membership. The Manitoba Pool, organized in 1924, formed a subsidiary, Manitoba Pool Elevators Limited to purchase the farmer members' crop. Manitoba Pool Elevators, incorporated in 1925, consisted of a federation of local elevator associations. Each association was owned by the Pool members where the elevator was located.

The first co-operative elevator association among the Mennonites

was formed in the co-operative-minded community of Lowe Farm. Plagued by poor grain prices<sup>47</sup> and influenced by the economic performance of the farmer-owned co-operative oil station, a group of farmers decided to organize their own co-operative elevator. The provisional board, elected in 1936, faced a difficult task. The older farmers in the area recalled the sad fate of the Farmers Elevator Company of 1905 and were reluctant to join the co-operative. Manitoba Pool Elevators Limited questioned the economic feasibility of an elevator with a small membership. Besides, the community already had two elevators and the volume of grain handled might not be sufficient to insure another profitable elevator. Despite these obstacles, the organizers convinced Manitoba Pool Elevators Limited to construct an elevator at Lowe Farm. In 1937 the Lowe Farm Co-operative Elevator Association began to handle grain. With only 73 members and limited volume, the Lowe Farm co-operators again defied the rules of economics and demonstrated their faith in co-operatives.

The co-operative method of grain marketing failed to establish a foothold in the Mennonite community outside Lowe Farm during the 1930's. A lack of activity in co-operative grain handling can be attributed in part to the depressed agricultural economy. Disastrously low grain prices combined with low yields meant that local farmers often were unwilling to form a local elevator association and risk scarce capital for construction of elevator facilities, when most towns had grain elevators. Others recalled the demise of farmer-owned elevators at the turn of the century.<sup>48</sup> Manitoba Pool Elevators, the managing body was still recovering from the bankruptcy of 1931.<sup>49</sup> Pool management practiced fiscal restraint and sought to consolidate the financial

position of the organization. Therefore, Manitoba Pool Elevators was very cautious about expanding elevator services. This is not to suggest that the various Mennonite communities demonstrated no interest in co-operative elevator associations. Mennonites on the periphery of the Mennonite settlement east of Altona delivered their grain to the Pool elevator at Letellier. In 1939, the Altona area farmers were attempting to organize a co-operative elevator association.<sup>50</sup> The co-operative elevator was not built until 1951, probably due to World War II and the preoccupation with the organization of the co-operative oilseed processing plant, Co-op Vegetable Oils, during the early forties.

#### FINANCIAL CO-OPERATIVES - CREDIT UNIONS

The economic depression saw a marked decline in the availability of credit. The wage-earner, the drought-stricken farmer or the struggling small businessman often had very limited or no access to legitimate sources of credit. Some of the banks had failed and some branches had been closed for reasons of economy. In the rural areas of Canada, farmers experienced the most serious credit problems. Total net income on Manitoba farms was only \$1,240.00 in 1933.<sup>51</sup> And net income did not reach 1926 levels throughout the 1930's. In fact, in 1931, Manitoba farmers operated their farms at a loss. The Manitoba Department of Agriculture and Immigration concluded that Manitoba farmers were without credit in 1934.

Low prices coupled with low yields have depleted the farmers' resources particularly in cash, and he has been forced to rely entirely on his own production as a source of power and revenue. His borrowing ability is to all intents and purposes non-existent.<sup>52</sup>



The farmers' loss of credit had serious ramifications. The farmer always had depended on credit for producing and marketing crops, and for the purchase of land, equipment or livestock. When farmers found it increasingly difficult to procure credit, if any at all from the traditional sources - the banks, private moneylenders and merchants - they sought other financial institutions. Thus, the agricultural credit problem provided fertile grounds for the introduction and growth of a new concept in banking in rural Manitoba, the co-operative credit association or credit union.

The organization of credit unions among the Mennonites west of the Red River (excluding Rosenort) was an outgrowth of the study group movement. Study group work began in Southern Manitoba when A.B. MacDonald of the Extension Department in St. Francis Xavier gave an inspirational address in Altona on the Antigonish movement. It appears that J.J. Siemens, a keen student of the Antigonish movement, made the arrangements for the MacDonald speech. Following exposure to the study group concept, organizational work began in earnest. In 1936, G.G. Neufeld, Inspector of Schools in Southern Manitoba, in co-operation with the school teachers in his inspectoral district, organized numerous study clubs among the Mennonites.<sup>53</sup> Teachers, in most cases, provided the leadership in the study clubs. J.J. Siemens also made a significant contribution; he devoted much of his time to study group work, particularly in 1937. Study groups met regularly during the winter months and discussed common problems and solutions to them. Topical material was obtained through the Manitoba Co-op Promotion Board and Manitoba Pool Elevators. Frequently, the study groups examined co-operative techniques and their application to a specific

problem.

The first credit union among the Mennonites was founded at Lowe Farm. In 1938, three local co-operators, John F. Braun, Edward Groening and H.W. Reimer, called a meeting to discuss the local financial situation and the need for a credit union. The initial meeting resulted in weekly study sessions on credit union principles and methods. After considerable study, a group of ten people applied for and obtained a charter for the Lowe Farm Credit Union Society in 1938.<sup>54</sup>

At Altona, the credit union concept was introduced through the Rhineland Agricultural Institute, a local agricultural training school in 1938. Ed. T. Howe, principal of the Institute, conducted special night classes on community problems and the role of credit unions in community development. Both students of the Rhineland Agricultural Institute and local people studied the background of credit unions. The winter program terminated before the credit union could be organized, but a nucleus of interested persons continued to explore the need for the formation of a local credit union with their friends and at board meetings of other co-operative associations. On February 28, 1939, at an organizational meeting, nineteen people took out memberships and the Altona Credit Union Society became a reality.<sup>55</sup>

Thus, by the close of the 1930's, despite unremitting crisis in the prairie agricultural economy, the people of Southern Manitoba had established co-operatives and a number of co-op study groups. They did so at the urging of J.J. Siemens and in the belief that only by adopting this new secular strategy could the local community - and its ideals - survive. The actual institutions were not so much an

adaptation of the Mennonite mutual aid tradition as the products of new philosophy which might ensure the maintenance of that tradition.

#### IV. The War Years - An Era of Expansion, 1939-1945

The severe economic distress of the early 30's had virtually dissipated by 1939; however, the memory of these earlier events was to influence the co-operative movement in the next six years.

Despite a brief downturn in the grain prices, the agricultural economy of the Prairies as a whole was improving. In Manitoba, farm revenue while low in 1937, was better than in the previous five years. Farmers again could afford to purchase farm equipment and improve their farmsteads, frequently neglected during the "dustbowl" years. Better growing conditions and the use of resistant varieties of wheat resulted in higher yields.<sup>1</sup> The Manitoba Department of Agriculture, in its annual report of 1939-40, noted that wheat production exceeded the average and that oats and barley yields surpassed the ten year average.<sup>3</sup> Further stimulus was to be provided by the demands for Canadian foodstuffs by the armies in Europe during World War II. Agriculture appeared to be entering a more prosperous age.

The Mennonite agricultural communities in Southern Manitoba shared in the "better times" that accompanied the war. As crops improved and farm commodity prices increased, Mennonite farmers began to abandon the self-sufficient style of agriculture that had characterized their farming operations during the Depression. Mennonite farmers (like other farmers in Manitoba) re-established commercial farms. Capital requirements rose quickly as farmers invested heavily in agricultural machinery.<sup>3</sup> Even though economic conditions improved, Mennonites throughout the province had to confront another problem. Traditionally a pacifist group for religious reasons, the Mennonites opposed the military draft of its young men. Their resistance to the draft,

coupled with their use of the German language, made them appear unpatriotic. Amidst the war hysteria, the pacifistic Mennonites sometimes found it difficult to maintain friendly relations with the rest of society even though they contributed immensely to the total war effort apart from actual combat duty.<sup>4</sup> Non-Mennonite co-operators, particularly English Canadians, enthusiastically supported a strong national presence in World War II. At the same time, the co-operative movement believed that Canada had to maintain the capability to produce agricultural goods. This required an adequate farm labour force.<sup>5</sup> It appears that co-operators to some extent at least could tolerate the productive Mennonite farmers even though they practiced non-resistance. Under these circumstances the co-operative movement was to survive, struggle and advance among the Mennonites of rural Southern Manitoba.

#### PRODUCER CO-OPERATION

The Second World War made a strong impact on Canadian farms and factories. The war created tremendous industrial expansion which absorbed the large pool of surplus labour. But the industrial growth was confined primarily to central Canada and Manitoba industry, while prosperous, experienced very little growth. The war reinforced the industrial hegemony of central Canada and left Manitoba very dependent on agriculture and other primary products.<sup>6</sup>

Despite some improvement in agriculture during World War II, the economy of Southern Manitoba was still very vulnerable. Most farmers were active co-operators who had tried to improve their situation in the marketplace by organizing consumer and marketing co-operatives: the former to purchase their goods on a collective basis and the latter

to market their primary agricultural products. In spite of some agricultural diversification, the local economy had not changed; income was dependent largely on the sale of unprocessed food supplies.

The situation changed in 1940, when a group of enterprising co-operators launched the first major rural industry in Southern Manitoba.<sup>7</sup> That year a group of Winkler co-operators formed Winkler Co-operative Creamery. This was a significant development because for the first time the raw material (milk, cream) would be processed in the community.

The concept of organizing a local producer co-operative originated in the Village of Reinfeld, just east of Winkler. A group of farmers, encouraged by the surge in cheese prices and the success of the co-operative cheese plant at Reinland, explored the feasibility of starting a co-operative cheese factory. On the advice of the provincial dairy commissioner, the group abandoned the cheese plant idea and decided to purchase the Winkler Creamery.

The creation of the Winkler Co-operative Creamery Limited was a major undertaking. Never before had any local group of co-operators acquired such a large business. As the first co-operative enterprise in the Winkler vicinity, the group lacked experience in the management of co-operatives, and developing operational experience gradually was impossible because they would be taking over an established business. An additional problem would be the need for considerable operating capital.

These difficulties were not insurmountable. From the very beginning there was widespread support for the venture throughout the Winkler area. According to minutes of meetings of the Winkler

Co-operative Creamery, the co-operative had 114 shareholders in 1940 and raised \$5,250.00 to buy the local creamery.<sup>8</sup> In fact, the dairy co-operative had a broad base of support which transcended the dairy producer. Many people who seldom dealt directly with the creamery supported the enterprise because it would strengthen the community. During the Great Depression, people in the area had become more concerned about the economic welfare of the total community. People had become more aware of unemployment. For many, co-operatives were the best answer to these problems.

The Winkler group received considerable support from other area co-operatives. J.J. Siemens of Altona, attended the first shareholders' meeting and presented a talk on management of co-operatives. His support and encouragement did not stop there; the following year (1941) he chaired the first annual meeting of the Winkler Co-operative Creamery.<sup>9</sup> Fortunately for this new co-operative, experienced, influential co-operators were prepared to share their co-operative experience and advise them on co-operative matters. Such co-operation among co-operatives gave the Winkler leaders co-operators a sense of confidence and strength so vital during the founding of this institution.

Before purchasing the creamery, Winkler co-operators participated in study groups. The study groups examined the philosophy of co-operation as well as the specific problems of operating a co-operative creamery. The exercise not only aroused general interest but also developed an enlightened membership before the co-operative society was organized. This knowledge was to strengthen the future co-operative.

Starting with a mere investment of \$586.00<sup>10</sup>, the Winkler Co-operative Creamery expanded rapidly. In 1943 a new plant was built to accommodate the growth. The plant diversified its operations by purchasing eggs and poultry from the local producers. Annual sales of less than \$100,000.00 in 1940 rose steadily to \$700,000.00 in 1950.<sup>13</sup> There were several reasons for the success of the co-operative. The co-operative possessed a wide base of support in the community. As both a producer and consumer co-operative it appealed to the whole community. From the onset the co-operative had capable management. The first manager, A.J. Friesen, an aggressive business-man and dedicated co-operator, provided capable leadership to insure a growth rate that exceeded the expectations of the most optimistic members. His successor, Jim Hamm, with an enviable record in co-operative education, proved to be a resourceful administrator and most innovative in the development of markets for the ever-expanding product lines of the co-operative. Besides sound management, the Creamery Co-op had an able group of directors. Men of faith in the future, courage and wisdom guided the society; men who willingly put up their farms as collateral for loans to keep the plant going during the first few years.<sup>12</sup>

The Winkler Co-operative Creamery made a significant impact on the Winkler community. Through its expansion and diversification the Co-op Creamery established an important industry in the Winkler area and contributed considerable revenue to the town of Winkler. Furthermore, the co-operative assured a market for cream, eggs, milk and poultry from local farms. By providing this market and paying fair prices, the co-operative encouraged dairying and poultry raising which furthered



agricultural diversification. The Winkler Co-operative Creamery was not only interested in dairy and poultry production but also in improving the quality of these raw materials. Therefore, the Co-op Creamery, in co-operation with the Dairy Commission of the Manitoba Department of Agriculture, started a herd improvement program in the area. They supported dairy calf clubs and initiated the introduction of Holstein cattle and several purebred bulls into the area.<sup>13</sup> The program increased milk production substantially. Increased production helped the fledging co-operative by assuring an even greater supply of raw product for the growing market. Finally, the Co-op Creamery supplied producers with the latest information on the dairy industry and thereby promoted continuous improvement in dairy farming.

The Co-operative Creamery played an important role in co-operative education. As the first co-operative in Winkler, its progress was closely monitored by its most loyal supporters, the uncommitted and the most vocal opponents. The formative years proved to be an educational experience for the participants in the venture as well as the observers. From the very beginning the Co-op Creamery took an active role in co-operative education; it became a member of the Federation of Southern Manitoba Co-operative at its first annual meeting in 1941. Led by the manager, Jim Hamm, the Co-op Creamery expanded its market area, introduced new products and diversified its operations. Its success as a co-operative business aroused interest in co-operation in the community. This led to further study of co-operative theory and ultimately to the formation of other co-operatives.

Besides being a successful co-operative business, the Co-op Creamery was identified with the building of a better rural community.

The co-operative contributed funds to the local hospital and the Stanley Agricultural Society. The creamery supported the 4-H club movement and always sponsored and promoted dairy calf clubs throughout the area. Community involvement gave the producer co-operative status that would serve it well in the future.

The Winkler Co-op Creamery formed an integral part of the trend towards agricultural diversification in Southern Manitoba following the Great Depression. Dairying and poultry provided another alternative for farmers in their search for the economic stability that had always been missing in the one-crop economy. While an auspicious beginning for the role of producer co-operation in agricultural diversification, the movement's greatest success was yet to come.

#### CO-OP VEGETABLE OILS

Interest in crop diversification among the farmers of Southern Manitoba had increased steadily during the Great Depression. Farmers in the Altona area, strongly influenced by the work of the Rhineland Agricultural Society, were most anxious to diversify their farming operations. The Great Depression had convinced them that the production of only cereal crops was insufficient. An additional problem was the gigantic wheat carryover in Canada and the world. Wheat prices were down and wheat export prospects were poor. The war had disrupted international shipping and cut off some overseas markets. The surplus had become so serious that the federal government had introduced a wheat policy in 1941 to induce farmers to reduce wheat acreage. Farmers received up to four dollars per acre on land converted from wheat to summerfallow, coarse grains or grasses.<sup>14</sup> The

federal government also limited wheat deliveries through the quota system. The government wheat policy evoked considerable protest in the grain-producing regions. While dissatisfied with government policy, farmers were willing to consider alternative crops.

Interest in special crops that could be marketed in Canada ran high among the farmers of Southern Manitoba. Farmers had started growing sugar beets and corn with moderate success in 1940. Encouraged by the results, farmers explored further opportunities in crop production that ultimately would alleviate the problem of the cereal grain surplus.

One such opportunity arose during World War II. Until the war, Canada had imported most of its vegetable oils.<sup>15</sup> War conditions led to a striking increase in the use of vegetable oils in Canada and throughout the world which resulted in a world shortage of edible oils and fats. Concerned about the situation from a security standpoint, and interested in an alternative to wheat, the federal government provided incentives for farmers to produce oilseed crops such as flax, soybeans, rapeseed<sup>16</sup> and sunflowers. Since there were no oil extraction facilities in Western Canada, the federal government subsidized the farmers' freight costs in shipping the raw seeds to processing plants in eastern Canada.

The agricultural producers of Southern Manitoba responded to the appeal for oilseed production. Eager to grow additional cash crops, farmers began to plant several varieties<sup>17</sup> of sunflowers recently developed for commercial production in Western Canada by the Dominion Forage Crops Laboratory in Saskatoon.<sup>18</sup> Mennonite farmers were well acquainted with sunflowers; their forefathers had brought sunflower

seed with them from Russia. People had grown the seed in their gardens for domestic use. In 1943, Southern Manitoba farmers (which also included non-Mennonites) planted approximately 5,000 acres to sunflowers. It appears that farmers immediately recognized the potential of sunflower production.

The 1943 crop was shipped to Eastern Canada for processing. Freight costs on the raw material were high<sup>19</sup> and only the federal government freight subsidy insured a reasonable price for the finished product - vegetable oil. Farmers realized that the freight subsidy would terminate after the war and that Manitoba producers would be uncompetitive with imported edible oil.

Some farmers in the Altona district began to consider the possibility of establishing a processing plant in South-Central Manitoba. Having the plant closer to the source of production would reduce the transportation costs and give sunflower production a better chance for survival. However, prospects for a local plant were unfavourable. No sunflower seed crushing plant had ever operated on the North American continent. Financing of such a risky venture would be most difficult.

Undeterred by almost insurmountable obstacles, farmers in the Altona area accepted the challenge of building a local sunflower seed processing plant. Jake Siemens, provided the initial leadership. With his usual persuasiveness and enthusiasm, J.J. Siemens discussed the idea with his fellow directors of Rhineland Consumers Co-operative.

Dedicated to a strong program of co-operation, and convinced that only co-operative action could undertake the project, Siemens proposed that the plant be co-operatively owned by local farmers. He presented

the idea to community leaders and anyone who was willing to listen. Through such an approach, J.J. Siemens aroused considerable interest in a locally owned processing plant.

While Jake Siemens played a leading role in publicizing the project, others also contributed immensely. One person who devoted much personal energy to the venture was David K. Friesen. As publisher and editor of a local newspaper, The Altona Echo,<sup>20</sup> D.K. Friesen provided valuable news coverage for the proposed processing plant. Besides describing the organizational campaign, D.K. Friesen contributed numerous supportive editorials on the erection of a local oil extraction plant. A typical editorial outlined the economic advantages of such a facility in the growing area.

The 4,000 acres of sunflowers grown in this area during the past summer have been an outstanding success and since the government is expected to possibly announce a ten-fold increase in the acreage of oil-bearing crops for 1944, it is felt that the industry will fill a real need for this community ... would provide employment, not only now, but after the war ... provide farmers with protein concentrate for their livestock at low prices and give the farmer a better return from his land than any other crop.<sup>21</sup>

The promoters of the project aroused keen interest within the community. Part of the answer to the success can be found in their approach. Supporters such as Jake Siemens would introduce the topic at various gatherings and meetings. Thus, Jake Siemens, a member of the Mennonite Agricultural Advisory Committee, an organization formed to liaise between the government and the Mennonites, presented the subject of a proposed plant at one of its meetings.<sup>22</sup> The discussion resulted in the formation of a five-person committee<sup>23</sup> to study the feasibility building a plant. Demonstrating his organizational skills, Siemens

would solicit support from "key" people in the community in order to give the proposal credibility. For the farmer-owned co-operative processing plant to become a reality would require broad support from local farmers. Thus, the advocates of the scheme held numerous schoolhouse meetings with farmers throughout Southern Manitoba soliciting the support of local businessmen. It should be noteworthy that both farmers and business people comprised the organizational group who could relate to their audiences.

However, most of the interest was created through the message. Proponents of the scheme cited the advantages to farmers. Sunflowers, control over their own economic destiny and be able to benefit from surplus earnings of the plant. This appealed particularly to co-operators who had seen their co-operatives prosper. To the rest of the community the scheme was depicted as an opportunity for rural industrial development. It would create employment opportunities for people at a time when young people were being forced to leave the farms for the cities in search of work. Additional jobs would increase the demand for more goods and ultimately foster expansion of business in Southern Manitoba. Finally, it was seen as an opportunity for the whole community (farm and town) to help themselves through co-operation. The community had specific problems: a growing population with few jobs and an undiversified agricultural economy. As a community they could pool their resources and work together towards the resolution of the problems. This was an opportunity to build a better community. The strong identification of community development with the construction of the processing plant was to be a theme of numerous speeches throughout the organizational period. Jake Siemens' remarks

at a meeting in Altona in 1945 were typical.

We are building more than just an oil processing plant -- we are building a community.<sup>25</sup>

In the initial stages of the project, Rhineland Consumers Co-operative provided much moral and financial support. Organizers (who often were members of Rhineland Consumers Co-operative) would cite the successes of the farmer-owned co-operative. The remarkable record of the co-operative inspired confidence in both organizers and the community. Rhineland Consumers Co-operative provided the farmer members with the co-operative experience to accept the challenge of a bigger co-operative venture. J.J. Siemens, writing about the impact of oil extraction on the community, noted that the farmers would not have tried to build the processing plant without the experience in co-operation.<sup>26</sup> Rhineland Consumers Co-operative provided the initial research funds for examining the feasibility of a local processing plant. Its importance is underscored by the fact that it was the first co-operative that was approached for financial assistance.

Encouraged by the results of the preliminary fact-finding, the organizational committee proceeded with the organization of the co-operative industry. On September 11, 1943, a meeting at Altona formed an organization to be known as Co-operative Vegetable Oils Limited (C.V.O.). The meeting elected a provisional board of directors<sup>27</sup> to guide the affairs of the company until a permanent board assumed control. The company was incorporated on March 18, 1944 and the first permanent board of directors<sup>28</sup>, headed by J.J. Siemens, took office following the first annual meeting in April, 1944.

The newly elected board faced a major problem - finances. The

company required \$80,000.00 of for construction and additional funds for operating the facility. Originally, the organizers had a goal of \$100,000.00 in share capital divided into 10,000 shares at ten dollars each. Despite an intensive sales campaign, merely \$13,455.00 in share capital had been subscribed by the end of the first annual meeting.<sup>29</sup> Approximately eighty percent of the subscriptions were for one share. The slow response to the fund raising drive is understandable. People only recently had emerged from a economic depression and while economic conditions had improved, most people were quite cautious about investing their meagre savings. Furthermore, an investment in the processing plant offered no assurance of a reasonable return. The most serious concern, according to Peter Brown, was the long-term viability of sunflower production in Southern Manitoba. Mennonites knew that sunflowers had been rust prone in Russia which could make sunflower growing impossible after infestation.<sup>30</sup> Others feared that the demand for edible oils would decline drastically following the war. That would bankrupt the industry before it started.

During the campaign for funds, the Co-operative Vegetable Oils board of directors had explored various options. They approached Altona district co-ops (Rhineland Consumers Co-operative and Altona Co-operative Service), Manitoba Co-operative Wholesale and Manitoba Pool Elevators for financial assistance. Only the local co-operatives were prepared to invest in the enterprise at the time and contributed \$45,545.00.<sup>31</sup> While this contribution appeared meagre, it was a substantial sum for both co-operatives. Since the co-operatives were products of the depression years and still struggling to gain sufficient capital themselves, limited funds would be available from



them.

Despite their predilection for financing through co-operatives, the fund raisers sought funds from the corporate sector of the economy. Jake Siemens negotiated with Canada Packers and found that the company would invest in Co-operative Vegetable Oils on the condition that they could exercise control over the plant. Siemens rejected the offer because it contravened the principle of co-operative ownership; that is, control of an organization is vested in all the shareholders on an equal basis. Moreover, the arrangement would destroy the concept of a local farmer-owned and controlled company. Siemens and his associates were not prepared to sacrifice autonomy for money. This appeared to be a wise decision at the time because community support had evolved on the basis that the entire community had "a stake" in the venture. External control would have undermined the credibility of the organizers.

In its quest for funds, organizers of Co-operative Vegetable Oils also consulted with the provincial government. They demanded that the government guarantee the sale of bonds. Initially the provincial authorities refused the request on the grounds that edible oils were the responsibility of the federal government during wartime and consequently funding should come from them. After further consultation, the provincial government assured Co-operative Vegetable Oils that it would guarantee the sale of bonds if the co-operative could raise \$15,000.00<sup>32</sup>. The provincial government was willing to support the project for sound economic reasons. A vegetable oil processing industry would increase the value of agricultural production. By processing some crops in the province, Manitoba farmers would be less

dependent on external grain markets. Furthermore, the project might stimulate additional industrialization in rural Manitoba. Finally, the industry would expand the provincial tax base.

Eroding confidence in the scheme and aggravating the fund raising campaign was an unfortunate incident in 1944. The organizers had been unsuccessful in obtaining the new machinery for the plant after more than a year of negotiations. It seemed that some of the equipment was unobtainable. With plant construction in progress, the lack of equipment could delay the entire project. On learning of the availability of cheaper used machinery in Ontario, the board of directors authorized the purchase of the machinery for \$6,000.00.<sup>33</sup> Following an expenditure of an additional \$9,000.00 on transportation and dismantling charges, the shareholders discovered that the equipment was obsolete and unuseable. The board of directors had received bad advice and blamed themselves for not inspecting the equipment before purchasing it. Others castigated the provincial government who had encouraged the purchase. While fault-finding gave expression to the bitter disappointment of the board and its membership, one fact remained: Co-operative Vegetable Oils had spent \$15,000.00 on a pile of scrap.

The debacle was only a temporary setback; the co-operators redoubled their efforts to realize their goal. Led by Jake Siemens, the board of directors conducted another series of schoolhouse meetings throughout the region and acknowledged an error in judgement in purchasing the obsolete machinery. Despite the loss of most of the shareholders' money, the farmers supported the project and encouraged the board of directors to proceed. Such commitment and faith not only

restored the board's confidence, but also inspired them to achieve what many thought to be impossible.

Facing a serious shortage of funds, the co-operators increased their pressure on the provincial government. Premier Garson remained unconvinced of the project's feasibility and questioned farmer support for the project. After a number of meetings, Premier Garson agreed to attend a special shareholders' meeting in Altona to outline the government's position. Speaking primarily to farmers who had turned out in large numbers despite the harvest, Garson urged shareholders to consider the project very carefully before approving further construction but he told the meeting that the provincial government would assist if the people were foolish enough to proceed with the oilseed crushing plant.<sup>34</sup> When the shareholders unanimously approved further construction, an astounded Premier Garson assured them that the government would guarantee a bond issue providing the community raised \$40,000.00.<sup>35</sup> Unquestionably, the meeting underlined the depth of community support for Co-operative Vegetable Oils was and an indication of its future success.

With a commitment from the provincial government, the processing plant moved a gigantic step towards becoming a reality. The government guarantee seemed to have a catalytic effect on the organization. Led by Jake Siemens and David K. Friesen, Co-operative Vegetable Oils embarked on another fund raising campaign. Within a year the company had raised \$65,000.00, only \$15,000.00 short of its goal.<sup>36</sup> When plant construction costs exceeded the original estimates<sup>37</sup>, Co-operative Vegetable Oils had to solicit additional funds from the community and the government.<sup>38</sup> The cost revisions were made necessary when it was

decided to build a larger, more automated plant. The positive response from the community to the appeal for additional funds reflected the strong support for local industry in Southern Manitoba and effective marketing by the board of directors.

Other co-operatives also committed additional funds. Rhineland Consumers Co-operative deferred dividend payments in 1945 and granted a \$10,000.00 loan to Co-operative Vegetable Oils.<sup>39</sup> It is interesting that Co-operative Vegetable Oils requested the loan as early as 1943.<sup>40</sup> It appears that the farmer-owned consumers co-operative was cautious about approving the loan until the project's future was more certain. Nevertheless, both Rhineland Consumers Co-operative and Altona Co-operative Service backed the project and purchased shares in the new co-operative. More importantly, these "established" co-operatives actively promoted Co-operative Vegetable Oils among their members. While not investing directly in the co-operative, Manitoba Pool Elevators agreed to manage the Co-operative Vegetable Oils plant in Altona without remuneration for two years and guarantee a \$20,000.00 operating capital loan for that period.<sup>41</sup> According to Fred Hamilton, former director of field services for the grain co-operative, Manitoba Pool Elevators could not provide direct loans because the company needed all its capital for its construction program and the acquisition of other grain companies.<sup>42</sup> Nevertheless, Manitoba Pool Elevators played a vital role during Co-operative Vegetable Oils' formative years. First, it provided immediate access to managerial expertise, which was so crucial during the early years of operation. Secondly, Pool participation served as a form of collateral for Co-operative Vegetable Oils in loan negotiations.

The patience and fortitude of the people finally was rewarded when the plant began operations on March 8, 1946. That a group of farmers and some townspeople could unite and build their own oil extraction plant when "experts" deemed it impossible, was a great achievement. The feat was accomplished through unprecedented co-operation between business some people in Altona and farmers throughout Southern Manitoba. The co-operative spirit was evident in an Altona Echo editorial on the location of the processing plant.

Whatever site may be chosen, of primary importance is the erection of an oil processing plant and to that end everyone should co-operate. The plant will benefit not only the town where it is situated, but the whole community.

If you are a shareholder, be sure to attend this meeting and give it both your financial and moral support. Let there be no disunity, but let us unite and form a solid front. Disharmony might deprive us of what we have already gained.<sup>43</sup>

Co-operation notwithstanding, the people also showed faith in their ability to solve their own problems. For example, local investors provided all the capital (\$160,000.00) for construction of the processing plant. Of the \$160,000.00 raised, only \$40,000.00 was guaranteed by the provincial government; the balance was in the form of unsecured debentures.<sup>44</sup> Such a demonstration of self-help assured the realization of Jake Siemens' vision: the farmer processing his own crops.

This experience in producer co-operation strengthened the co-operative movement not only in Southern Manitoba but also throughout the province. Farm newspapers and rural weeklies, particularly the Altona Echo, had followed the organization events closely. J.J.

Siemens, President of Co-operative Vegetable Oils, spread the story of the company wherever he went. Such publicity benefited all the co-operatives in the province. The long, arduous struggle by rural co-operators (chiefly farmers) to finance the scheme encouraged other rural Manitoba co-operators in the resolution of their own problems. The successful completion of the oil extraction plant, despite almost insurmountable obstacles, restored some of the self-confidence shaken during the Great Depression in rural Manitoba. Finally, the producer co-operative was a catalyst in crop diversification programs throughout Southern Manitoba.

Crop diversification in Southern Manitoba was not limited merely to oilseeds and sugar beets. At the Dominion Experimental Farm in Morden crops such as corn, tomatoes, peas and beans had been grown successfully, convincing one research scientist, Dr. Charles Walkof, and other agricultural experts of the area's potential and suitability for commercial vegetable crop production. Furthermore, grain corn had been grown in much of Southern Manitoba, increasing from 2,350 acres in 1937 to 100,000 acres in 1942.<sup>45</sup>

With corn production increasing annually,<sup>46</sup> producers faced problems in shelling, drying and marketing the grain. In 1941 area farmers organized the Southern Manitoba Corn Co-operative Association. The corn co-operative built and operated several shelling and cleaning plants at Altona, Winkler and Horndean.<sup>47</sup> In an arrangement with Manitoba Pool Elevators, all deliveries to the Corn Co-operative were marketed through the Pool. Manitoba Pool Elevators even financed the initial payments for the corn.<sup>48</sup> The corn marketing co-operative discontinued when corn production fell drastically after 1944.<sup>49</sup>

Given the progress that had been made in the production of special crops, interest was high not only in crop diversification but also in the processing of these new crops. A news item appearing in the Southern Manitoba Co-operative Bulletin in 1939 mentioned that some areas of Southern Manitoba were interested in a cannery that would can garden vegetables and provide additional jobs during the summer.<sup>50</sup> No where was the interest in the canning industry higher than in the Reinland area. Farmers, encouraged by the recommendations and experiments of Dr. Charles Walkof, believed that vegetable crops would improve their net farm income. Most people also were keenly interested in another agriculturally based industry in the village patterned after the co-operative cheese factory.<sup>51</sup>

In 1945 a group of Reinland co-operators met and organized Pembina Co-operative Cannery. The immediate problem, as with most businesses starting up, was a shortage of capital. Jim Hamm, the first president and education worker for the Winkler Bureau of Co-operative Information, directed the fund raising campaign. Largely through his work, sufficient money was raised in the community to construct a cannery costing \$3,000.00.<sup>52</sup> Some shareholders, mainly the board of directors, provided the initial operating capital. In fact, the directors personally guaranteed a line of credit to the cannery up to \$2,000.00.<sup>53</sup> The substantial local investment in the new enterprise provided considerable incentive for the members and the whole community to make it work.

The first year of operations was largely an experiment. The co-operative contracted thirty acres of sweet corn and processed 16,000 cans of corn. Despite an operating loss of \$1,600.00, people found the

results encouraging in that they had proved that a cannery was a feasible operation.<sup>54</sup>

Upon the election of a permanent board of directors in 1946, Reinland Co-operative Canneries expanded its operations which ultimately contributed to its bankruptcy. Although undercapitalized from the beginning, and always in financial difficulty, the community invested an additional \$15,000.00 in the modernization of the plant between 1945 and 1947.<sup>55</sup> Those years were relatively successful for the cannery as it increased its contracted acreage and its production capacity to approximately one million cans.<sup>56</sup> However, its limited success was to be shortlived.

The achievements of Pembina Co-operative Canneries had not gone unnoticed. As early as 1946, Canada Packers was making plans to establish a cannery at Winkler.<sup>57</sup> Those plans never materialized; however, another private company, known as Prairie Cannery, built a cannery at Winkler in 1948.<sup>58</sup> The smaller, less efficient co-operative cannery at Reinland could not compete with the new plant and the future of the co-operative was most uncertain.

The fate of Reinland Co-operative Canneries was sealed in 1948. That year the whole canning industry incurred huge losses when price cuts took place after the canning season began. Many canneries went out of business and only those with capital reserves could cope with the situation. The cannery at Reinland lost almost \$11,000.00 in one year and credit was unavailable from any source including other co-operatives.<sup>59</sup> The cannery closed in 1949, leaving behind appreciable debt. G.G.H. Ens, a former board member, estimates that investors in the enterprises lost \$15,000.00<sup>60</sup>, excluding all the



volunteer labour given to the construction and maintenance of the plant.

Some co-operators questioned the lack of support that Reinland Co-op Cannery received from other co-operatives. Martin J. "Jim" Hamm, in a letter to Diedrich Reimer, lamented the fact that local co-operatives had contributed a mere \$500.00 towards the cannery by 1945.<sup>61</sup> Co-operative Vegetable Oils of Altona refused to make a \$5,000.00 loan to the cannery when it was struggling to compete with the cannery at Winkler. Diedrich Reimer asserts that Co-operative Vegetable Oils could have made the loan and that it might have been the difference between closure and survival. He also suggests that local co-operative leaders "... failed themselves and the co-operative movement..." by not providing better financial support to the cannery.<sup>62</sup> Jim Hamm takes the view that Altona co-operative leaders sympathized with the financial problems of the co-operative cannery and later regretted their lack of financial support for the industry. The limited investment by other co-operatives is not clear, but often the other co-operatives were either organizing or expanding their own operations. And other area co-operatives did endeavour to help; Rhineland Consumers Co-op and the co-op stores in Altona and Winkler provided loans totalling \$800.00.<sup>63</sup> That the cannery collapsed was unfortunate, but the community venture had proved that vegetable crops could be grown successfully in Southern Manitoba. Finally, it introduced the canning industry to Southern Manitoba and fostered rural industrialization based on processing of agricultural crops.

## CONSUMER CO-OPERATION

Increased demand for farm commodities and better prices during World War II brought about an economic revival on the Prairies. The return of prosperity helped the consumer co-operative movement. A number of new stores and oil stations were organized during the early years of the war and again in 1945. Existing consumer societies and their wholesales prospered. A spirit of vitality and growth swept through the consumer co-operative movement on the Prairies.

The vitality of the consumer movement in Manitoba was exemplified by the Manitoba Co-op Wholesale. Under the able leadership of President W.F. Popple, the Manitoba Wholesale supplied more than 100 societies and recorded over \$2,500,000.00 in sales by 1945.<sup>64</sup> Much of the success can be attributed to the Wholesale's aggressive campaign to "reach out" to the locals and promote greater co-operation among them. A driving force behind this effort was M.C.W. director Jake Siemens of Altona. He carried an explicit message from the wholesale to innumerable meetings of local associations: the need of the locals to patronize their wholesale and the need for an informed membership. Siemens strongly believed that the enlightened, enthusiastic average co-operator in the local association was the lifeblood of the movement.<sup>65</sup> Influenced by Siemens, the wholesale tried to improve communication between the locals and themselves through a monthly newsletter, Field Service and Extension News. The wholesale also advocated the organization of regional co-operative conferences which gave all local co-operators the opportunity to participate in larger gatherings and share ideas and experiences on co-operation normally reserved for delegates to the annual meeting of the wholesale. These activities of

the wholesale reflected the vigour within the consumer movement in Manitoba.

While the war stimulated economic activity throughout the nation, it also brought with it serious problems that affected everyone. To maximize the war effort the Canadian government introduced the rationing of tea, coffee, sugar, butter and gasoline. Other goods often were scarce as the war progressed. Merchants experienced serious problems in keeping their shelves properly stocked with goods of good quality. Another problem was the acute shortage of skilled labour. Throughout Canada a good deal of the qualified labour had been lost and replaced by unskilled workers, both male and female. This had reduced efficiency and decreased productivity. The high turnover of employees and the subsequent lack of experienced staff imposed severe hardships on small businesses in particular. Finally, the war curtailed expansion. Government regulations allowed only necessary businesses to commence construction, which often prevented the establishment of new businesses or the expansion of existing ones.<sup>66</sup>

Despite the economic hardships of World War II, the consumer co-operative movement made steady progress in Manitoba. Numerous new associations were organized during the war. The annual report of the Registrar of Co-operative Associations for the fiscal year 1940-1941, reported that forty-six new co-operative associations had been incorporated, a number greater than in any year since 1928-29.<sup>67</sup> In Southern Manitoba, co-operatives also experienced strong growth, focusing on the consumer-owned co-operative store. Co-operatives in a number of Southern Manitoba's Mennonite farming communities, which had organized consumer oil stations during the depression, were anxious to

apply the co-operative approach to other businesses. There were several reasons for their optimism. The consumer oil stations had been quite successful and provided an excellent example of what co-operatives could do for the consumer. Many people also recognized a need for a co-operative store in their respective communities. Prices of various consumer goods often seemed somewhat high and a consumer-owned co-operative possibly could supply the goods at lower prices.

Altona had organized the first co-operative retail store in the area, but other smaller communities were also considering the formation of co-operative stores.<sup>68</sup> At Lowe Farm, a community with a strong co-operative spirit, people had identified the need for a co-operative since the beginning of the depression. Due to the adverse economic conditions of the thirties, co-operators had given their attention to the co-operative oil station. As economic conditions improved, especially after 1936, co-operators began to explore the store concept further.

Like other Southern Manitoba communities, Lowe Farm was active in the study group movement. Study groups were begun at Lowe Farm in 1938 and constituted the co-operative education program of Lowe Farm Consumers Co-operative.<sup>69</sup> At one of the meetings in 1938, the Lowe Farm Community discussed the formation of a co-operative store at Rose-nort. Then the meeting proceeded with the organization of a co-operative association. They conducted a survey in the various school districts to assess the potential for a co-operative store. When 72 people committed themselves to the concept, organizers knew that they had adequate support for a store.<sup>70</sup> It is noteworthy that the Lowe Farm people placed considerable credence in the advice of co-operators

side Lowe Farm even though they had considerable co-operative experience themselves. That spirit of co-operation among co-operators in different communities was to be a source of strength during the early years.

Like Altona, the co-operative store had a very modest beginning. With \$200.50 of share capital and a \$300.00 loan from a private individual, the Lowe Farm Co-operative Store Limited purchased a privately owned store and started business in 1940.<sup>71</sup> Unlike Altona, the Lowe Farm retail co-operative store experienced an immediate setback; the premises were destroyed by fire after two months of business. With a bank balance of a mere \$12.00 and no security except the promise to pay, Jacob B. Harder, president, persuaded a Winnipeg wholesaler to extend \$500.00 credit on stock which enabled the co-operative to resume business less than three months after the fire. The board of directors' faith in the future of the co-operative store was amply justified. By 1941, the co-operative had regained its solvency and experienced steady growth throughout the war.<sup>72</sup> Such a rapid recovery during wartime conditions revealed the devotion and loyalty of the Lowe Farm co-operators. It also demonstrated the resiliency of the co-operative movement in Southern Manitoba.

The struggle to establish a solvent co-operative store was not restricted to Lowe Farm. At Gretna, a small community near the U.S. border, people also began to assess their community needs through study groups in 1938. While studying co-operation, the group undertook a specific project: to establish a co-operative store in Gretna.

The support for the venture came primarily from the farmers in the surrounding area. Many of the farmers were members of Rhineland Con-

sumers Co-operative and recognized the value of a farmer-owned oil station in the marketplace. David Wall, a former president of the association, has observed that farmers in the area, emerging from the economic depression, were supportive of the co-operative store idea because it would give them greater control over their economic affairs.<sup>73</sup>

The goal of a local co-operative store was realized in 1939 with the formation of Gretna Consumers Co-op Ltd. Like other new consumer co-operatives in neighbouring communities, Gretna Consumers Co-op was in a precarious financial condition: the association possessed a mere \$165.00 in working capital and had to borrow \$300.00 from a local businessman, Mr. Pieper, who was sympathetic to the local co-operators, to buy the initial inventory.<sup>74</sup> The loan from the private sector was significant in that it set a precedent. Never before had an entrepreneur overtly supported a co-operative with a substantial loan. In most instances the business community had been vocal in their opposition. While Mr. Pieper was a well known money lender, this action gave the co-operative considerable credibility in the community.

From the outset, Gretna Consumers Co-op experienced serious problems. The shortage of funds meant poor store premises and limited inventory. These problems were compounded by poor management. It appeared that the co-operative store was doomed before it was a year old. Phil Isaacs, former manager of Rosenort Co-operative, became the interim manager in 1939. Working closely with the board of directors, Isaacs guided the co-operative through difficult times. During this period, Isaacs and the directors held numerous educational meetings throughout the area in an attempt to raise additional capital. Encour-

aged by better management, the people responded with renewed enthusiasm. The campaign raised sufficient capital for the co-operative to purchase a larger, modern store in Gretna.<sup>75</sup> This proved a major breakthrough for Gretna Consumers Co-op. For the first time they had adequate facilities, larger inventories and could provide adequate service to customers. Almost immediately, the financial fortunes of the Gretna co-operative rose. By 1941, inventory had increased from \$1,500.00 to \$13,000.00 and the monthly business had increased from \$1,000.00 to \$4,500.00.<sup>76</sup> Unlike many newly founded co-operatives, the Gretna Co-operative had not collapsed; it had overcome immense obstacles and survived.

Another co-operative association which experienced serious difficulties during its early years of operation was Plum Coulee Co-operative Service Limited. A product of study group work on consumer co-operation, this consumers co-operative started in 1940 in the village of Plum Coulee. Community support for the association was high; it began with a membership of eighty-seven. Many members and directors also had previous experience with co-operatives.

While the co-operative had several assets that normally fostered progress and success, it also had to cope with the wartime economy. The production of military supplies and equipment created serious shortages of domestic goods. Frequently, small businesses were unable to procure various equipment or stock. The Plum Coulee Co-operative started operations when the shortages were beginning to affect small businesses. This adversely affected the quality of the co-operative's services and made survival difficult. The problem was compounded by a shortage of trained staff and considerable staff turnover, and labour

was in short supply.<sup>77</sup> At a time when the co-operative required direction from experienced personnel, it suffered from a dearth of such assistance. The instability of management and unreliability of service damaged the co-operative's reputation in the community and threatened its existence. This struggle continued throughout the war; the situation did not stabilize until 1947. That the co-operative continued reflects the fortitude, faith and perseverance of the membership.

Two small communities that organized co-operative stores were Reinland and Horndean. Residents were committed to support of their communities and found it convenient to shop at the local country general store, several miles from their homes. As mentioned earlier transportation was a serious problem, particularly during the winter when only some of the major market roads were kept open on an inconsistent basis. While transportation problems gave the local co-op store a temporary advantage, its life span would be brief.

The Reinland experience illustrated the problems of a co-operative store in a small community. In 1940, Reinland co-operators, encouraged by their success with a co-operative cheese factory during the thirties and strongly committed to co-operation, organized Sunrise Co-operative Ltd.<sup>78</sup> The front of the store bore a sign of a rising sun which reflected the hope and optimism of the membership. Despite the enthusiasm of the supporters, the co-operative store remained quite small in terms of membership and business volume.<sup>79</sup> As a result, the co-operative struggled to survive from the beginning and never actually gained the business momentum to insure a lengthy life span.



Horndean Co-operative Service Ltd., organized in 1941, followed a similar course. A group of farmers committed to co-operatives raised sufficient capital to purchase an existing store. While the co-operative was solvent initially, its membership and trading area would preclude a long life.

The Reinland and Horndean co-operatives were indicative of what was happening in the co-operative movement throughout Manitoba. Small communities impressed with the economic potential of consumer co-operatives founded their own associations. Often they neglected to assess properly their proximity to other towns and competition with co-operatives in those locations. For example, the trading areas of Reinland and Horndean overlapped with Winkler and Plum Coulee, respectively. The increasing competition as transportation improved would force some of the co-operatives out of business in the future. It appears that many co-operators did not consider the future carefully because they were too caught up in the era of expansion.

Consumer co-operation at Winkler followed in the wake of the formation of Winkler Co-operative Creamery. It appears that the financial success of the co-operative creamery captured the attention of the entire community and provided the incentive for further co-operative development. Furthermore, some of the leaders in the co-operative creamery were also active in the organization of new co-operatives. The organization followed the same pattern as the creamery and numerous neighbouring co-operatives: identification of a need for co-operative services, the formation of study groups to examine the feasibility of co-operative action, and the organization of the formal association.

The first consumer co-operative in Winkler was Stanley Consumers Co-operative. Organized in 1941, the association resembled Rhineland Consumers Co-operative in Altona in a number of ways. A group of farmers in the Rural Municipality of Stanley recognized the need for more farmer controlled businesses, raised sufficient capital by selling membership shares and purchased Farmers Oil, a small farmer-owned oil station in Winkler. Using the Rhineland Co-op example, the organizers selected the name Stanley Consumers Co-operative with the intention of serving the farmers in Stanley Municipality. Operating an oil station, the co-operative was an instant success and continued to grow rapidly throughout the war.

With the interest in co-operatives at a high level, a second consumers co-operative, Winkler Co-operative Service, was organized at Winkler in 1942. Impressed with the performance of the co-operative creamery and its economic value to the town, Winkler residents supported the formation of a co-operative store. Leading citizens like Dr. C.W. Wiebe devoted much energy to the organizational work and served on the first board of directors. The involvement of people like Dr. Wiebe gave the co-operative store the credibility so vital during the early years. Unquestionably, that credibility was gained quite quickly because within two years the store recorded sales of \$190,000.00.<sup>80</sup>

Supply and labour problems also fostered the formation of a unique consumer co-operative in Southern Manitoba. The increased demand for food, coupled with the shortage of labour, had compelled farmers to utilize their machinery to the maximum. Since farm machinery and repair parts were in short supply and increasingly costly, adequate

repair facilities were of utmost importance. Faced with the alternative of declining agricultural production, a group of farmers led by Jake Siemens and John J. Peters decided to help themselves by organizing the Farmers Co-operative Machine Shop Ltd. in 1942. Located at Altona, the shop served a membership of more than 200 from the communities of Altona, Austin, Carman, Lowe Farm, Horndean, Gretna, Rosenfeld, Halbstadt, Letellier and St. Joseph.<sup>81</sup>

Despite good support initially, the co-operative was a victim of the event that created it. From the beginning, the association experienced an acute shortage of skilled labour. Poor workmanship by untrained staff sometimes resulted in customer dissatisfaction to the extent where legal action was contemplated.<sup>82</sup> Nevertheless, the minutes of the annual meeting in 1945 state explicitly that the organization fulfilled its purpose during the war:

... In the report the operations of the shop were briefly outlined, pointing out its numerous and various problems it had experienced due to shortage of steady, competent (sic) labour, sufficient membership and a lack of adequate finances. In spite (sic) of all these limitations the farmers nevertheless had received services without which it would have been impossible for some to carry on their farm operations.<sup>83</sup>

Another consumer co-operative with a limited life span was Co-op Bakeries at Morris, Manitoba. Early in 1945 a number of co-operators set up a consumer-owned co-operative bakery that would serve co-operative stores at Gretna, Altona, Horndean, Plum Coulee, Lowe Farm, St. Jean Baptiste, Letellier and St. Joseph.<sup>84</sup> At a subsequent meeting later in 1945, an investigating committee, headed by John B. Wiens of Lowe Farm, presented its findings. The committee concluded that people in the region were dissatisfied with the quality of

bread obtained from the Winnipeg commercial bakeries as opposed to the bread made by the smaller local bakeries. Acting on the committee's recommendation the meeting agreed to purchase the Morris Bakery for \$6,000.00 including all the equipment, and elected a provisional board.<sup>85</sup> The composition of the board is interesting in that it included co-operators from the neighbouring French communities of St. Joseph, St. Jean Baptiste and Letellier.<sup>86</sup> This was the only co-operative in the region with a multi-cultural character and demonstrated that, at least on this rare occasion, the Mennonite co-operators could transcend their ethnicity and separateness and work together with their French speaking neighbours for a common cause.

Almost immediately the co-operative bakery encountered those well-known problems of co-operative enterprise: insufficient working capital due to underfinancing, managerial instability and inadequate membership support. Sales peaked in 1946, totalling \$12,911.00, giving the co-operative a modest surplus of \$630.00 for the year.<sup>87</sup> But, its relatively small sales in proportion to its investment jeopardized the viability of the operation. Phil Isaacs, an auditor for the Manitoba Co-op Wholesale pointed out that the bakery had insufficient volume to warrant continuation of operations in 1946.<sup>88</sup> By 1948 the bakery's liabilities exceeded its assets by approximately one thousand dollars<sup>89</sup> and the bakery was sold to J.B. Wiens of Lowe Farm. The co-operative never lived up to the expectations of its founders and ultimately failed. However, the experience reflected the expansionistic spirit of the co-operative movement at that time. Co-operators were willing to take risks and innovate.

## OTHER CO-OPERATIVES

A unique co-operative appeared in Southern Manitoba in 1943. That year a group of eight young men in the Gretna area started a co-operative farm. Each member invested fifty dollars to cover the expenses: seed, equipment, rental and labour. The group rented 140 acres and concentrated on special crops including potatoes, sunflowers, soybeans, flax, field peas, and table beans.<sup>90</sup> A number of the participants were graduates of the Rhineland Agricultural Institute and one member, Menno Klassen, was the agricultural director of the Rhineland Agricultural Society. That accounts for the interest in special crop production. However, it also reflects the movement towards more intensive agriculture in the region. The co-operative farm lasted only two years and had to be liquidated.<sup>91</sup> The financial statement shows that liabilities exceeded the assets by \$1,889.00 when the co-operative ceased operations.<sup>92</sup> According to the farm manager, problems in human relations, an insufficient land base, and a shortage of manpower due to the war contributed to the demise of the farm.<sup>93</sup> The experience clearly illustrated the problems inherent in co-operative farm enterprise and demonstrated that some economic activities did not lend themselves to co-operatives.

## CREDIT UNIONS

While consumer co-operation had advanced during the war, the greatest expansion occurred within the credit union movement. By 1944, there were 2,006 credit unions in Canada with 474,841 members and assets of \$92,574,440.00.<sup>94</sup> While the credit union movement was strongest in Quebec, Western Canada had experienced significant growth,

particularly in rural areas. Statistics in Manitoba exemplify the rapid expansion. In a four-year period, 1940-1944, sixty-eight credit unions were organized.<sup>95</sup>

There were a variety of reasons for the growth of credit unions during the early forties. Undoubtedly, need for such a financial institution was of major importance. The mortgage foreclosures during the depression had damaged the reputation of the banks and loan companies. Moreover, the established financial institutions in most instances denied credit to those people with limited security. Furthermore, a large number of banks had collapsed during the Great Depression which left many rural centres without any financial services. The introduction of debt adjustment acts and the need to maximize food production during the war created a new need for financial services. When the traditional lending agencies were slow to respond, the people established their own co-operative banks.<sup>96</sup>

Only limited capital was required initially in the organization and the operation of a credit union. Unlike a consumer co-operative store, which required considerable capital for space and inventory, a credit union only needed a few items and a small space to begin business. Edward Groening, a charter member of the Lowe Farm Credit Union, recalls that as the first treasurer he worked voluntarily on a part-time basis and conducted the business either on his farm or in a back room at the co-operative oil station in town on a limited basis.<sup>97</sup> This was the prevailing arrangement among early credit unions and was quite instrumental in their rapid growth.

Another important factor in credit union development was the study group movement. Begun in the late thirties, the movement had spread

rapidly throughout Manitoba. A primary force in the movement was the Manitoba Federation of Agriculture. Beginning in 1940, the Federation of Agriculture organized study groups and provided course materials on the study of credit unions. From September 1940 to June 1941, study groups studied credit unions.<sup>98</sup> The spread of credit union knowledge fostered public interest in co-operative banking and provided an amenable environment for the organization of credit unions.

For organizational purposes, credit unions could depend on experienced co-operators. Grain handling co-operatives and consumer co-operatives were relatively well established in the Prairies and could form the basis of new credit unions in terms of capital, facilities and membership.

Credit unions had a grassroots orientation. The rank and file members could participate directly in the decision-making of the organization through the annual meeting. Members also had an opportunity to serve on various committees that guided the affairs of the credit union. The membership involvement insured local control of the organization. The ownership and control of their own financial services in a community appealed to the people.

Expansion of credit unions was further enhanced with the organization of credit union federations. Organized in 1943, the Credit Union Federation of Manitoba provided educational services for member credit unions and actively promoted the organization of new credit unions.<sup>99</sup> In 1944, the Manitoba Central Credit Union was established to function as a clearing house for cheques and as a depository for surplus funds of member credit unions. The funds were then loaned to credit unions and co-operatives.<sup>100</sup> These organizations formed a vital

part of the credit union movement and contributed to its rapid development.

The Mennonite communities in Southern Manitoba had shared in the remarkable growth of credit unions beginning with the Lowe Farm Credit Union Society in 1938 and Altona Credit Union Society in 1939; the credit union movement had spread to numerous communities in the region. While some of the growth can be attributed to the example at Altona and Lowe Farm, most of the credit belongs to Diedrich Reimer, fieldman for the Federation of Southern Manitoba Co-operatives. As educational director of the Federation, Died Reimer had a mandate - to promote and assist the organization of co-operatives. According to Reimer, the Federation of Southern Manitoba Co-operatives facilitated the growth of credit unions because it provided the personnel to initiate them.<sup>101</sup> Very knowledgeable on credit unions, and a superb organizer, Reimer conducted an aggressive organizational campaign that produced excellent results. So successful was Reimer as a credit union organizer<sup>102</sup>, that his services were sought throughout the province. By 1945, Diedrich Reimer also had become the vice-president of the Credit Union Federation of Manitoba. The presence of a credit union leader in the area injected considerable vitality into the credit union movement among the Mennonites in Southern Manitoba.

Besides dynamic leadership the area also established the Credit Union League of Southern Manitoba in 1942. The organization consisted of seven credit union societies for the purpose of providing educational, statistical and supervisory services to its members.<sup>105</sup> This appears to be the first attempt by credit union movement in Manitoba to co-ordinate their activities on a regional basis. Given



the parochialism of credit unions, this was a remarkable achievement at the time and strengthened the credit union movement in Southern Manitoba.

The number of credit unions that were organized in Southern Manitoba is indicative of the vigour of the credit union movement in that area. Following Altona and Lowe Farm, credit unions were formed at Winkler, Gretna, Plum Coulee, Horndean, Rosenort, Reinland, Blumenfeld and Halbstadt. All the credit unions aforementioned, except Halbstadt, were organized shortly after the formation of a consumers or producers co-operative. This suggests two things: there was a need for financial co-operatives to complement the existing co-operatives, and there was a desire on the part of the people to expand co-operatives in their respective communities.

Like other co-operatives, credit unions experienced a number of problems during the formative years. Management was the primary problem. Usually a part-time treasurer managed the operations of the credit union in his or her spare time. In most instances, these persons had no banking experience and sometimes were incompetent. The ineptitude of credit union management is apparent in a letter to the Registrar of Co-operatives about the Plum Coulee Credit Union:

It appears that the former treasurer, now replaced by Mr. Jake Peters, has failed to forward these reports and in view of the fact that this credit union has been a lame one for quite sometime, caused chiefly by poor management on the part of the treasurer, this and other matters have not been attended to as they should have been according to the laws.<sup>103</sup>

Another aspect of the management problem involved the board of directors. Although most directors had studied credit unions, they seldom were sufficiently knowledgeable to guide the affairs of the

credit union effectively. They relied almost entirely on the treasurer. When proper management was lacking, serious difficulties arose. In 1950, the Winkler Credit Union experienced a serious financial crisis. An ambitious manager had directed the activities of the association without guidance from the board of directors. As a result, the manager had made numerous bad loans, had not developed proper repayment and collection procedures for loans, and had embezzled credit union funds.<sup>104</sup> Moreover, the manager had never permitted the board to examine the records of the organization.<sup>105</sup> Investigation revealed that the credit union was bankrupt and owed the Manitoba Central Credit Union \$100,000.00.<sup>106</sup> That the board of directors had not exercised proper diligence in assessing the management of the credit union is not so much a reflection upon the individuals, as upon the lack of preparedness for that role. It underlines a chronic weakness of co-operative organizations: the incapacity of boards of directors to properly evaluate management.

Relations between credit unions and other co-operatives were in an evolutionary stage during the early 1940's. Consumer and producer co-operatives in Western Canada already were reasonably well developed before credit unions began. A distinct leadership and membership developed around each type of co-operative. The credit union likewise had its own leaders and distinct membership. In fact, a significant number of credit union supporters were antagonistic towards the co-operative movement and viewed credit unions simply as sources of credit.<sup>107</sup> As financial institutions, credit unions also tried to appeal to the entire community, not only co-operators. Co-operative literature portrayed credit unions as integral components of the

co-operative movement that would provide co-operators with credit to facilitate cash trading with their consumer co-operatives. Furthermore, credit unions had the potential to finance additional co-operative enterprises. Differing views on the role of credit unions in the co-operative movement and leadership struggles would plague credit unions and co-operatives during the fifties.

Co-operation between credit unions and other co-operatives began quite gradually. With limited capital, credit unions could not provide funds to large co-operative ventures such as Co-operative Vegetable Oils. However, credit unions served a useful function in that they supplied credit to consumers. The consumer co-operatives benefited because they could not afford to give their customers credit. Credit unions also supported co-operative education. The Southern Manitoba Credit Union League became a member of the Federation of Southern Manitoba Co-operatives in 1944.<sup>108</sup> The immediate identification with the co-operative movement laid the groundwork for further co-operation as the whole movement matured.

Credit unions were important in Manitoba's co-operative movement. They were symbols of an alternative solution to the credit problems just as co-operatives were options to marketing and purchasing. As self-help organizations, credit unions reinforced the concept of mutual self-help, first introduced by co-operatives. Finally, credit union funds, raised locally, remained in the community and contributed to its prosperity. This, in turn, aided co-operatives.

The war years were a dynamic period for Southern Manitoba co-operatives. The organization of three producer-owned processing co-operatives, Co-operative Vegetable Oils, Winkler Co-operative

Creamery, and Reinland Co-operative Canneries, were significant events in that for the first time producer co-operatives became an integral part of the regional economy. Moreover, producer co-operatives were linked closely with the trend towards greater crop diversification and the struggle to stabilize the local agricultural economy. Consumer co-operation experienced strong growth. Six retail stores and one oil station were incorporated during the period, giving Southern Manitoba a total of nine consumer co-operatives. The period also marked the end of the organizational phase of consumer co-operatives in the region. But the most vigorous growth took place within the credit union movement. Only introduced in the late thirties, the concept of co-operative credit caught on immediately, resulting in the formation of seven new credit unions. During the war the first purely service co-operative, the Rhineland Farmers' Co-op Machine Shop, was set up to meet machinery repair needs of local farmers. Finally, a co-ordinated approach to co-operative education was taken with the formation of the Federation of Southern Manitoba Co-operatives, an idea unique in Canada. The period 1939 to 1945 saw various types of co-operatives spread throughout Southern Manitoba and give additional credibility to the movement.

## V. Co-operative Education in Southern Manitoba, 1946-55

Economic prosperity and growth characterized most of the decade following the conclusion of World War II. The demand from Europe and the United States for Canadian wheat, livestock, minerals, lumber and manufactured goods had launched Canada on an unprecedented boom, and the Prairies shared in that prosperity.

In agriculture, the economic recovery attained during the war set the stage for further prosperity on the Prairies. Manitoba's agricultural industry experienced steady growth from 1945 to 1952. The gross value of farm production on Manitoba farms rose from \$237,796,000 in 1945 to \$364,128,000 in 1952.<sup>1</sup> The annual report of the Manitoba Department of Agriculture of 1947 cites a number of reasons for the steadily growing prosperity: reasonable farm commodity prices, better supply of farm machinery, improvement in the supply of farm labour and continuation of farm mechanization.<sup>2</sup> Increased mechanization, combined with the introduction of chemicals to control weeds and new rust resistant wheats, fostered greater efficiency and productivity.

The new efficiency reinforced the movement towards greater diversification. Using more advanced technology, farmers in selected areas of the province began to grow new crops. New hybrid corn was being grown in Southern Manitoba. Other intertilled crops such as sugar beets and sunflowers had been introduced. Vegetable crop production had begun in the Winkler-Morden region and had developed to the extent that canneries were established.<sup>3</sup> Diversification was encouraged further during the early 50's when successive good crops, coupled with slow export sales and congested grain handling facilities led to a

large grain carryover and placed farmers in a difficult financial position. Thus, Manitoba agriculture was broadening its economic base in the search for economic stability.

The most notable development in Prairie agriculture during the 1940's and 1950's was the increase in farm size. In Manitoba, average farm size increased by 73 acres from 291 acres to 364 acres from 1941 to 1956. During that same period, 8,823 Manitoba farms went out of business. Consequently, the average farm population decreased 18% from 249,599 to 206,729 in 15 years.<sup>4</sup> The reasons for the trend towards larger, fewer farms can be found in the adoption of technology by agriculture. The use of fertilizers, weed sprays, insecticides and processed feeds had increased operating costs. Farmers had begun to replace people with machines during the war. The acquisition of more land, farm machinery, trucks and electrical equipment required heavy investment of capital. The capital requirements, in turn, encouraged the quest for greater efficiency. Using the economy of scale principle, farmers sought to expand their holdings and develop more efficient production units, and efficiency was necessary for another reason; farmers in the early 50's saw their production costs rise much faster than their farm commodity prices. Describing the "cost-price squeeze", the Manitoba Department Agriculture and Immigration, in its annual report of 1955-56 noted that:

Despite above average agricultural output, the farmers were in difficulty and didn't share in the buoyancy of non-agricultural sectors of the Canadian economy. Farm prices since 1949 have declined approximately 6% while the cost of goods and service or farm expenses rose 20%.<sup>5</sup>

The consolidation of the ownership of land was to have a serious impact on rural communities.

The decline of the farm population on the Prairies was not merely the result of farm consolidation. With the growth of urban centres of all sizes since 1901<sup>6</sup>, people had been leaving the farms. The war accelerated the rural-urban migration in that most of the rural farm people who enlisted in the armed forces and worked in the factories of the industrial cities did not return to the farms. The trend continued after World War II as the Prairies became more industrialized and urbanized.<sup>7</sup> These population shifts were to evoke massive social and economic changes in rural society.

The post war era saw significant developments in transportation and communication. Automobiles returned to the Prairies in unprecedented numbers. Roads and highways appeared throughout the region. Manitoba's provincial highway system had been completed by 1950 and major roads were being kept open throughout the winter. This meant that cars and trucks were replacing the bobsleigh and cutter. The period marked the advent of commercial air travel which brought the rest of the world closer to Canadians. The most notable development in communication was the introduction of television. The new medium exposed people to the ideas, views and problems of the entire world and possibly broke down some of the parochialism so characteristic of Canadian communities.

Greater mobility and improved communication ended the one time isolation of farms. The farm population shopped in the medium town and the larger centres rather than in the country general stores at the cross-roads, villages and hamlets. Consequently, the larger centres and towns prospered, while the villages and hamlets declined.<sup>8</sup>

Other aspects of the social environment were also changing. One

distinctive trend was the growth of larger units of organization and administration. Large corporations dominated numerous areas of economic activity. Economic power was becoming increasingly concentrated as corporations and organizations merged. Government, which had controlled all segments of the economy during World War II, grew in size and increased in importance.<sup>9</sup>

#### STATE OF CO-OPERATIVES IN MANITOBA, 1946-55

The co-operative movement in Manitoba reflected the social and economic changes of the times. After a period of strong growth, excepting credit unions, only a limited number of co-operatives were organized in the province. For example, the fourth annual report of the Co-operative Services Branch showed that 31 new co-operative and credit union charters were issued in the fiscal year ending March 31, 1953. Of the 31 charters, 24 were for credit unions.<sup>10</sup> Besides credit unions, expansion was restricted to the organization of several consumers co-operatives and co-operative elevator associations. However, numerous consumers co-operatives organized during the 30's and early 40's increased the size and diversity of their operations.

As trading patterns changed and consumer co-operatives in larger centres expanded to accommodate additional customers, many smaller consumer co-operatives either disappeared or merged with the larger co-operatives. Further evidence of the centralization forces could be found in the discussions on the amalgamation of various consumer co-operatives at Lowe Farm, Winkler and Gretna-Altona.<sup>11</sup>

Closely associated with growth and centralization was the increasing power of management in the co-operative organizations. The



intricacies of the marketplace and size of the organizations often made it difficult to involve the membership in the decision-making process. Problems would arise as to the extent of reasonable membership involvement in the organization.<sup>12</sup>

The co-operative movement matured during the late 40's and early 50's. Consumer co-operatives and credit unions moved from the back streets into the central business districts. They became members of the local boards of trade and assumed their places in the economic mainstream of the community. With the development of consumer co-operatives and credit unions in the towns, and to a lesser extent in the cities, co-operatives lost their identity as an exclusively farmers' movement. The Manitoba Co-operative Wholesale, the central purchasing agency, owned by its retail member co-operatives, strongly supported the expansion of consumer co-operatives in urban areas.<sup>13</sup> But, the Wholesale encountered serious difficulties in organizing co-operatives in the larger centres and cities because of its image as the farmer-dominated organization, which it was. It simply did not appeal to urban people. Financial co-operatives, or credit unions, organized on the basis of common associations such as trade unions, churches, ethnic groups and occupations gained immediate acceptance in towns and cities. The co-operative movement changed from a basically rural farm movement to one more broadly based that included the non-farm rural residents and urban population.

The frenetic growth of co-operatives before and during the war had left the movement with serious problems: insufficiently trained management and membership education. No where was the problem more apparent than in the credit unions which had experienced the most expansion. In

many instances the manager had no formal training let alone any business experience and the supervisory committees elected by the members lacked the training and background to scrutinize the credit unions' operations properly. In some credit unions, the supervisory committees did not meet regularly, if at all.<sup>14</sup> Although the Credit Union Act of 1946 required an annual audit of the books of every credit union by a government officer, the supervisor of credit unions, such inspections on a regular basis were impossible due to insufficient staff.<sup>15</sup> From 1943 to 1950 one person carried on the auditing and supervision of the credit unions.<sup>16</sup> By December 31, 1949 the officer was responsible for 132 credit unions throughout the province.<sup>17</sup> The combination of inadequate government supervision and laxity by local supervisory committees resulted in serious financial difficulties for a number of credit unions and threatened their very existence.

A conspicuous illustration of the problem was the financial crisis of the Winkler Credit Union in 1950. In the spring of that year the membership suddenly discovered that their society was in serious financial difficulty; in fact, the solvency of the organization was in jeopardy. Upon further investigation of the records it was revealed that the manager, D.J. Loeppky, had embezzled over \$16,000.00<sup>18</sup> to finance an extravagant lifestyle;<sup>19</sup> that the manager had extended credit to non-members and made loans without consulting the credit committee; that the manager had misinformed the Board on the true nature of a number of speculative loans; that no collection program was in place to collect a large number of overdue loans and the Winkler Credit Union owed Manitoba Central Credit Union \$100,000.00.<sup>20</sup> Such mismanagement, in the words of Jim Hamm, a member of the supervisory

committee at that time, "... shattered the confidence of the people in that (Winkler) Credit Union".<sup>21</sup>

Given the precarious financial condition of the Society, the board of directors met and authorized Manitoba Central Credit Union to assume control of the Society. Diedrich G. Reimer, former educational director of the Federation of Southern Manitoba Co-operatives, and now the general manager of the Manitoba Central Credit Union, took over the management of Winkler Credit Union. Instead of liquidating the credit union, as many thought he would, Reimer called a general membership meeting to explain the situation and regain membership confidence in the Society. During a large, often stormy five hour meeting, Reimer convinced the members not to withdraw their deposits and trust in the management program of Manitoba Central Credit Union in restoring the solvency of the Society.<sup>22</sup> However, the meeting identified some of the problems when P.T. Klassen, President, acknowledged that the board of directors had not performed their duties properly and placed too much faith in management, but also pointed out that the government had not audited the Society's books for nearly two years.<sup>23</sup>

Further analysis of the Winkler experience came from Diedrich G. Reimer and Jake Siemens. Reimer asserted that the manager dominated the Society and that the board possessed insufficient knowledge and skills to guide the affairs of the Society and to evaluate effectively the performance of the manager, pointing out a chronic weakness of all co-operative organizations.<sup>24</sup> Siemens, always a crusader for co-operative education, underlined the importance of a membership and staff educational program in his assessment of the Winkler situation. Speaking at the general membership meeting, he noted that the Winkler

Credit Union had expanded rapidly and pointed out that:

(one of)... the main reasons for their present position was the fact that education of management and directors had not kept pace with the rapid growth of the organization. He said it was imperative that the directors and staff be trained to know what their duties are.<sup>25</sup>

To say that a strong educational program alone would have prevented the financial crisis would be an oversimplification; however, it would have enlightened the board as to their responsibilities, improved their competence and perhaps strengthened their resolve in dealing with an overly ambitious manager and coping with rapid growth.

Although at the brink of extinction in 1950, Winkler Credit Union staged a remarkable recovery. Under the guidance of Diedrich G. Reimer for approximately six months, and then a newly appointed manager, Henry F. Wiebe<sup>26</sup>, the Society limited its losses from \$75,000.00 to \$100,000.00<sup>27</sup> The combination of good management, a co-operative board, loyal membership and understanding central federation enabled the Winkler Credit Union to regain its solvency in three and one-half years.<sup>28</sup> Since that time Winkler Credit Union has experienced unprecedented growth to become the third largest credit union in Manitoba with assets of \$24,612,511.00 in 1975.<sup>29</sup>

As in some other parts of rural Manitoba, co-operatives in Southern Manitoba's Mennonite communities appeared to have reached their natural limits. No new consumer co-operatives were organized and only a few credit unions received their charters. Preoccupied with growth in former years, co-operatives now had the opportunity to

re-examine and strengthen their organizations. While all co-operatives tried to adjust to the social and economic changes, it soon was apparent that some co-operatives would become larger and others would disappear.

Urbanization and increasing mobility of the population altered the trading areas in Southern Manitoba. Because of great diversity, people purchased goods and services in the larger and medium towns such as Altona, Winkler, Plum Coulee and Gretna. Increasingly, these towns' spheres of influence extended into the smaller communities. The consumer co-operatives in the villages of Reinland and Horndean could not cope with the competition from the larger centres. Sunrise Co-operative at Reinland closed in 1948 and Horndean Co-operative Service amalgamated with Altona Co-operative Service in 1946. The trend towards larger organizations was beginning to assert itself.

The pressures of centralization were not only at work in the smaller communities. Discussions on the feasibility of amalgamating all three Altona co-operatives under one organization were held at Altona in 1944.<sup>30</sup> But nothing developed out of the discussions until 1948 when the issue re-appeared. In the second attempt to unite the Altona co-operatives, advocates also proposed a merger with Gretna Consumers Co-operative. Such a proposal appeared logical because the consumer co-operative stores in the two communities competed with each other and the Rhineland Co-operative Machine Shop and Rhineland Consumers Co-operative had a common membership in the two communities. However, Gretna co-operators rejected the proposal for several reasons: it would undermine local control of "their co-operative", the community identification with their co-operative would disappear, and the

relative economic position of Gretna would be weakened even further. Traditional community rivalry reinforced the opposition of the Gretna co-operators.

Undeterred by the exclusion of Gretna, some Altona co-operators continued to promote the formation of one co-operative. A provisional board of directors, which included representatives from all three Altona co-operatives, was elected. The provisional board conducted an information campaign outlining the advantages of the amalgamated plan. A letter to all shareholders of the three consumer co-operatives in Altona pointed out the advantages of the plan: no costly duplication of services, additional and more efficient services, and better opportunity to develop and maintain competent leadership and the elimination of competition among local consumer co-operatives.<sup>31</sup> If implemented, the plan would benefit most of those co-operatives that were already struggling. While the provisional board perceived the amalgamation as a progressive measure that would strengthen all the co-operatives, the membership rejected the proposal at a special shareholders' meeting. An organized opposition, led by W.W. Heinrichs and Abram Janzen, directors of Rhineland Consumers Co-operative, told co-operators that local co-operative associations would lose their identities. Local control would diminish in a larger organization which might not be in the best interests of the membership. The question of power was also important. Leaders in Rhineland Consumers Co-operative desired to remain in control of their organization and were not prepared to relinquish their positions of power.<sup>32</sup> Interestingly, Jake Siemens approved the merger, but remained strangely silent during the debate. At the special meeting, Siemens did not take

an affirmative stance on the merger. That Siemens remained in the background on the merger question weakened the position of the proponents in that his persuasive talent and stature in the co-operative movement were required for a successful conclusion to the debate. The reason for Siemens' action remains unclear. However, it must be remembered that Jake Siemens, as a charter member of Rhineland Consumers Co-operative and its first president, possessed a deep loyalty towards the first co-operative in the Altona area and he probably was concerned about its future if amalgamation took place. Such concerns often would divide co-operators along different lines and thereby thwart co-operation between co-operatives; and no where was it more apparent than in the co-operative education program.

#### CO-OPERATIVE EDUCATION

By 1946, all the co-operative institutions in Southern Manitoba were in place. Marketing and processing co-operatives were located at Reinland, Altona, Winkler and Lowe Farm. Credit unions and consumer or purchasing co-operatives could be found throughout the region (Map II). A co-operative farm had been organized by eight young men near Gretna in 1945 and a mutual fire insurance company had been established at Altona in 1941. But as with any popular movement, the problem henceforth would be the maintenance of the original spirit of the "Post Road" in rapidly changing circumstances. Therefore, the issue of co-operative education, a burning question from the early days of the movement, became the central problem in the three decades after 1946.

Co-operative education had been part of the co-operative movement in Southern Manitoba from the beginning. Prior to the organization of

the first co-operative at Lowe Farm in 1931, a series of study group meetings were held to discuss the Rochdale principles of co-operation.<sup>33</sup> At Altona, the people first learned about co-operatives during discussions on the formation of an agricultural society in the winter of 1930-31.<sup>34</sup> Following its incorporation in 1931, the Rhineland Agricultural Society began to promote economic co-operation as part of its agricultural reform program, giving co-operative philosophy considerable publicity throughout the Rhineland Municipality, particularly in its publication Rhineland Agricultural Society Quarterly.

The first formal co-operative educational program was introduced at Altona in 1935.<sup>35</sup> That year, and for several years thereafter, the Rhineland Consumers Co-operative sponsored a series of essay and mathematical contests on co-operative subjects in the local schools.<sup>36</sup> The contests not only generated considerable interest<sup>37</sup> among the young people in the area, but also encouraged parents to study the co-operative material. The competitions drew attention and acclaim from the co-operative community throughout the province. The Manitoba Co-operative Marketing Board congratulated Rhineland Consumers for its efforts in exposing the youth of the community to co-operative philosophy.<sup>38</sup> The annual summer conference of managers and directors of consumers co-operatives in 1937 recommended that Manitoba Co-op Wholesale organize a provincial educational competition similar to the local contest carried on by Rhineland Consumers Co-operative.<sup>39</sup> Thus, the innovations of the Altona co-operative in the educational field served as a model for the whole province.

Co-operative education was not confined to the Altona area.



Many co-operators, notably Jake Siemens, advocated greater co-operative unity to strengthen the co-operative movement. They organized the Southern Manitoba Co-operative Conference, a loosely organized federation of nine co-operative associations in the Rhineland, Stanley and Morris municipalities.<sup>40</sup> The Southern Manitoba Co-operative Conference published Southern Manitoba's Co-operative Bulletin<sup>41</sup>, a monthly newsletter featuring co-operative educational articles and information about local co-operatives. Its purpose was clear in the first issue: "... to bring together the various Co-operative (sic) bodies in our Mennonite Communities (sic) of Southern Manitoba ..."<sup>42</sup> The Bulletin, published at Altona, received considerable attention in other parts of Manitoba. At the Manitoba Co-operative Wholesale Convention in 1940, a resolution requesting the publication of a bulletin similar to the Southern Manitoba Co-operative Bulletin<sup>43</sup> was presented. The fact that Manitoba Co-operative Wholesale started publishing Consumer Co-operative Field Service Extension News later that year does not appear to be merely coincidental.

From 1939 to 1943 the Southern Manitoba Co-operative Conference held annual informal conventions. At these informal gatherings the member co-operatives exchanged information and discussed common problems. The topic of co-operative education and its importance in the co-operative movement was discussed annually. In these discussions co-operators concluded that better business guidance and a more well-defined educational program was necessary to insure an informed membership and sound business management. The co-ordination of such services was financially feasible only through a Federation, an idea first proposed at the 1941 convention. Later that year, a group

of co-operatives formed the loosely knit Federation of Southern Manitoba Co-operatives, an organization without a charter, constitution and by-laws.<sup>44</sup> What the Federation lacked in structure, it made up for in enthusiasm.

Most of the credit for the formation of the Federation of Southern Manitoba Federation of Co-operatives belongs to Jake Siemens. Few co-operators exceeded Siemens in commitment and enthusiasm for an extensive educational program. Like many co-operators, he deemed co-operative education to be the first essential step in co-operative action. A sound co-operative movement was impossible without a thorough understanding of co-operative philosophy. In fact, for Siemens the ultimate success and survival of the co-operative movement depended on a well developed educational program.

I am convinced that the success of this movement depends upon an understanding of the ideals and principles by the membership - of what co-operation and loyalty to an idea, whose time has arrived, can do for ordinary, average people if they devote a portion of their earnings to an educational program. Where this continuous educational work is neglected it results in failure and corruption and eventual death of the movement.<sup>45</sup>

Believing that a well educated membership was no less important than a good financial statement, Siemens encouraged all co-operatives to develop a co-operative education action plan. When Rhineland Consumers Co-operative was merely four years old, Siemens, as president, had already convinced the board of directors to allocate funds towards co-operative education. By 1940, the board of directors, still headed by Siemens, had hired a full-time secretary and fieldman to further co-operative knowledge in Southern Manitoba.<sup>46</sup> Until this time, full-time field workers in co-operative education had been employed only by

the wheat pools. But, J.J. Siemens, who already encouraged others to "think big", was satisfied with nothing less than a comparable program. Siemens was a leading organizer of and participant in the co-operative conventions of the Southern Manitoba Co-operative Conference, which led to the formation of a federation, a concept unique in the co-operative movement of Western Canada at that time.

Led by the educational director, Diedrich G. Reimer, a dynamic young person who had been employed by Rhineland Consumers Co-operative as a fieldman, the Federation of Southern Manitoba Co-operatives<sup>47</sup> offered a wide range of programs and services to the member co-operatives and the community. Dedicated to the improvement of business efficiency of co-operatives, the Federation introduced a business supervision department to give guidance to the co-operative societies and to set up a training program for co-op employees. The auditing service assumed considerable importance. Federation involvement in auditing began during World War II when city accounting firms experienced a labour shortage and could not provide prompt audit services to the co-operative associations. Initially, the Federation provided merely limited service, but as the problem grew more severe, a full service was established for Federation members. In 1942, under the leadership of Phil Isaacs<sup>48</sup>, the Federation of Southern Manitoba Co-operatives conducted a bookkeeping course for co-op managers and employees to upgrade their accounting and financial skills.<sup>49</sup> The business supervisory section introduced monthly managers' meetings whereby various managers could share their co-operative experience, discuss policies and resolve problems.

The Federation services extended beyond the co-operative member-

ship. Partly because of the close association of co-operatives in Altona with the Rhineland Agricultural Society, as well as the need to adopt progressive agricultural practices, the Federation directorship included an agricultural program. In co-operation with the Rhineland Agricultural Society, the Federation organized agricultural education and homemaking courses. The Federation hired an agricultural director, Menno Klassen, a university graduate, in 1942 to implement the agricultural programs. The inclusion of the agricultural program underscored the changes occurring in agriculture and the important role of agriculture in the community.

The primary function of the Federation was co-operative education. The Federation had several major objectives: to develop loyalty among co-operative members based on understanding of co-operative theory; to promote co-operative philosophy and unity and expand the co-operative movement to embrace all aspects of the community life.

An important technique in co-operative education was the study group. The method, popularized in Canada by Moses M. Coady of the Extension Department of St. Francis Xavier University at Antigonish, Nova Scotia, was a program of adult education which enabled people to identify their community needs and problems and discuss solutions. The discussions often involved the study of co-operative philosophy and the applicability of co-operative action. Co-operators like Jake Siemens were strongly influenced by the success of the Antigonish movement and Coady's writings.<sup>50</sup> Sharing the Coady view that a basic literacy was necessary for mankind to help themselves and that co-operative education had to precede the organization of co-operatives, Siemens

supported study groups ardently.

Much of the study group work in Southern Manitoba was done through the Federation of Southern Manitoba Co-operatives. Although many of the study groups had been organized in various school districts prior to the formation of the Federation by the Manitoba Federation of Agriculture and the Manitoba Co-operative Conference<sup>51</sup>, the Federation made an important contribution. Working in conjunction with the Manitoba Federation of Agriculture and Co-operation, the Federation fieldmen co-ordinated the discussion group movement throughout Southern Manitoba during the forties. In 1942, forty-three study groups in the Federation area studied credit unions, consumers' co-operation, recreation, education, rural industrialization, public speaking and Mennonite history. The Federation fieldman, Diedrich G. Reimer, also prepared much of the educational material for the study groups. Without Federation participation, the study group movement would have been less effective and would not have continued until the late forties. The discussion groups, in the opinion of Menno Klassen, facilitated involvement in community affairs and fostered a sense of commitment to the identification and resolution of community problems.<sup>52</sup> More importantly, the discussion groups, by studying co-operative topics often set the stage for the organization of co-operative associations. In fact, the organization of co-operatives in the Altona area in the 1940's was attributed largely to the discussion group technique.<sup>53</sup>

Besides study groups, the Federation educational director helped organize listening groups that tuned in weekly to the National Farm Radio Forum. The Farm Radio Forum was a discussion group program for

rural Canadians under the auspices of the Canadian Broadcasting Corporation, the Canadian Association for Adult Education and the Canadian Federation of Agriculture. Begun in 1941, the program tried to encourage group action among Canadian farmers and help improve their social and economic conditions. Discussion guides on social and economic questions<sup>54</sup> were printed and distributed among the members in advance of the broadcast for preliminary study. Participants would gather in groups, listen to the broadcasts and discuss the topic. Conclusions reached in these discussions could then be applied to their own communities. D.G. Reimer, the educational director who recognized the potential of the mass media in publicizing the co-operative message, made this observation:

These forums and listening groups if properly organized may indeed prove to be one of the most effective and practical mediums of arousing proper sentiment of our people for the need of a co-operative movement.<sup>55</sup>

The Federation's educational program recognized the value of training youth in the community. They strongly supported the folk school program of the Manitoba Federation of Agriculture. Begun in 1940, the project attempted to make youth aware of their importance in community development and to increase their self-confidence through public speaking and participation in community affairs.<sup>56</sup> The folk schools examined community problems such as health, education, recreation and agriculture. This created an awareness of rural problems and discussion of their resolution. Because of the Manitoba Federation of Agriculture's mandate to co-ordinate the organization of all co-operatives in Manitoba, the folk schools tried to promote a better understanding of the economic and social aspects of

co-operation. Thus, folk school schedules included courses on credit unions, co-op machinery and co-operation. Frequently, local co-operative leaders served as resource persons and organizers of folk schools. D.G. Reimer organized a folk school at Altona in 1941. The folk schools not only acted as important training centres for community leadership, but also served as purveyors of knowledge on co-operatives as well as practical experience in democratic decision-making and group experience. In the opinion of some co-operative leaders, like Fawcett W. Ransom, the expansion and consolidation of the co-operative movement depended to a great degree on the training of farm youth through the folk schools.<sup>57</sup>

Another youth program with federation support was the Rhineland Agricultural Institute. Federation educational director, D.G. Reimer, as secretary of the Rhineland Agricultural Society and registrar of the training centre, devoted considerable time to the administration of the school. Initially a centre for further agricultural and home economics training, it incorporated courses on co-operatives and credit unions into its curriculum during the late thirties.

Despite the Federation's extensive educational program, the co-operative concept had gained only limited acceptance. In some areas of Southern Manitoba, the opposition was still unrelenting. Beginning in 1943, the Federation, in conjunction with the National Film Board, sponsored film showings in the schools throughout the area. A number of school boards opposed the showing of films. A letter from the secretary of the Grimsby School District (near Plum Coulee), to Diedrich Reimer, Federation fieldman, in 1945, exemplifies the opposition to co-operatives:

My Board just told me that they are opposed to the film showing in our school. It is not the films as such but the Co-op (sic) propaganda they object to. So I'm afraid we'll have to cancel it.<sup>58</sup>

Besides overt resistance to co-operative philosophy a significant number of Mennonites in Southern Manitoba still distrusted public secular education because it would lead to assimilation of the ethnic group with the larger Canadian society. Moreover, the exposure to innumerable new secular "evil" ideas could undermine Mennonite religion - the foundation of Mennonite culture. When Died G. Reimer, the Federation educational director introduced films<sup>59</sup> to convey the co-op message, many of the more conservative Mennonites opposed it. They perceived the new medium of communication as a vehicle for the influx of "alien" ideas that only could damage their separateness from the rest of society.

Occasionally co-operative educators, in their zeal to convert others for the co-operative movement, used scriptural quotations to illustrate some of the co-operative principles. A people of deep religious conviction, Mennonites resented the use of the Bible to further co-operation, a secular force. A devoted friend of co-operative education, David Wall, reminded Federation members that, "... quotations from the Scriptures to illustrate some of the principles of co-operation were generally not well received."<sup>60</sup> This practice created only distrust and suspicion in a deeply religious community.

Further resistance was encountered in some areas when the Federation tried to sponsor essay contents on co-operatives through the public schools. While successful in Altona in 1936, other areas were



less amenable. At Lowe Farm, the home of the first co-operative among Southern Manitoba's Mennonites, the essay contest experienced stiff opposition. Some parents protested and certain school inspectors opposed it for ideological reasons; co-operatives were socialistic.<sup>61</sup> Socialism was still an avowed enemy even though the movement had been legitimized through the formation of the Co-operative Commonwealth Federation at Regina in 1933. The term "co-operative" in its title was misunderstood, forcing co-operative leaders to state without equivocation that co-operatives had no political affiliation. The remarks of Dave Wall, a co-operator from Gretna, made the point:

Further, speakers should refrain from mixing co-operation with political forces for it was contrary to the principles of co-operation which was intended to be a non-denominational, non-racial, and non-political program.<sup>62</sup>

Another reason for slow progress in co-operative education was a lack of commitment by the membership. When Rhineland Consumers Co-operative approved an expenditure of \$35.00 for educational work on consumer co-operation, some members disapproved; they felt that voluntary education work in past years was sufficient and that the proposed expenditure was unnecessary. They preferred that all funds be reinvested in the physical assets of the co-op. While the view did not prevail, J.J. Siemens, the leading advocate of co-operative education, often was hard-pressed in trying to convince boards of directors to approve educational budgets.

Financing the Federation of Southern Manitoba Co-operatives was to be a problem throughout its history. At its inception each member co-operative contributed one-half of one percent of its gross turnover

to finance the Federation program.<sup>63</sup> The following year saw the initiation of two levies: one-half of one percent for consumer co-operatives, and one-quarter of one percent for producer co-operatives on the basis of their gross volume of business.<sup>64</sup> Such a funding formula was based on a stable membership and their regular contributions, and the lack of the aforementioned was to have a major impact on Federation educational activities.

The withdrawal of the Winkler co-operatives from the Federation in 1944 dealt a noticeable blow to Federation finances and programs. In fact, the Federation discontinued all field work and failed to meet its expenses.<sup>65</sup> The loss of the Winkler affiliation also contributed to the dissolution of the Federation audit department.<sup>66</sup> There were several reasons for the Winkler withdrawal of educational support. A former co-operative educational worker and co-op manager in Winkler, Martin J. Hamm, has blamed J.J. Siemens. Winkler people took a dim view of the feud between J.J. Siemens and David Schulz, a prominent Bergthaler Church leader. They considered Siemens a non-religious person following his break with the church.<sup>67</sup> In a society where the church held a pre-eminent position, such a reaction is reasonable and understandable. Martin Hamm also suggests that the church leadership, probably for selfish reasons, distorted the facts about Jake Siemens.<sup>68</sup> The church-Siemens split notwithstanding, rivalry between Altona and Winkler communities was probably the most important reason for the withdrawal of Winkler co-operatives. The co-operative movement in Southern Manitoba had focused on Altona during the formative years. With its leadership nucleus and innovativeness Altona had gained a national reputation.

Federation members in other communities often complained that Altona was the chief beneficiary of the Federation services.<sup>69</sup> And it probably was because the fieldman lived in the town and was in closer touch with Altona co-operatives. Claiming that they received no direct benefits from the Federation, various co-operatives outside Altona objected to the educational levy based on sales volume. Members with increasing sales contended that they were paying a disproportionate share of Federation expenses.

Most of the criticism emanated from Winkler. Co-operative leaders at Winkler always stressed the importance of the regular payment of dividends. They were more interested in the economic advantages of co-operation than in co-operative philosophy.<sup>70</sup> Therefore, they saw no need for considerable expenditures on co-operative education, particularly during the first years of operation. Winkler co-operators viewed Altona with jealousy. According to Diedrich G. Reimer, much of the jealousy focused on Jake Siemens' leadership role in Southern Manitoba's co-operative movement. A number of Winkler co-operators like Dr. C.W. Wiebe aspired to co-operative leadership in the Winkler area, but were overshadowed by Siemens, particularly in organizational work.<sup>71</sup> They also resented Altona's publicity and leadership in co-operative education. Altona received most of the credit and visits from co-operatives outside the area. The resentment was reinforced by the location of the Federation office at Altona. Periodically Winkler co-operatives withdrew from the Federation beginning in 1944. Gordon Leckie, former fieldman for the Manitoba Co-operative Wholesale, believes that contributions would have continued if the Federation office had been shared by the two towns.<sup>72</sup> It appears that Winkler

co-operatives desired a greater degree of local control over the educational program. In other words, a local educational program would be more effective.

The withdrawal of the Winkler Co-operatives from the Federation in 1944 inaugurated an era of more localized co-operative education. Since the Federation could no longer afford a full-time fieldman to deliver its services, all co-operatives were encouraged to form co-operative councils to co-ordinate the educational program in their respective areas. The Manitoba Federation of Agriculture and Co-operation, led by fieldworker John K. Friesen, promoted the formation of co-operative councils in each area to co-ordinate co-operative planning, education and publicity.<sup>73</sup> However, co-operative councils were organized only in three communities: Altona, Winkler and Lowe Farm. Only Altona Co-operative Council engaged a fieldman to implement an effective educational program.<sup>74</sup>

Predictably, Altona Co-operative Council led the way in educational activities in Southern Manitoba during the late forties and early fifties. The work was made possible through the generous financial support of local co-operatives: Altona Co-op Service, Rhineland Consumers Co-op, Altona Credit Union.<sup>75</sup> Commencing in 1944, the Altona co-operatives contributed one-half of one percent of their sales volume annually towards co-operative education.<sup>76</sup> Rhineland Consumers Co-operative was particularly generous; its contributed \$2,605.00 to co-operative educational projects in 1948, believed to be the highest contribution by a consumer co-operative in the province.<sup>77</sup> However, the support was not always unanimous. In fact, strong co-operators frequently objected and questioned the effectiveness of the investment

in education. Ben H. Sawatzky, a director of Altona Co-operative Service, lamented that in the past eight years (1944-1952) Altona Co-operative Service had spent approximately \$25,000.00 on education; yet the average purchase per member had increased merely \$100.00. Co-operators also complained that the educational expenses were too onerous and discussed means to alleviate the burden.<sup>78</sup> Although there was considerable skepticism among Altona co-operators on the benefit of co-operative education, the proponents always prevailed. Jake Siemens, the founder of co-operative education in Southern Manitoba, led the struggle for more co-operative education. At board meetings, he regularly pleaded for better understanding and acceptance of co-operative philosophy. Siemens' leadership appears to have been central to the continuation of adequate funding of co-operative education in Altona.

The purpose of the Altona Co-op Council was to promote the philosophy of co-operation in all aspects of community life. The Council fieldman, D.G. Reimer, attempted to achieve the objective through public relations work at various meetings. For example, in 1947, Reimer attended fourteen annual meetings of co-operative associations and thirty-two schoolhouse meetings. Besides disseminating co-operation information, the Co-operative Council identified with the needs and problems of the community. Using discussion guides prepared by the Federation of Southern Manitoba Co-operatives, the Council organized discussion groups which studied educational, health and agricultural problems of the rural community.<sup>79</sup> That the Council was instrumental in creating an awareness of the rural problems was very significant. The Mennonites, who had traditionally shunned the "evil"

outside world, had begun to assimilate very gradually with the rest of Canadian society since the loss of their private schools in 1916. World War II had accelerated the trend when young Mennonites joined the armed services and worked in the factories in the cities. No longer could the Mennonites be inward looking; they had to struggle with and adjust to the forces of technological change and urbanization of a post war industrial society. The Council's involvement in discussion groups also demonstrated that the co-operative leadership at Altona was committed to the improvement of the quality of life in rural communities.

The commitment of Altona Co-operative Council to community betterment was epitomized through its publication, Community Builder. Written by Jake K. Schroeder and published irregularly from 1949 to 1951, the publication featured articles on co-operative philosophy, conservation, technical agricultural topics and local co-operatives. However, more importantly, the paper consistently emphasized planning and working together as the most effective method of improving the community. The co-operative approach to community life as perceived by Altona Co-operative Council appeared in the Community Builder in August, 1949.

In order to create greater community consciousness, people young and old will first have to learn to come together to discuss and plan in the interest of their communities in general. Many problems arise out of community activities. Discussion is one of the most effective ways of gaining an understanding of affairs. It is co-operative thinking, the activity which takes place when members of a group think and talk together on a selected topic. It is a method of exchanging opinions and experiences, and of presenting information on a question which leads to better understanding ...

We have established for ourselves, in this community, many services and we need to establish many more ... By this method the community organized the Rhineland Agricultural Society for the Advancement of Agriculture in this community, Rhineland Consumers Co-operative and Altona Co-operative Services to provide goods for its shareholding members at cost, the Credit Union to provide a means for regular savings for its members and to rescue its members from high rate money lenders, Co-operative Hatchery to encourage mixed farming and improve the quality of poultry in the district, and Co-op Vegetable Oils to process and refine an agricultural product of the community. They have met many needs of its people. But we realize that they are today not yet contributing to the fullest extent to the welfare of this community. Prejudiced rumors, perverted opinions, misunderstanding, and the lack of true information are the "thorns in the side" that block further progressive action towards greater community well-being.<sup>80</sup>

The Community Builder represents an attempt by Altona Co-operative leaders and educators to shape the co-operatives in order that they would form the foundation of the community. The formative years behind them, the co-operatives now could devote more resources to the social aspect of co-operation; that is, the betterment of mankind. Whether the Altona co-operators succeeded in their efforts is not important; what is important is that co-operatives at this time were demonstrating a strong sense of social responsibility.

The Co-operative Councils in Winkler and Lowe Farm had a much lower profile than Altona in their respective communities. Both Co-operative Councils functioned with meagre budgets and without field-men most of the time. The Winkler Co-operative Council (sometimes known as the Winkler Co-operative Bureau of Information) initiated a modest educational program. Its activities centered around one person, Martin J. "Jim" Hamm, a local school teacher. As a part-time co-operative educator, he concentrated on the organization of study

groups and the boys and girls club movement during the late forties. Co-operative educators, both in Altona and Winkler, always assisted in the promotion and organization of garden, calf and seed clubs. Co-operatives were interested in the training and development of rural youth for future leadership in the community and co-operatives. Hamm also conducted co-operative information meetings which generally were poorly attended. Winkler co-operators, including many directors, questioned the need for co-operative education;<sup>81</sup> they were more interested in making the co-operative association an economic success. Its success as a business would attract and sustain the membership. While this approach to co-operative education differed from Altona, it probably was as effective and resembled the approach of the co-operative movement in other parts of the province.

At Lowe Farm, the home of the first co-operative association among Manitoba Mennonites, co-operators attempted to organize an educational program comparable to Altona. For two years (1947-48), a full-time educational director promoted co-operatives in the community through meetings, personal visits and adult discussion groups. Considerable attention was devoted to the development of the Lowe Farm Community. The Report of Co-op Fieldman to Lowe Farm Educational Co-op Committee states that the educational director organized youth groups, a local Board of Trade, and an Educational Film Council.<sup>82</sup> Despite his accomplishments, his tenure was to be brief. The educational director, Herb Brown, found considerable apathy towards co-operative education in the Lowe Farm area; most people were content to shop at their co-operative store and ignore their responsibility as co-operative educators.<sup>83</sup> Consequently, the majority of the Lowe Farm co-operators



did not support an active, aggressive educational program. In fact, some of the directors resented the educational director. Lowe Farm Co-operative Service did not invite Mr. Brown to attend any of their board meetings.<sup>84</sup> The lack of unity among Lowe Farm Co-operatives and community inertia on the educational question resulted in the resignation of the educational director in 1948 and a noticeable decline in educational activities. In fact, a formal co-operative education program had disappeared, perhaps forever.

The co-operative councils at Altona, Winkler and Lowe Farm served a useful purpose in that they created a greater awareness among co-operators that co-operative associations were more than suppliers of goods and services; they were also organizations that worked towards the improvement of the whole community. However, each community differed in its approach and commitment, resulting in a rather fragmented co-operative educational program in Southern Manitoba. Parochialism over the educational question was to undermine co-operative unity throughout the late forties and early fifties.

Despite some disharmony within the co-operative movement in Southern Manitoba, the Federation of Southern Manitoba Co-operatives continued its educational work. In 1946, the directors discussed the future of the Federation and decided that the organization should continue its program because it made, "... an extremely valuable contribution not only to the immediate community, but to the province as a whole."<sup>85</sup>

Interestingly, that same year the annual report of the Manitoba Federation of Agriculture and Co-operation recognized the contribution of the Federation:

One of the established and most active Co-operative Councils is that of the Southern Federation of Co-ops. Financed entirely by Consumer Co-operatives and through a Regional Co-op Insurance Plan, this Council operates on a budget of approximately \$8,000.00, employs a fieldman and assistant, and carries out an extensive program of educational activities for the Municipalities of Stanley, Rhineland and the southern part of Morris. A film circuit covering twenty-eight points is operated with resources of the National Film Board and a local Film Library. The Educational Director has also produced a local color film (People with a Purpose) on Co-operatives in the area. Short courses in agriculture were organized in co-operation with the Department of Agriculture. A Co-operative Employment Association has been organized and one Folk School held. The Regional Office prepares study courses and offers informational services. The rapid development of Co-operatives in the area is due in no small measure to this intensive educational program.<sup>86</sup>

With the strong support of the directors and re-affiliation of the Winkler Co-operatives, the Federation carried on a limited educational program in conjunction with the local Co-operative Councils. The program emphasized the publicity of the co-operative story in Southern Manitoba. In 1946 and 1947, the Federation co-ordinated a tour of the co-operatives in Altona for a group of co-operative leaders, educators and others who were touring co-operatives in the United States, Manitoba and Saskatchewan.<sup>87</sup> Its publicity campaign culminated in 1955 with the publication of the book, The Spirit of the Post Road. One of the earliest books on Manitoba co-operatives, it still remains the only work on Manitoba co-operatives in a specific region.

Unquestionably, the biggest challenge to the Federation was the growth of co-operative associations and credit unions. For the most part, co-operative leaders and staff had no formal preparation for their duties. Co-operative members often lacked sufficient information

and training to fulfill their obligations. Increasingly, co-operators became concerned about their own ability to maintain the existing co-operative and to prepare youth as future leaders of the co-operatives; and youth had become largely indifferent to the co-operative movement after the co-operatives had achieved success.<sup>88</sup> The disquietude led to discussions at Federation meetings beginning in 1946 on the need for a co-operative training school. The idea gained sufficient support to justify the formation of a committee to study the question further.<sup>89</sup>

At the forefront of the campaign was Jake Siemens. Recalling the achievements of the Rhineland Agricultural Institute, an agricultural and co-operative training school, during the winters of the thirties and having studied and visited the folk schools in Denmark, Siemens broached the concept of a permanent agricultural and co-operative youth training centre in Southern Manitoba, modelled after the training schools in Scandanavia. Always a visionary, Siemens proposed that the training school would be international in scope, enrolling students from throughout the world. The school would be known as the International Co-operative Institute.<sup>90</sup> Furthermore, the school would provide the training facilities to help resolve some of the community problems.

The Federation of Southern Manitoba Co-operatives formed an integral part of the campaign to organize the training school. The Federation served as the forum for the initial discussions on the subject. There J.J. Siemens spoke convincingly on the necessity of a co-operative training centre. His message was always powerful and clear:

Here in 1951 we are face to face with the biggest problem that our community has ever faced - we've built ourselves co-op businesses from mere nothing to a business dealing in hundreds of thousands. As it developed, we people slowly grew along with it to a point when we'll hand them on to the next generation; they'll be huge businesses. How are we going to prepare ourselves and our children to maintain them, and continue operating them under the Principles of Co-operation unless we make provision for proper training of employees, managers, directors and members? We have created many ships but we have no trained captains to steer them along this ocean of co-operative endeavour ...<sup>91</sup>

At the Federation meetings, Siemens fashioned a consensus on the need for the International Co-operative Institute. In 1951, the Federation assumed sponsorship of the establishment of a training centre in the area and organized a committee to draft tentative construction plans.<sup>92</sup>

From the foregoing, it is quite clear that co-operative leaders possessed the overriding fear that their edifices, products of their untiring efforts, would soon fade into oblivion. The concern is understandable because they had witnessed the birth of the co-operative movement and personally experienced the fervour and zeal which had accompanied it. Therefore, they found it difficult to accept the lack of commitment by many members to the philosophy underlying the co-operative method of business.

The training centre concept had taken on a much larger scope by 1951. At a special federation Board meeting attended by forty-one directors of various member co-operatives and credit unions, Leonard Siemens, an organizing committee member, presented numerous topics for discussion. Among them was the suggestion that membership be open to people outside the Federation area. Membership objective had been increased from 150 to 500. Construction would commence when 300 life

memberships of \$100.00 (\$30,000.00) had been subscribed. Discussion also dealt with the possibility of enlisting the financial and member support from the provincial co-operatives such as Manitoba Co-op Wholesale or Manitoba Pool Elevators. The actual site also had grown in size: J.J. Siemens had pledged an 80-acre parcel of land on the condition that a membership of 500 be attained.<sup>93</sup> An idea which was nothing more than a "table topic" for years had suddenly emerged as a large, visionary project.

The idea had become much more clear cut. The training centre would offer courses on agriculture and home economics. Courses on co-operative history and philosophy would be compulsory for all students. The facilities would provide specific technical training for members, staff and directors of co-operatives. Instructors would be drawn from the larger provincial co-operatives, Manitoba Department of Agriculture and the University of Manitoba.<sup>94</sup> Buoyed by a new sense of direction from the Federation, the training centre idea would continue to evolve.

The involvement of the Federation of the Southern Manitoba Co-operatives in 1951 marked the beginning of four years of arduous work to publicize the training centre project and appeal for funds to finance it. Given the ever-expanding scope of the project, the original organizing committee quickly came to the conclusion that the Federation required assistance from the provincial co-operatives. Possibly to stimulate interest among the provincial co-operatives and attract personnel, the Federation restructured the organizing committee. A new, smaller organizing committee was set up to solicit life memberships and appoint additional committee members if necessary.

The new committee included Gordon W. Leckie, the co-ordinator of education and training for the Manitoba Co-operative Wholesale. In Gordon Leckie, the organizing committee possessed a skillful, experienced co-operative educator who was well known in co-operative and agricultural circles throughout the province, having promoted co-operatives for the Manitoba Federation of Agriculture and Co-operation for several years. Other members of the committee were John Harp, Federation fieldman; Jake A. Fehr, Secretary of Altona Co-operative Council; and Jake Siemens. The newly formed committee adopted International Co-operative Institute as a name for the proposed training institution. The name was chosen because the organizers like Jake Siemens, who had visited similar schools in Denmark, believed that the training centre should serve not only local co-operatives but also co-operatives throughout the world. With a definite name for the proposed institution, the new organizing committee initiated a fund raising and publicity campaign.

The publicity through the newspapers and information meetings aroused considerable interest; however, it failed to raise the necessary funds. By March 1954, merely \$2,997.80 or 10% of the original objective of \$30,000.00 had been raised.<sup>95</sup> The poor response can be attributed in part to the strategy of the organizing committee. Strongly influenced by Jake Siemens, the committee endeavoured to gain sound support for the Institute throughout the country before approaching the co-operatives.<sup>96</sup> The head offices of the larger co-operatives such as Manitoba Dairy and Poultry Co-operative and Manitoba Pool Elevators remained largely uninvolved. The reasons for the approach are not clear. Possibly Jake Siemens was convinced that the grassroots

participation in the plan had to precede any direct involvement by the elected heads of various co-operatives. In view of his personal experience with Rhineland Consumers Co-operative and Co-operative Vegetable Oils, which both evolved from the "grassroots", such a position is not unusual. Furthermore, sharing the plans with other co-operative leaders might require changes unacceptable to the organizing committee for philosophical reasons. Given the difficulty of raising sufficient funds, it would have been advantageous for the organizing committee of the International Co-operative Institute to discuss their plans with co-operative leaders such as Parker, McSorley and Brown. That view was communicated to Gordon Leckie by John K. Friesen and Fred Hamilton of Manitoba Pool Elevators, but it apparently went unheeded.<sup>97</sup>

The organizing committee experienced other problems in its publicity campaign. There was considerable confusion and misunderstanding on the location of the Institute. Some people believed that Altona would be the site of the school probably because of the donation of the Siemens' property.<sup>98</sup> While the organizing committee preferred Altona, the membership ultimately would determine the site of the Institute.<sup>99</sup> Ethnicity was another problem in trying to appeal to a wider audience. The origin of the plan in a Mennonite area and the predominance of Mennonites on the organizing committee led some to believe that the Mennonites were sponsoring it.<sup>100</sup> By implication that ethnic group would dominate the institution, particularly if it was located in Altona, and Mennonites were not the most popular ethnic group; they had practiced pacifism during World War II. While the aforementioned problems may appear to be minor, they

contributed to the lack of progress.

Another development that altered the course of the International Co-operative Institute occurred in 1955. That year the Saskatchewan and Manitoba Co-operative Wholesales amalgamated to form Federated Co-operatives Limited. Because of the amalgamation, the Board of Directors of the Federation of Southern Manitoba Co-operatives directed the organizing committee to explore broader possibilities. Subsequently, the committee began discussions with the Co-operative Union of Saskatchewan and Federated Co-operatives Limited to look at co-operative schools to serve both provinces.<sup>101</sup> One outcome of the discussions was that the Co-operative Union of Saskatchewan was asked to assume leadership in the organization of a training agency to be known as The Co-operative Institute. The Co-operative Union acceded to the request and the Co-operative Institute began to offer courses at Saskatoon in 1955. Initially, the program emphasized courses for employees of consumer co-operatives in Manitoba and Saskatchewan. In the next four years the program was expanded to meet the requirements of credit unions and other co-operatives. Furthermore, its services were extended across the four western provinces.<sup>102</sup> What had started as a dream of a few people, had become a reality.

The establishment of the Co-operative Institute marked the culmination of an idea that began in the 1940's at Altona. Although the organizing committee failed to implement the original plans of establishing the training centre at Altona, they laid the groundwork for the opening of the Co-operative Training Institute at Saskatoon in 1955.<sup>103</sup> That event brought to fruition an original Siemens idea which probably will remain an important part of the co-operative heritage.



Southern Manitoba continued to be widely recognized for its extensive educational program. Until 1964 the Federation of Southern Manitoba Co-operatives, an organization founded in 1941 to promote local co-operative development and foster a better understanding of the co-operative movement, provided the leadership. Most of the emphasis was placed not on organizing co-operatives as in earlier years, but on improving the existing co-operatives. Thus, the Federation provided special informational services through a revival of the Community Builder in 1960 and offered special short courses and seminars for co-op employees, directors and members. It also provided technical services such as assistance with annual meetings, radio and press advertising, and the reports or speeches by directors, members and managers.<sup>104</sup> Although some of these educational activities were not new, they reflected the growing concern of the need for trained personnel to operate large businesses and the need to maintain contact with the membership.

But the Federation of Southern Manitoba began to experience serious difficulties that would lead to its demise. Some of the problems were as old as the organization. One of them was finances. The Federation often was underfunded and could only implement a limited program. The problem stemmed partly from a reluctance of the member co-operatives to commit generous amounts of money for co-operative education and partly from the dwindling membership. In 1960, only eleven member co-operatives and credit unions made up the Federation and they represented only three communities: Altona, Gretna, and Halbstadt; Winkler co-operatives had withdrawn during the late fifties.<sup>105</sup> However, Winkler co-ops resumed their membership in 1963.

Another problem was getting and retaining qualified personnel to conduct the educational program. From 1958 to 1964, four different people served as fieldmen. That instability diminished the effectiveness of the Federation's program and further weakened a dying organization. When no replacement for the last fieldman could be found, the Federation of Southern Manitoba Co-operatives terminated operations in 1964.

These problems notwithstanding, the Federation was very much a victim of changing times. Following the formation of Federated Co-operatives Limited in 1955, that organization introduced its own educational program by forming twenty district federations in the Prairie Provinces. Its public relations activities duplicated much of the work of the Federation of Southern Manitoba Co-operatives.<sup>106</sup> Thus, the local Federation gradually lost its relevance and identity, giving way to the forces of centralization. Nonetheless, the concept, largely the product of J.J. Siemens' vision and work, did not disappear because the new Federation districts were modelled after the Federation of Southern Manitoba Co-operatives. At the same time these changes would deeply concern Siemens in the late fifties when he began to question the policies of co-op organizations, particularly co-op educational initiatives.

## Epilogue

Disillusionment and alienation best describe Jake Siemens' relationship with the co-operative movement in Southern Manitoba during the fifties. Particularly disheartening to Siemens was the lack of progress in co-operative education in Southern Manitoba. After visiting Denmark in 1948, viewing the folk schools and co-operative training centres, Siemens returned to Manitoba with renewed faith in co-operative education. While some progress had been made in co-operative education, Siemens believed that only a few co-operators recognized its true significance.<sup>1</sup>

Siemens' concerns were justified in that co-operative education appeared to be waning. In 1955, John Harp and Peter F. Penner, Federation of Southern Manitoba Co-operatives fieldmen at Winkler and Altona, respectively, surveyed two hundred co-op members in the Altona, Winkler and Lowe Farm communities to determine what co-op members knew about co-operatives.<sup>2</sup> The study found that the co-op members needed additional knowledge on the organizational structure of co-ops and were ignorant of the revolving surplus fund, a system whereby a portion of the dividends were allocated to a special fund to provide working capital.<sup>3</sup> The survey also revealed that fifty-four percent of the members were unaware of Federated Co-operatives and felt no benefit from that organization.<sup>4</sup>

Another situation which alienated Jake Siemens involved the general manager and director of Co-operative Vegetable Oils, David K. Friesen. Since the plant opened, Co-operative Vegetable Oils had sold its crushed product to Canada Packers for refining based on a price which was negotiated annually. In 1948 Canada Packers and Co-op

Vegetable Oils could not agree on a price. At that point Jake Siemens proposed and insisted that Co-op Vegetable Oils construct their own refinery so as not to be entirely dependent on the prices set by Canada Packers. David K. Friesen, who was also involved in these negotiations, disagreed with Siemens and opposed a locally controlled refinery. He argued that Co-op Vegetable Oils was still a very young company and that the membership would receive lower dividends. In the dispute, Siemens prevailed but the relationship between these two important men in Co-operative Vegetable Oils continued to deteriorate.<sup>5</sup> The disagreement was fueled by another issue: the payment of a salary to a board member. Siemens strongly believed that directors should receive no salaries because personal and organizational interests could conflict.<sup>6</sup> D.K. Friesen, as general manager and a director, was on salary because he was in the printing and stationery business and could not afford the time from his regular business without proper remuneration. While Siemens was unsuccessful in altering the policy, he still resented it. Partly because of these problems and the fact that Co-op Vegetable Oils was now a thriving business, Siemens resigned as president of the processing co-operative in 1950.<sup>7</sup> He continued as a director until 1958, but his interest and influence in the organization had begun to decline. The increasing estrangement with the local co-operative community resulted in his moving to Winnipeg in 1951 and living there until 1958.

Following a serious stroke in 1958, Jake Siemens returned to Altona and lived in relative obscurity. For health reasons he could no longer participate in co-operative organizations, nor did he desire to; he was a bitter man who believed that many of his friends in the

community had let him down by not supporting him as a C.C.F. candidate in the 1958 federal election. After a brief illness, Jake Siemens died at Altona on July 7, 1963, ending a long association with co-operatives, agriculture and community work.

Siemens' successor in Southern Manitoba was John J. Peters, a Rosenfeld farmer. A close associate of Siemens, Peters succeeded him as president of Rhineland Consumers Co-operative in the forties and as president of Co-operative Vegetable Oils in 1951. From 1951 until 1962, when he moved out of the area, John Peters provided most of the leadership in the co-operative movement.

A quiet spoken man, renowned for his sound judgement and pragmatism, Peters was a tower of strength to Southern Manitoba's co-operatives. His sound advice guided not only the co-operative organizations that he led, but also others who were expanding and consolidating their positions.<sup>8</sup> Although less idealistic than Jake Siemens, John Peters was a committed co-operator who understood and believed in the Rochdale principles. Like Siemens, John Peters recognized the value of co-operative education and reminded members that the future success of the co-operatives depended on it.<sup>9</sup> As a result, Peters was active in the Federation of Southern Manitoba Co-operatives and in the Co-operative Union of Manitoba, a provincial body liaising with the Co-operative Union of Canada and advisory group on common co-operative problems, serving the member co-operatives since its inception in 1958. For a number of years he served as the Manitoba Director of Western Co-op College, retiring in 1963.

While Peters was always a stabilizing influence in Southern Manitoba's co-operative movement, he lacked Siemens' dynamism and

promotional abilities. But the co-operative movement in Southern Manitoba had already passed through the organizational phase and now required guidance on policy making, the assessment of problems and the devising of reasonable solutions. John Peters understood this and ably served the movement.

Since Peters' departure, no leader with a broad base of support throughout the Mennonite communities of Southern Manitoba has emerged. Leadership has been confined to individual co-operative associations and even there very few leaders have become well known. The most notable is Jake Siemens' son, Raymond W. Siemens of Altona, who served as president of Co-operative Vegetable Oils from 1963 to 1974 and is presently president of C.S.P. Foods, the first vice-president of Manitoba Pool Elevators, president of the Co-operative Union of Canada, and an executive member of the Manitoba Co-operative Council. Nonetheless, he has never assumed the high profile in Southern Manitoba that his father did. Unquestionably, leadership has been inadequate, especially in introducing new ideas and communicating them to the co-operative members and the public. That has handicapped the co-operative movement in Southern Manitoba.

Leadership problems notwithstanding, the co-operative movement in Southern Manitoba played an important role in local economic life from 1955 to 1975. Most of the grain was being handled through Manitoba Pool and virtually all the rapeseed (canola) and sunflowers were being processed locally by Co-operative Vegetable Oils. The co-operatives emphasized the economic advantages of co-operation: savings and equity. Lost was the idealism of the organizational era as co-operatives strove to adjust to rapid changes in the marketplace and

thereby remain competitive, solvent enterprises. Pragmatic co-operation which had always prevailed now became paramount.

Expansion was the dominant characteristic of Southern Manitoba's co-operatives from 1955 to 1975. Producer-dominated processing co-operatives, Co-operative Vegetable Oils and Winkler Co-operative Creamery continued to expand their production. The quantity of oilseed crushed increased from 5,029,630 pounds<sup>10</sup> in 1955 to 18,649,372 pounds<sup>11</sup> in 1974. Sales at the Winkler Co-operative Creamery rose from \$91,000.00<sup>12</sup> in 1955 to \$3,545,000.00<sup>13</sup> on 1975. Interestingly, both organizations were absorbed by larger co-operatives; Winkler Co-operative Creamery by the Manitoba Dairy and Poultry Co-operative, and Co-operative Vegetable Oils by C.S.P. Foods, a newly formed subsidiary of Manitoba Pool Elevators and Saskatchewan Wheat Pool. Another processing co-operative, Prairie Co-operative Cannery, started in 1954 by growers in the Winkler area to process local corn, pea and bean crops, was eventually taken over by another co-operative. Like the former Pembina Co-op Cannery at Reinland, Prairie Co-op Cannery lacked adequate operating capital and capital for expansion. The additional problem of several bad crops threatened its survival.<sup>14</sup> In 1967 Co-operative Vegetable Oils purchased the floundering co-op cannery and operated it as a division of C.V.O., known as Gardenland Cannery.<sup>15</sup>

Prairie Co-op Cannery continued to be a marginal operation, partly because of its outdated equipment and partly because of the competition in the canning industry, particularly Canadian Canneries at Morden. Realizing that they could not compete with the provincial government, the directors and management of Co-op Vegetable Oils decided to close

Gardenland Cannery in 1971 when the Manitoba Development Corporation purchased the Canadian Cannery plant at Morden. Ironically, Co-op Vegetable Oils had hoped to buy the Morden plant and was willing to pay \$200,000.00 for the facility.<sup>16</sup>

Another important development during the fifties was the formation of Gardenland Packers. In 1959, three area co-operatives - Winkler Co-op Creamery, Co-op Prairie Cannery and Co-op Vegetable Oils - set up a selling organization, Gardenland Packers to market the manufactured products of the three co-operatives. By using a common label (Gardenland) for all its products, the co-operatives intended to improve their penetration into the consumer market.<sup>17</sup> The concept of marketing products directly to stores through its own marketing agency rather than through brokers proved to be effective. The 1963 annual report of Co-op Vegetable Oils shows that Gardenland Packers improved sales for C.V.O. by forty percent from 1962.<sup>18</sup> Gardenland Packers was retained as a separate marketing division when Co-op Vegetable Oils became part of a new, larger company, C.S.P. Foods, in 1974.<sup>19</sup>

Consumer co-operatives diversified their services to meet new needs of their members. For example, the larger co-operative stores added heating, plumbing and appliance services. A pharmacy began at Altona, but closed within a year due to the lack of a pharmacist. During the sixties Rhineland Consumers Co-operative entered the bulk fertilizer business only to be soon overshadowed by Manitoba Pool Elevators, the larger producer co-operative which began marketing agricultural chemicals and fertilizers on a large scale at certain handling points throughout Manitoba.

A social trend of the twentieth century has been the steady growth



of ever larger units of organization and administration. Like other institutions, the Canadian co-operative movement had been affected by the forces of centralization. In 1955, the Saskatchewan and Manitoba Co-operative Wholesales amalgamated forming Federated Co-operatives. Even in Southern Manitoba, where amalgamation among local co-operatives had always been unpopular for reasons of local autonomy, one amalgamation took place. In 1967 Rhineland Consumers Co-op and Altona Co-op Service amalgamated, forming Rhineland Co-op Service. Following considerable controversy, Rhineland Co-op Service united with Letellier Consumers Co-operative, Dominion City Consumers Co-operative and St. Jean Baptiste Co-operative, creating Sun Valley Co-operative in 1970, with headquarters in Altona. Objection to the proposal was so intense that a number of members of the Altona co-operatives withdrew their patronage and criticism of the amalgamation has continued to this day.<sup>20</sup> Some Altona co-operators still feel that the branches at Letellier, Dominion City and St. Jean Baptiste have been a financial burden to the larger Altona co-operatives. Furthermore, the larger organizational unit has created additional administrative problems: management, communication with members and organizational structure. Nonetheless, the Altona experience was the forerunner of further amalgamations among Southern Manitoba's consumer co-operatives.<sup>21</sup>

One response to the increasing management problem connected with growth was the management agreement. Federated Co-operatives signed the management agreements with co-operative associations in financial difficulty. Under this arrangement, Federated co-operatives selected the managers.<sup>22</sup> Altona Co-operative Service, which experienced serious management problems during the early sixties, entered into a management

agreement with Federated. High turnover in management occurred partly because managers often had better employment opportunities elsewhere within Federated Co-operatives' retail system, and partly because new managers often were not accepted entirely by the community, especially if they were non-Mennonites. Altona co-operators, like other co-operators in the region preferred locally trained management to those "outsiders". Moreover, co-operators in Southern Manitoba always resented centralization and the subsequent loss of local control. Phil Isaacs draws a tentative conclusion which appears to be accurate in light of the Altona experience.

In retrospect it would appear that this type of management agreement had a tendency for the local people to possibly lose some interest in their own organization because they felt that an outside factor was introduced which reduced their own effectiveness in the voice of their operations.<sup>23</sup>

During the twenty year period (1955-1975) the volume of business through co-operatives rose steadily in Southern Manitoba. Winkler Co-operative Service, a consumer co-operative with sales of \$238,284.00 in 1955<sup>24</sup> recorded sales of \$4,841,652.00<sup>25</sup> in 1975. Among the smaller consumer co-operatives, the greatest growth occurred in Plum Coulee. Mainly because of good management, sales of Plum Coulee Co-operative Services soared, increasing from \$78,957.00<sup>26</sup> in 1955 to \$767,395.00<sup>27</sup> in 1975.

Except for Altona and Winkler, the co-operatives in Southern Manitoba remained intact. Lowe Farm still had two separate consumers associations, Lowe Farm Co-operative Services and Lowe Farm Consumers Co-operative. Gretna Consumers Co-operative was still in operation.

At Altona the two co-operatives, Rhineland Consumers Co-operative and Altona Co-operative Service, had become part of one organization, Sun Valley Co-op. Credit unions were located in Altona, Gretna, Plum Coulee, Lowe Farm, Morris and Winkler. The Halbstadt Credit Union had dissolved and become a branch of the Altona Credit Union Society in 1971. The Altona Credit Union added another branch at Emerson in 1974. Processing co-operatives were located at Winkler and Altona. Co-operative elevators handled all the grain marketed through the Canadian Wheat Board at Altona, Gretna, Rosenfeld and Plum Coulee. Only the Winkler handling point had competition from the private line elevator system. From the foregoing it is evident that co-operatives in Southern Manitoba constituted an important part of the economic landscape and community life.

The most important contribution in co-operative education was made by the co-operative training centre at Saskatoon, Saskatchewan. During its first year of operations in 1955, the Co-operative Institute offered courses for personnel drawn from consumer co-operatives in Manitoba and Saskatchewan. In the next four years the Institute expanded its program to meet the training needs of co-operatives and credit unions throughout Western Canada. And its growth was quite remarkable: from 1955 to 1959 student enrollment rose from 208 to 827 and the number of basic courses increased from 10 to 33.<sup>28</sup> In 1959, the Co-operative Institute was incorporated as Western Co-operative College, governed by a Board of Trustees. Thus, the co-operatives of Western Canada founded the first Co-operative College in North America. Established to give leadership in the development of education and training programs and to plan and conduct co-operative

and educational courses, the three college staff members, Harold Chapman, Phil Rothery and Jake Fehr (former educational director of the Federation of Southern Manitoba Co-operatives) worked diligently to fulfill its broad mandate. The College's main program consisted of short courses for co-operatives and credit unions. Western Co-operative College also offered correspondence courses in bookkeeping, accounting, management and merchandising. Finally, the College assisted local co-operatives in the planning of meetings and conferences and in preparing staff training material.<sup>29</sup>

To meet the increased enrollment, College officials recommended the construction of a Western Co-operative College building. A building fund committee was formed, and Jake Fehr was appointed as campaign organizer in 1960. Response to the canvass from the co-operatives was overwhelming; John Peters reported that \$316,000.00 of the target of \$350,000.00 had been raised by 1961.<sup>30</sup> The strong support underlined the importance of co-operative education in the co-operative movement in Western Canada.

During the forty years period, 1930-1975, twenty-seven co-operative organizations were set up in Southern Manitoba. Beginning in 1930, the Mennonites realized that they could best help themselves in difficult economic times by working together. That outlook resulted in several significant events: the formation of the first co-operative oil station at Lowe Farm, the organization of the first agricultural society among the Mennonites at Altona which was committed to agricultural diversification and economic co-operation, and the establishment of Rhineland Consumers Co-operative at Altona. These organizations provided two important things for future co-operative development: a

model for success and leadership. The experiences with co-operatives at Altona and Lowe Farm demonstrated explicitly the economic advantages of co-operatives to a community. Out of these first co-operatives and the agricultural society came such notable leaders as Jake J. Siemens, John J. Peters and J.N. Dyck. As enthusiasm for co-operation increased, a regional co-operative movement gradually took shape. The first concrete sign of it was the organization of the Southern Manitoba Co-operative Conference and the publication of the Southern Manitoba Manitoba Co-operative Bulletin. Co-operative unity made further progress with the organization of annual co-op conventions during the early forties and the Federation of Southern Manitoba Co-operatives in 1940.

With a movement in place by 1940, Southern Manitoba entered the era of expansion. The most significant events were the organization of several processing and marketing co-operatives, notably Co-op Vegetable Oils, Winkler Co-op Creamery and Reinland Co-op Cannery. These co-operatives were primarily the products of the drive for greater agricultural diversification in the region begun with the organization of the Rhineland Agricultural Society in 1931. While consumer co-operatives had been started first in the region, they only spread throughout the region after the co-operative movement was firmly in place. Credit unions, started in the area during the late thirties, expanded very rapidly during the early forties. After World War II, producer, consumer and financial co-operatives in Southern Manitoba expanded their operations considerably (Appendix). But changes in consumer buying habits, transportation and marketing led to the dissolution of some co-operatives in the smaller communities. Further

consolidation has occurred among Southern Manitoba's co-operatives since 1955, with only thirteen co-operatives remaining.

Although originating in the thirties, co-operative education only came to the forefront during the forties. Most of the activity centered around the fieldmen of the Federation of Southern Manitoba Co-operatives and the work of Jake Siemens. Study groups, folk schools, tours of co-operatives, the Farm Radio Forum, co-op films, and training schools for managers and directors were some educational activities of the time. Co-operative councils were also formed in a number of communities to further and improve co-operative knowledge of the people. Co-operative education continued strongly during the early fifties, but began to lose its effectiveness as the Federation of Southern Manitoba declined in importance. Beginning during the late fifties Federated Co-operatives started its own public relations and information program which duplicated some of the work of the Federation. Combined with its financial problems and dwindling support from the region's co-operatives, the Federation of Southern Manitoba Co-operatives discontinued in 1964. But the concept of co-operative education did not die; it has continued through the co-operative training institution at Saskatoon, Saskatchewan.

Western Co-operative College continued to extend its educational role in the Canadian co-operative movement. Its national mandate was recognized in 1973 when it became the Co-operative College of Canada with a federal charter. In 1975, twenty-six co-operative organizations from across Canada were members of the College.<sup>31</sup> Its evolution as both a nationally and internationally recognized co-operative training centre marked the posthumous realization of a Jake Siemens vision.

- Consumer ○
- Credit Unions ⊕
- Producer ×
- Processing △



## Notes to Chapter One

1. Ian MacPherson, Each For All: A History of the Co-operative Movement in English Canada, 1900-1945 (Toronto: Macmillan Company, 1979), pp. 1-2.
2. Ibid., pp. 2-3.
3. The first wholesale federation was organized in 1863. This organization became The Co-operative Wholesale Society in 1873. Similarly a Scottish Wholesale Society was formed in 1868. C.R. Fay, Co-operation at Home and Abroad, 2 vols. (London: P.S. King & Son, 1936) 1: 281-282.
4. MacPherson, Each For All, p. 5.
5. There were only 111 marketing co-operatives selling the less important farm products in 1937. C.R. Fay, Co-operation at Home and Abroad, 2: 249.
6. MacPherson, Each For All, p. 5.
7. Peter Manniche, Living Democracy in Denmark (Westport: Greenwood Press, 1952), p. 72.
8. In 1917 the Grain Growers Grain Company and Alberta Farmers Co-operative amalgamated and formed a new company, United Grain Growers. Saskatchewan Co-operative Elevator Company merged with the wheat pool in 1925, forming Saskatchewan Wheat Pool. Alberta Wheat Pool was organized in 1923.
9. MacPherson, Each For All, p. 52.
10. Ibid., p. 57.
11. Ibid., p. 97.
12. Ibid., p. 127.
13. Ibid., pp. 29-30.
14. J.M. Parsey, R.D. Chase, and D.G. Reimer. Credit Unions (Winnipeg: Study Group Committee, 1951), p. 8.
15. Ibid., p. 133.
16. "Education for Action," an address by A.B. MacDonald of Francois Xavier University to delegates to the Annual Meeting of Manitoba Pool Elevators, October 1939, pp. 6-7.
17. MacPherson, Each For All, p. 164.



18. Out of Co-op Mutual Benefit and the Saskatchewan Wheat Pool emerged a new, larger co-operative insurance company, Co-op Life, in 1945.  
Ibid., p. 197.
19. Ibid., pp. 196-197.
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21. Manitoba Department of Agriculture and Immigration The Story of Manitoba's Agriculture (Winnipeg: Queen's Printer, 1956), p. 9.
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24. Ibid., p. 71.
25. Ibid., pp. 77-78.
26. Ibid., pp. 68-69.
27. Ibid., p. 70.
28. Ibid., pp. 75-76.
29. Ibid., p. 79.
30. Ibid., p. 86.
31. Ibid., p. 88.
32. Ibid., p. 90.
33. Ibid., p. 90.
34. Ibid., p. 100.
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36. Ibid., p. 96.
37. Ibid., p. 217.
38. Ibid., p. 244.
39. Ibid., p. 101.
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41. Britnell and Fowke, Canadian Agriculture in War and Peace, 1935-50, p. 171.
42. Ibid., p. 113.
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46. Ibid., p. 7.
47. Ibid.
48. Ibid., pp. 8-9.
49. The Economic Annalist, November 1946, p. 73.
50. The Economic Annalist, December 1949, p. 124.
51. Dominion Bureau of Statistics (DBS), Handbook of Agricultural Statistics Part II, Farm Income, 1926-56, p. 43.
52. The Economic Annalist, December 1951, pp. 123-124.
53. The Economic Annalist, December 1954, p. 124.
54. The Economic Annalist, December 1955, p. 125.
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56. Ibid., p. 391.
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58. DBS, Census of Canada, 1941: Volume VIII, Agriculture, p. 610.
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61. John H. Warkentin, "Mennonite Settlements of Southern Manitoba" (Ph.D. dissertation, University of Toronto, 1960), Vol. II, pp. 498-499.

62. Warkentin, "Mennonite Settlements of Southern Manitoba", Vol. I, p. 278.
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84. Peter D. Zacharias, Reinland An Experience in Community (Altona: D.W. Friesen & Sons, 1976), p. 167.
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5. Rhineland Consumers Co-operative, Twenty-Fifth Anniversary, 1931-1956, p. 3.
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7. Ibid.
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19. Rhineland Consumers Co-operative Limited, Twenty-Fifth Anniversary 1931-1956, p. 9.
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61. Annual Report of Altona Co-operative Service Ltd., 1961, n.p.
62. Annual Meeting of Manitoba Co-operative Wholesale, 29 March 1951, n.p.
63. Report of the Board of Directors to the Twenty-eighth Annual Meeting of the Shareholders of Rhineland Consumers Co-op Ltd., 20 March 1959, p. 3.
64. The Canadian Mennonite, 12 July 1963, n.p.

65. Epp, Mennonites in Canada, 1786-1920, pp. 166-167.
66. Directors Report, Second Annual Meeting of Co-operative Vegetable Oils, 29 September 1945, p. 1.
67. Ibid., p. 1.



## Notes to Chapter Three

1. G.E. Panting, "A Study of the United Farmers of Manitoba to 1928" (M.A. thesis, University of Manitoba, 1954), p. 35.
2. Edward Groening, "Reminiscences of the Lowe Farm Consumers Co-op." A speech presented at the Fortieth Annual Meeting of Lowe Farm Consumers Co-op, 1971.
3. Meyers, The Spirit of the Post Road, p. 36.
4. Father Moses M. Coady of St. Francis Xavier University at Antigonish, Nova Scotia, introduced the study group approach to community problems in 1927. Under the programme, small groups would gather to assess the community problems and discuss possible solutions. In the discussion, the group would develop a plan of group economic action. This approach later became known as the Antigonish Movement.
5. Edward Groening interview, Lowe Farm, Manitoba, April 1975.
6. Manitoba Department of Agriculture and Immigration, The Story of Manitoba's Agriculture (Winnipeg: The Queen's Printer), 1956, p. 9.
7. Quoted in Meyers, The Spirit of the Post Road, p. 28.
8. Edward Groening, Speech at the Fortieth Annual Meeting of Lowe Farm Consumers Co-operative, 12 February 1971, p. 1.
9. Annual Convention of the Federation of Southern Manitoba Co-operatives, 8 June 1942, p. 2.
10. Manitoba Co-operative Wholesale Limited Especially for Co-op Directors (Winnipeg: Manitoba Co-operative Wholesale Limited, August 1951), p. 8.
11. Ibid.
12. According to Edward Groening, Imperial Oil, Canadian Oils and North Star Oil all had bulk agencies in Lowe Farm in 1933. Groening, speech at the Fortieth Annual Meeting of Lowe Farm Consumers Co-operative, p. 3.
13. Jacob H. Hildebrand, unpublished speech, Altona, Manitoba, 1973.
14. Six farmers and one businessman had started Farmers Oil Company in 1927. By 1931 the membership had increased to 90. Jacob H. Hildebrand interview, Altona, Manitoba, March 1973.

15. Besides J.J. Siemens, the Board of Directors included Peter B. Sawatzky, William W. Heinrichs, Peter C. Heinrichs, Jacob H. Hildebrand, Abram Janzen and John J. Reimer, and P.S. Hildebrand, alternative.  
The Community Builder, 1951, p. 4.
16. Jacob H. Hildebrand, speech at the Past Directors' Night, Altona, Manitoba, n.d., p. 1.
17. Ibid.
18. The Community Builder, 1951, p. 4.
19. J.J. Siemens was active in organizing calf and poultry clubs in the area. Occasionally, he contributed articles on club work in the Rhineland Agricultural Quarterly.
20. Menno Klassen interview, Winnipeg, Manitoba, June 1975.
21. Ibid.
22. Ibid.
23. Conference of Mennonites in Canada Archives (CMCA), C.P. Morin, Federation of Southern Manitoba Co-operatives Fieldman, Altona to Darwin Chase, Winnipeg, 16 January 1963.
24. Menno Klassen interview, Winnipeg, Manitoba, June 1975.
25. Steinbach Post, November 26, 1931, p. 2.
26. Manitoba Legislative Assembly, Sessional Papers 1934, Annual Report of the Extension Service, pp. 37-38.
27. Ray Siemens interview, Altona, Manitoba, March 1973.
28. Rhineland Consumers Co-operative Limited: Twenty-Fifth Anniversary 1931-1956 (Altona, Manitoba, 1956), p. 23.
29. The Manitoba Co-operator, October 1935, p. 9.
30. Rhineland Consumers Co-operative Limited, Comparative Statement of Operating Statistics, 1931-1938, p. 1.
31. The Manitoba Co-operator, April 1933, p. 8.
32. The original co-operative principles adopted at Rochdale called for trade on a cash basis only.
33. The Manitoba Co-operator, April 1933, p. 8.

34. Edward Groening interview, Lowe Farm, Manitoba, April 1975.
35. J.J. Siemens, "Consumer and Producer", Rhineland Agricultural Society Quarterly, 2 (July 1932): 22.
36. David K. Friesen interview, Altona, Manitoba, February 1982.
37. Meyers, The Spirit of the Post Road, p. 61.
38. The Community Builder, June 1949, p. 6.
39. Red River Valley Echo, September 5, 1956, n.p.
40. Altona Co-operative Service Limited, Comparative Statement of Operating Statistics 1937-1942, p. 1.
41. The organizational work was begun in 1938, but a shortage of funds prevented the co-operative from starting operations until 1940. Meyers, The Spirit of the Post Road, p. 70.
42. R.D. Chase, "Unpublished Co-operative Course Notes." p. 3.
43. G.G.H. Ens interview, Reinland, Manitoba, February 1975.
44. Manitoba Legislative Assembly, Sessional Papers 1939, Annual Report of the Department of Agriculture and Immigration, p. 7.
45. G.G.H. Ens interview, Reinland, Manitoba, February 1975.
46. The Grain Growers Grain Company amalgamated with the Alberta Co-operative Elevator Company and became United Grain Growers Limited in 1917.
47. Wheat prices had slumped to 44 cents per bushel in 1932. Canada, Dominion Bureau of Statistics, Dominion Bureau of Statistics Bulletin, 1932, p. 405.
48. The Community Builder, January 1951, p. 8.
49. The Manitoba-Saskatchewan and Alberta Wheat Pools, organized during the 1920's to market producer members wheat, fell into financial ruin. When the international wheat market collapsed due to a surplus, the Central Selling Agency found itself in the impossible position of having paid a higher price to its producer members for wheat than it could get on the world market. This resulted in the three pools owing their respective provincial governments 22,000,000 dollars and the bankruptcy of the Manitoba Wheat Pool.  
The Manitoba Co-operator, 10 April 1975, p. 10.
50. Rhineland Consumers Co-operative, Letter to Patrons, 1939. Personal files of William Friesen, Winnipeg, Manitoba.

51. Dominion Bureau of Statistics, Handbook of Agricultural Statistics, p. 40.
52. Manitoba Department of Agriculture and Immigration Annual Report, 1933-34, p. 1.
53. G.G. Neufeld, "Study Clubs," Rhineland Agricultural Society Quarterly, 7 (April 1937): 18.
54. William Friesen and John L. Braun, eds., Lowe Farm 75 Anniversary, (Lowe Farm, Manitoba, 1976), p. 11.
55. Community Builder, p. 3. The original savings in the credit union totalled a mere \$23.25. The assets of the Altona Credit Union have grown steadily over the years totalling \$27,000,000 in 1979. Credit Union Bulletin 14, October 1979: 4.

## Notes to Chapter Four

1. Province of Manitoba, Department of Agriculture and Immigration, Annual Report of the Department of Agriculture and Immigration, 1938-1939, p. 1.
2. Province of Manitoba, 30th Annual Report of the Extension Service of the Department of Agriculture and Immigration, 1939-40, p. 1.
3. Farm mechanization, interrupted by the depression, continued during the late 1930's and into the 1940's, although somewhat inhibited by wartime production. Three thousand and eight tractors were sold in 1938. Tractor sales averaged 2124 annually during the war years, 1939-1945. Manitoba Department of Agriculture and Immigration, The Story of Manitoba Agriculture, p. 31.
4. Mennonite men, eligible for military service who refused to fight in World War II because of religious convictions were classified as conscientious objectors - pejoratively known as CO's - by the federal authorities. The CO's were placed in camps where they served as alternative service workers. It also should be pointed out that a significant number of Mennonite Canadian rejected Mennonite doctrine and served in the Canadian Forces in the Second World War.
5. Ian MacPherson, Each For All, pp. 191-192.
6. W.L. Morton, Manitoba: A History (Toronto: University of Toronto Press, 1957), pp. 445-446.
7. Reinland Co-op Dairy Society, a cheese plant, had preceded the Winkler Co-operative Creamery during the 1930's and eventually amalgamated with the Winkler Co-operative Creamery.
8. Winkler Co-operative Creamery Limited, 25th Annual Meeting Anniversary Report, 16 April 1966, pp. 3-4.
9. Ibid.
10. History and Operations of Winkler Co-operative Creamery Limited, 1940-1945, p. 1.
11. Ibid., p. 10.
12. Ibid., p. 3.
13. Jim Hamm interview, Winnipeg, Manitoba, August 1975.
14. The federal government estimated a carryover of 575,000,000 bushels of wheat for the crop year ending July 31, 1941. The Western Producer, 20 March 1941, p. 5.
15. Ibid.

16. The imported vegetable oils consisted of coconut, palm, soybean, peanut, corn, sunflower and rapeseed oil.
17. Mennonite and Sunrise were two common varieties.
18. The Dominion Laboratory had begun research on the commercial sunflower seed production in western Canada in 1936. J.T. Ewing, "Three Sources of Oil", Family Herald and Weekly Star, May 1942, p. 5.
19. The shipping costs were nearly two cents per pound on raw material. Approximately fifty percent of the seed consisted of hulls.
20. David K. Friesen founded the weekly rural newspaper, The Altona Echo in 1941. Because its coverage extended beyond the Altona vicinity and throughout the Red River Valley, the paper was renamed Red River Valley Echo.
21. The Altona Echo, 1 December 1943, pp. 1-2.
22. Meyers, The Spirit of the Post Road, p. 109.
23. The committee consisted of Peter Brown, Menno Klassen, Jake Siemens, J.P. Riediger and Howard W. Winkler, M.P. for Lisgar. Ibid.
24. The Altona Echo, 1 December 1943, p. 2.
25. The Altona Echo, 3 October 1945, p. 1.
26. J.J. Siemens, "Sunflower Rebuilds Community," Mennonite Life, (July 1948): 30.
27. The provisional board of directors were:  
 President, Peter Brown, Altona  
 Vice-President, Dr. C.W. Wiebe, Winkler  
 John N. Dyck, Lowe Farm  
 Jacob J. Siemens, Altona  
 H.M. Wiebe, Altona  
 Died Reimer, educational director, Federation of Southern Manitoba Co-operatives, served as secretary and Peter Brown became the managing director of Co-operative Vegetable Oils. The election of influential people from different communities to the board reflected the strategy to attract local community and co-operative leaders to the cause.

28. The first permanent board of directors were:  
 President, J.J. Siemens  
 Vice-President, David K. Friesen  
 Ben Siemens  
 John J. Peters  
 John C. Nickel  
 Jacob H. Hildebrand  
 Ben H. Sawatsky  
 Peter Brown  
 Co-operative Vegetable Oils, Minutes of First Annual Meeting of  
 Co-operative Vegetable Oils, April 12, 1944, p. 4.
29. Co-operative Vegetable Oils, Minutes of the First Annual Meeting  
 of Co-operative Vegetable Oils, 12 April 1944, p. 1.
30. Peter Brown interview, Winnipeg, Manitoba, March 1973.
31. Co-operative Vegetable Oils, Minutes of First Annual Meeting, 12  
 April 1944, p. 2.
32. Interview with Died Reimer, August 1975.
33. Co-operative Vegetable Oils, Minutes of the First Annual Meeting,  
 12 April 1944, p. 1.
34. Co-operative Vegetable Oils, Minutes of Board of Directors Meeting  
 Co-operative Vegetable Oils, 19 May 1944, p. 1.
35. Died Reimer notes, 1948, n.p.
36. Co-operative Vegetable Oils, Minutes of a Special Shareholders  
 Meeting, 14 August 1944, p. 1.
37. Co-operative Vegetable Oils, Minutes of the Board of Directors  
 Meeting, 27 June 1945, p. 1.
38. When the plant opened, approximately \$160,000.00 had been spent on  
 the construction and equipment.  
 "Miscellaneous Notes", Early Beginnings - Co-op Vegetable Oils,  
 p. 2.
39. Initially the provincial government guaranteed a bond issue for  
 \$40,000.00 Before plant completion, the government guaranteed an  
 additional \$15,000.00 in bonds.  
Altona Echo, 29 November 1944, p. 1; and Meyers, The Spirit  
of the Post Road, p. 118.
40. Meyers, The Spirit of the Post Road, p. 118.
41. Special meeting of Co-operative Vegetable Oils, 25 September 1943,  
 p. 1.
42. Manitoba Statutes, Vol. I & II, 1946, Ch. 6, p. 17.

43. Fred Hamilton interview, Winnipeg, Manitoba, May 1975.
44. Altona Echo, 23 February 1944, p. 2.
45. Department of Agriculture and Immigration Annual Report 1942-43, pp. 1-2.
46. In 1941 Manitoba farmers produced 2,076,000 bushels of corn. Manitoba Department of Agriculture and Immigration, Story of Manitoba's Agriculture, April 1956, p. 20.
47. The Altona Echo, 24 September 1941, p. 1.
48. The Western Producer, 30 October 1941, p. 5.
49. Corn acreage declined from 100,000 acres in 1942 to only 9,900 acres in 1948. Manitoba Department of Agriculture and Immigration, The Story of Manitoba's Agriculture, April 1956, p. 20.
50. Southern Manitoba Co-operative Bulletin, July 1939, n.p.
51. G.G.H. Ens interview, Reinland, Manitoba, February 1975.
52. Manitoba Co-operator, 15 September 1945, p.6.
53. Meyers, The Spirit of the Post Road, p. 132.
54. Ibid., p. 134.
55. G.G.H. Ens interview, Reinland, Manitoba, February 1975.
56. Meyers, The Spirit of the Post Road, p. 134.
57. CMCA, Jim Hamm, Director of the Winkler Co-operative Bureau of Information, to Diedrich G. Reimer, Winkler, 13 February 1946.
58. The shareholders included only two Winkler businessmen: G.W. Neufeld, a local implement dealer, and William Ternowetsky, the local hotelkeeper. Most of the shareholders were from outside the area.  
Synopsis of Prospectus, The Prairie Cannery Limited, Winkler, Manitoba, 1947, n.p.
59. Peter R. Redekopp interview, Winkler, Manitoba, July 1982.
60. G.G.H. Ens interview, Reinland, Manitoba, February 1975.
61. CMCA, Jim Hamm to Diedrich G. Reimer, Winkler, 13 February 1946.
62. Diedrich G. Reimer interview, Altona, Manitoba, August 1975.
63. Meyers, The Spirit of the Post Road, p. 134.



64. Ian MacPherson, Each For All, pp. 195-196.
65. Manitoba Co-operative Wholesale, Field Service and Extension News, March 1940, pp. 1-2.
66. Ian MacPherson, Each For All, p. 195.
67. Manitoba Legislative Assembly, Sessional Papers, No. 25, 1941-42, Annual Report of the Registrar of Co-operative Associations, pp. 1-2.
68. Meyers, The Spirit of the Post Road, pp. 70-71.
69. Statistics of the Lowe Farm Co-operatives, n.d.
70. Edward Groening interview, Lowe Farm, Manitoba, April 1975.
71. William Friesen & John L. Braun, eds., Lowe Farm 75th Anniversary 1899-1974, p. 13.
72. Sales of Lowe Farm Co-operative Service grew from \$9,889.02 in 1940 to \$44,858.90 in 1945.
73. David Wall interview, Winnipeg, Manitoba, January 1975.
74. Ibid.
75. Phil Isaacs interview, Hyden, Kentucky, February 1976.
76. Report of the Annual Convention of the Federation of Southern Manitoba Co-operatives, 8 June 1942, p. 5.
77. Meyers, The Spirit of the Post Road, p. 87.
78. Report of the Annual Convention of the Federation of Southern Manitoba Co-operatives, 8 June 1942, p. 6.
79. 25th Anniversary Report of Winkler Co-op Service (1959) Ltd., p. 1.
80. Rhineland Farmers Co-operative Machine Shop Limited Membership List, 31 December 1944.
81. Minutes of Special Board and Ex-Directors' Meeting of Rhineland Farmers' Co-operative Machine Shop, 19 July 1945.
82. Minutes of the Rhineland Farmers' Co-operative Machine Shop Annual Meeting, 5 April 1945.
83. Minutes of Co-op Bakery Meeting, 5 February 1945, n.p.

84. Miami Consumers Co-op was a shareholder in Co-op Bakeries.  
Minutes of Co-op Bakeries Meeting, 11 May 1948, n.p.
85. J. Bois, Letellier  
B.D. Enns, Plum Coulee  
J.B. Wiens, Lowe Farm  
Martin Klassen, Gretna  
D.N. Loewen, Altona  
Norbert Parent, St. Joseph  
William Brown, Lowe Farm (alternate)  
Minutes of Proposed Co-op Bakery Meeting at Plum Coulee,  
Manitoba, 19 July 1945, n.p.
86. Co-op Bakeries Limited Financial Statements, 1946, p. 1.
87. Minutes of the 35th Board Meeting of the Federation of Southern  
Manitoba Co-operatives, 22 February 1946, p. 1.
88. Minutes of Co-op Bakeries Meeting, 11 May 1948, n.p.
89. Peter Brown notes, 1943, p. 4.
90. D.G. Reimer notes, 1948, n.p.
91. Financial Statement of Rhineland Co-operative Farm, n.p.
92. Only two of the original eight members were on the farm at the  
end of the war, the rest had entered alternative service.  
D.G. Reimer notes, 1948, n.p.
93. J.E. O'Meara, "Credit Unions in Canada, 1944," The Economic  
Annalist 16 (February 1946): 23.
94. A.H. Turner, "Credit Unions in Canada," The Economic Annalist 9  
(February 1941): 7.
95. G. Church, "Farm Organizations on the Prairies," Proceedings of  
Seminar on Development of Agriculture on the Prairies, University  
of Regina, January 1975, p. 48.
96. Edward Groening interview, Lowe Farm, Manitoba, April 1975.
97. Manitoba Federation of Agriculture, Report on Adult Education,  
September 1940 - June 1941, p. 2.
98. Manitoba Department of Agriculture, What is a Credit Union, 1945,  
pp. 4-5.
99. Ibid., p. 6.
100. Diedrich Reimer interview, Altona, Manitoba, August 1975.

101. He organized approximately 400 credit unions in his career.Ibid.
102. Minutes of the 17th Meeting of the Federation of Southern Manitoba Co-operatives, 21 May 1943, p. 1.
103. CMCA, D.G. Reimer to J.W. Ward, Winnipeg, 24 October 1946.
104. D.G. Reimer interview, Altona, Manitoba, August 1975.
105. Jim Hamm interview, Winnipeg, Manitoba, August 1975.
106. D.G. Reimer interview, Altona, Manitoba, August 1975.
107. Gordon Leckie interview, Winnipeg, Manitoba, May 1975.
108. Minutes of the 24th Board Meeting of the Federation of Southern Manitoba Co-operatives, 21 January 1944, p. 1.

## Notes to Chapter Five

1. Manitoba Department of Agriculture and Immigration, The Story of Manitoba's Agriculture, p. 17.
2. Manitoba Department of Agriculture and Immigration, 38th Annual Report of the Extension Service 1947-48, p. 1.
3. Morton, Manitoba: A History, pp. 452-453.
4. Annual Report of Department of Agriculture and Immigration, 1956-57, Sessional Papers, 34, 1958, p. 1.
5. Annual Report of Department of Agriculture and Immigration, 1955-56, Sessional Papers, 30, 1957, pp. 1-2.
6. Dominion Bureau of Statistics, 8th Census of Canada, Vol. I, 1941, p. 40.
7. F.J. Tyler, The Farmer as a Social Class, p. 58.
8. Morton, Manitoba: A History, p. 453.
9. J.C. Gilson, J.J. Nesbitt, E.J. Tyler, Report of the Manitoba Commission on Farm Organizations (Winnipeg: Conference on Farm Organizations, 1962), pp. 61-62.
10. Annual Report of Department of Agriculture and Immigration, 1952-53, Sessional Papers, 27, 1954, p. 1.
11. Phil Isaacs interview, Hyden, Kentucky, February 1976.
12. Ian MacPherson, Each For All, p. 195.
13. Gordon Leckie interview, Winnipeg, Manitoba, May 1975.
14. The Credit Union Act of 1946 required that supervisory committees review the affairs of the credit union societies at least four times a year including the audit of the books if necessary and submit annual reports to the annual meetings of the membership. Manitoba Statutes, Ch. 9, Sec. 60, pp. 86-87.
15. Manitoba Statutes, Ch. 9, Sec. 79, pp. 91-92.
16. Annual Report of the Department of Agriculture and Immigration, 1951-52, Sessional Papers, No. 28, 1953, p. 3.
17. Manitoba Credit Unions Annual Report, 31 December 1949, n.p.
18. It is noteworthy that the local newspaper referred to the embezzlement as a cash shortage, probably to protect itself from any libel suit before the allegations were proven in court. Winkler Progress, 20 June 1950, p. 1.

19. Peter Brown interview, Winnipeg, Manitoba, April 1973.
20. Diedrich G. Reimer interview, Altona, Manitoba, August 1975.  
The Manitoba Central Credit Union incorporated in 1944 was a depository for surplus funds of Manitoba's Credit Unions. Its main function was to provide loans to its member credit unions. In 1950, by special act of the Manitoba Legislature, the financial branch, the Manitoba Central Credit Union Society and the education and organizational arm, the Credit Union Federation of Manitoba amalgamated, forming the Co-operative Credit Society of Manitoba.  
J.M. Parsey, R.D. Chase and D.G. Reimer, Credit Unions: A Study of Credit Unions with Emphasis on the Development in Manitoba (Winnipeg: The Study Group Committee, 1951), p. 34.
21. M. J. Hamm interview, Winnipeg, Manitoba, August 1975.
22. D.G. Reimer interview, Altona, Manitoba, August 1975.
23. Winkler Progress, 20 June 1950, p. 1.
24. D.G. Reimer interview, Altona, Manitoba, August 1975.
25. Winkler Progress, 20 June 1950, p. 1.
26. Henry F. Wiebe, appointed manager in 1950, is still serving in that capacity.
27. Minutes of the Board Meeting of the Co-operative Credit Union Society of Manitoba, 18 October 1950, p. 5.
28. D.G. Reimer interview, Altona, Manitoba, August 1975.
29. Southern Manitoba Credit Union Chapter, Credit Union Bulletin, October 1975, p. 4.
30. Minutes of Joint Meeting of Directors of the Co-operatives in Altona, 16 November 1944, p. 2.
31. Letter to shareholders of Altona Co-operative from Provisional Board of Directors, 25 June 1948, n.p.
32. Diedrich Reimer interview, Altona, Manitoba, August 1975.
33. Meyers, The Spirit of the Post Road, p. 25.
34. Ibid., p. 34.
35. The Manitoba Co-operator, November 1935, p. 15.
36. The essay topic in the first contest was: "The Value of Consumer Co-operation in the Community".

37. In 1936, 420 contestants participated in problem solving and essay writing on co-operative subjects.  
Minutes of the Second Board Meeting of the Federation of Southern Manitoba, November 1941, p. 1.
38. The Manitoba Co-operator, December 1935, p. 8.
39. Western Producer, 8 July 1937, p. 7.
40. The federation consisted of the nine co-operative associations located in Altona, Lowe Farm, Gretna, Reinland, St. Anne, Rosenhoff and Rosenort.
41. The publication was later known as Southern Manitoba Co-operative Bulletin.
42. Southern Manitoba Co-operative Bulletin, 15 April 1939, n.p.
43. Southern Manitoba Co-operative Bulletin, February 1940, p. 7.
44. Federation of Southern Manitoba Co-operatives Information Sheet, 21 November 1960, n.p.
45. Rhineland Consumers Co-operative Limited, Twenty-Fifth Anniversary 1931-1956, p. 3.
46. Southern Manitoba Co-operative Bulletin, February 1940, p. 2.
47. The Federation of Southern Manitoba Co-operatives often will be called the Federation.
48. Phil Isaacs was the first business supervisor and auditor for the Federation of Southern Manitoba Co-operatives.
49. Federation of Southern Manitoba Co-operatives, Minutes of Managers' Meeting, 25 September 1943, n.p.
50. One issue of the Southern Manitoba Co-operative Bulletin featured an editorial which recommended Coady's book, Masters of Their Own Destiny to its readers.  
Southern Manitoba Co-operative Bulletin, February 1940, p.1.
51. The Manitoba Co-operative Conference, founded in 1938, was a provincial organization which represented the co-operative movement in the province. The Manitoba Federation of Agriculture promoted the interests of Manitoba farmers exclusively.
52. Menno Klassen interview, Winnipeg, Manitoba, June 1975.
53. Minutes of the Federation of Southern Manitoba Co-operatives, Educational Programme of Altona Co-operatives 1944, pp. 3-4.

54. Some of the topics were: consumer co-operation, credit unions, livestock marketing, foods and health, rural community health and soil conservation. Study Groups Solve Problems, 1941-42 Discussion Courses.
55. Convention Program of the Federation of Southern Manitoba Co-operatives, 8 June 1942, p. 14.
56. Report of the Annual Co-op Convention, p. 14.
57. Ibid., p. 17.
58. CMCA, A.J. Friesen, to Diedrich G. Reimer, Plum Coulee, Manitoba, 27 October 1945.
59. Died Reimer used films extensively in his educational programme. He used the film "The Lord Helps Those Who Help Themselves" (the story of Father Coady and his work at Antigonish, Nova Scotia) regularly at co-op meetings.
60. Federation of Southern Manitoba Co-operatives, Minutes of Educational Committee Meeting, 29 November 1943, p. 1.
61. Edward Groening interview, Lowe Farm, Manitoba, January 1975.
62. Federation of Southern Manitoba Co-operatives, Minutes of Educational Committee Meeting, 29 November 1943, p.1.
63. Federation of Southern Manitoba Co-operatives, Minutes of the Second Board Meeting, 13 November 1941, p. 2.
64. Federation of Southern Manitoba Co-operatives, Minutes of the Fourth Board Meeting, 23 January 1942, p. 2.
65. Federation of Southern Manitoba Co-operatives, Minutes of Educational Committee Meeting, 3 February 1944, p. 1.
66. Minutes of a Joint Meeting of Directors of Altona Co-ops, 16 November 1944, p. 1.
67. The Bergthaler Church was quite influential in both Altona and Winkler. Its membership was among the highest of Mennonite denominations in both communities.
68. Martin J. Hamm interview, August 1975.
69. Gordon Leckie interview, Winnipeg, Manitoba, May 1975.
70. M.J. Hamm interview, Winnipeg, Manitoba, August 1975.
71. D.G. Reimer interview, Altona, Manitoba, August 1975.

72. Gordon Leckie interview, Winnipeg, Manitoba, May 1975.
73. Minutes of the 33rd Board Meeting of the Federation of Southern Manitoba Co-operatives, 3 October 1945, p. 1.
74. Special Board Meeting of the Federation of Southern Manitoba Co-operatives, 17 March 1951, p. 1.
75. Co-op Vegetable Oils contributions did not appear until 1950. Statement of Income and Disbursements of Altona Co-op Council, 31 October 1948, n.p.
76. Minutes of Joint Meeting of the Board of Directors of Altona Co-operatives, 16 November 1944, p. 1.
77. Manitoba Co-operator, 13 January 1949, p. 5.
78. Minutes of Altona Co-operative Council Meeting, 9 February 1953, p. 1.
79. Altona Co-operative Council, Report of Secretary of Altona Co-op Council to Directors of Altona Co-operatives 1947, p. 2.
80. Community Builder, October 1948, pp. 8-9.
81. Comments by Winkler co-operator, J.J. Elias, Minutes of Altona Co-op Council, 17 March 1952, p. 1.
82. Report of Co-op Fieldman to Lowe Farm Educational Co-op, October 1947 - March 1948, p. 1.
83. H.G. Brown, Educational Director, to Edward Groening, Lowe Farm, 30 November 1948, personal files of Edward Groening, Lowe Farm, Manitoba.
84. Report of Co-op Fieldman to Lowe Farm Educational Co-op, October 1947 - March 1948, p. 1.
85. Minutes of Board of Directors Meeting of the Federation of Southern Manitoba Co-operatives, 31 July 1946, p. 2
86. Annual Report of the Manitoba Federation of Agriculture and Co-operation, 31 March 1946, p. 4.  
The Manitoba Federation of Agriculture was re-organized in 1945 to include co-operative affairs for the Province. Actually it was the Manitoba section of the Co-operative Union of Canada, which had promoted the creation of provincial bodies throughout Canada. Thus, the new name, Manitoba Federation of Agriculture and Co-operation.  
Gilson, Nesbitt and Tyler, Report of the Manitoba Commission on Farm Organizations, pp. 13-14.



87. Invitation from Federation of Southern Manitoba Co-operatives to Co-op Directors, 22 July 1947, n.p.
88. Minutes of the Annual Meeting of the Federation of Southern Manitoba Co-operatives, 3 April 1953, p. 2.
89. Report of the Activities of Altona Co-op Council, 1946-47, p. 3.
90. Minutes of the Board meeting of the Rhineland Agricultural Society, 22 April 1950, n.p.
91. Minutes of a Special Board Meeting of the Federation of Southern Manitoba Co-operatives, 17 March 1951, p. 2.
92. The committee members were: J.J. Siemens, J.K. Schroeder, G.G. Voth, L.B. Siemens, J.B. Harder, Pete Labun, John Elias, and H.E. Hildebrand.  
Ibid., p. 2.
93. Ibid., p. 3.
94. Ibid., p. 3.
95. International Co-operative Institute Newsletter, No. 2, p. 1.
96. CMCA, Gordon Leckie letter to J.J. Siemens, J.A. Fehr and John Harp, 29 April 1953, p. 1.
97. Ibid., p. 2.
98. International Co-operative Institute Newsletter, No. 2, p. 2.
99. Minutes of the Meeting of Provisional Executive Committee of the International Co-operative Institute, 8 January 1953, p. 2.
100. International Co-operative Institute Newsletter, No. 2, p. 2.
101. CMCA, G.W. Leckie, Secretary-Treasurer of the International Co-operative Institute, to H.H. Janzen, Winnipeg, 12 May 1955.
102. Western Co-operative College Information Sheet, March 1960, p. 2. In 1960, the Co-operative Institute was incorporated as Western Co-operative College. When it assumed a national mandate, it became known as the Co-operative College of Canada.
103. The co-operative training centre was incorporated as Western Co-operative College in 1959.  
Western Co-operative College Information Sheet, n.p.
104. Fieldman's Report of Federation of Southern Manitoba Co-operatives, 21 November 1960, n.p.

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106. Southern Manitoba was part of Federated Co-operatives Limited (FCL) District Two.

## Notes to Epilogue

1. Ray Siemens interview, Altona, Manitoba, May 1982.
2. Federation of Southern Manitoba Co-operatives Report, Co-op Vegetable Oils Annual Meeting, 1956, p. 2.
3. Ibid.
4. Special Meeting of the Federation of Southern Manitoba Co-operatives, 29 December 1956, n.p.
5. Ray Siemens interview, Altona, Manitoba, July 1982.
6. Ibid.
7. Ibid. The refinery was built and started operating in 1950.
8. Darwin Chase interview, Winnipeg, Manitoba, July, 1975.
9. Report to the 15th Annual Meeting of Co-op Vegetable Oils, 29 November 1958, p. 4.
10. 13th Annual Report of Co-op Vegetable Oils, 1956, p. 11.
11. Crush Statistics of C.S.P. Foods Ltd., Altona, Manitoba.
12. 25th Annual Meeting Anniversary Report of Winkler Co-operative Creamery, 16 April 1966, p. 11.
13. Winkler Co-op creamery became part of Manitoba Dairy & Poultry Co-operative in 1968. Peter Wiebe interview, Winkler, Manitoba, July, 1982.
14. John J. Elias interview, Winkler, Manitoba, February 1975.
15. Jack Thiessen interview, Altona, Manitoba, July 1982.
16. Ray Siemens interview, Altona, Manitoba, July 1982.
17. Report to the 16th Annual Meeting of Co-operative Vegetable Oils, 14 November 1959, p. 10.
18. 20th Annual Report of Co-op Vegetable Oils; 1963, p. 12.
19. Gardenland Packers was dissolved in 1980. Interview with Jack Thiessen at Altona, Manitoba, July, 1982.
20. Diedrich H. Loewen interview, Altona, Manitoba, February 1975.
21. Winkler Co-op Service and Stanley Consumers Co-op amalgamated in 1975.

22. Phil Isaacs interview, Hyden, Kentucky, February 1976.
23. Ibid.
24. 25th Annual Anniversary Report of Winkler Co-operative Service, p. 21.
25. The sales figures include the petroleum and farm supply division formerly Stanley Consumers Co-op, Winkler Consumers Co-operative Statistics.
26. Jake Penner interview, Plum Coulee, Manitoba, July 1982.
27. Ibid.
28. Western Co-operative College, This is our Challenge in 1960, p. 1.
29. Western Co-operative College, "Facts About the College", March, 1960, n.p.
30. Annual Report of the Federation of Southern Manitoba Co-operatives, 1961, n.p.
31. "Co-operatives Canada 75", Co-op Commentary 29 May 1975, p. 24.

## Appendix 1

Financial Statistics of  
Altona Co-operatives  
Rhineland Consumers Co-operative

<u>YEAR</u>	<u>SALES</u>	<u>EARNINGS</u>
1931	\$ 13,515.00	\$ 1,242.00
1932	19,469	995
1933	15,074	247
1934	18,097	747
1935	30,723	3,028
1936	39,525	4,094
1937	58,601	6,820
1938	82,452	10,884
1939	97,183	15,019
1940	109,754	15,249
1941	134,879	12,233
1942	160,304	14,573
1943	183,315	15,557
1944	164,767	14,898
1945	187,433	17,229
1946	186,839	15,333
1947	208,592	18,975
1948	254,976	16,089
1949	234,718	14,072
1950	259,451	12,281
1951	285,180	17,028
1952	261,308	16,924
1953	282,667	17,596
1954	323,264	24,273
1955	333,695	25,527
1956	390,726	30,968
1957	450,902	39,945
1958	480,820	29,919
1959	587,250	63,615
1960	643,512	81,137
1961	702,135	44,597
1962	764,828	48,070
1963	832,210	76,282
1964	1,589,533	112,728
1965	1,604,595	53,210
1966	1,719,844	40,071
1967*		

\*Amalgamated with Altona Co-operative Service to form Rhineland Co-op Service.

## Appendix 1 (continued)

Financial Statistics of  
Altona Co-operatives  
Altona Co-operative Services

<u>YEAR</u>	<u>SALES</u>	<u>EARNINGS</u>
1938	\$ 17,621.00	\$ 471.00
1939	19,448	1,388
1940	58,749	4,619
1940	106,877	10,692
1942	160,877	17,560
1943	211,005	19,699
1944	236,723	22,978
1945	241,059	17,919
1946	306,328	21,354
1947	320,168	19,352
1948	354,738	19,208
1949	372,542	16,007
1950	396,346	5,537
1951	505,395	26,609
1952	486,808	8,180
1953	485,234	18,309
1954	517,866	20,553
1955	550,203	16,279
1956	591,134	23,812
1957	562,352	25,882
1958	577,614	19,696
1959	571,283	12,600
1960	578,064	6,319
1961	515,836	(10,618)
1962	527,432	(13,325)
1963	568,495	(3,201)

( ) denotes a deficit

## Appendix 1 (continued)

Financial Statistics of  
Altona Co-operatives  
Rhineland Co-operative Machine Shop

<u>YEAR</u>	<u>SALES</u>	<u>EARNINGS</u>
1943	\$ 23,071.00	\$ 2,943
1944	19,936	268
1945	25,708	1,383
1946	24,351	1,392
1947	24,588	1,671

## Appendix 1 (continued)

Financial Statistics of  
Altona Co-operatives  
Altona Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1939	\$ 665.00
1940	1,260
1941	3,551
1942	6,171
1943	18,444
1944	48,109
1945	66,733
1946	74,961
1947	99,337
1948	150,921
1949	229,753
1950	172,565
1951	205,309
1952	270,338
1953	282,351
1954	330,272
1955	407,177
1956	503,160
1957	563,038
1958	748,892
1959	964,209
1960	1,140,579
1961	1,410,911
1962	1,580,188
1963	2,059,825
1965	3,066,357
1970	4,325,079
1975	13,759,272
1976	16,458,075
1977	19,877,647
1978	23,899,570
1979	29,143,784
1980	34,845,050
1981	38,167,070



## Appendix 1 (continued)

Financial Statistics of  
Altona Co-operatives  
Co-operative Vegetable Oils

<u>YEAR</u>	<u>GROSS VALUE OF PRODUCTION</u>	<u>NET MARGIN</u>
1946	\$ 209,758	\$ 2,308
1947	725,702	40,920
1948	1,288,109	238,612
1949	2,457,621	487,759
1950	1,606,785	105,515
1951		52,281
1952	1,427,842	(64,562)
1953		(9,662)
1954	1,721,080	67,133
1955	1,495,105	23,851
1956	1,803,110	48,886
1957	1,984,008	80,952
1958	2,009,114	19,660
1959	2,162,051	59,331
1960	2,326,335	41,843
1961	2,831,161	119,015
1962	2,742,432	56,393
1963	3,100,464	71,578
1964	3,432,358	80,600
1965	3,643,712	95,330
1966	3,819,240	104,941
1967	4,908,575	130,746
1968	5,376,253	200,061
1969	7,163,146	263,839
1970	9,570,401	453,092
1971	12,795,338	635,185
1972	15,893,246	956,864
1973	21,554,184	844,105
1974	27,161,866	991,964

## Appendix 2

## Financial Statistics of Amalgamated Co-operatives:

Rhineland Co-op Service  
 Altona, Letellier Consumers Co-operative  
 St. Jean Baptiste Consumers Co-operative  
 and Dominion City Consumers Co-operative

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1970 amalgamation	\$ 10,208,189.00	\$ 290,586.00
1971	2,442,373	(13,975)
1972	2,623,366	100,334
1973	3,096,042	178,423
1974	3,997,614	192,914
1975	4,760,565	117,478
1976	5,410,824	91,327
1977	5,568,845	40,753
1978	6,014,534	177,162
1979	7,056,864	241,461
1980	7,444,764	94,140
1981	8,291,183	94,076

## Appendix 3

Financial Statistics of Lowe Farm Statistics  
Lowe Farm Co-operative Service

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1940	\$ 9,889.00	
1941	19,892	
1942	33,350	\$ 2,344.00
1943	37,107	
1944	41,602	3,673
1945	44,858	2,756
1946	51,025	3,731
1947	65,967	4,153
1948	62,772	
1949	61,763	
1950	75,596	
1951	81,596	
1952	80,893	
1953	80,994	
1954	73,751	
1955	77,125	
1956	84,895	
1957	95,291	
1960	125,936	4,717
1961	119,680	(1,603)
1962	125,056	(757)
1963	125,801	(870)
1969	187,928	6,710
1970	170,387	2,348
1971	164,008	2,526
1972	191,187	2,790
1973	231,271	6,540
1974	264,458	9,390
1975	271,368	841
1976	270,625	987
1977	293,073	5,409
1978*	674,197	16,563
1979	1,073,370	30,534
1980	1,260,441	50,891
1981	1,558,404	74,724

\*Lowe Farm Co-op Service and Lowe Farm Consumers Co-op amalgamated in 1978.

## Appendix 3 (continued)

Financial Statistics of Lowe Farm Co-operatives  
Lowe Farm Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1939	\$ 383.00
1941	910
1942	2,538
1943	9,878
1944	22,478
1945	26,312
1946	37,401
1947	44,341
1948	50,188
1949	58,738
1950	52,828
1951	92,217
1952	109,958
1953	113,845
1954	110,529
1955	133,207
1956	158,736
1957	163,721
1958	181,998
1959	227,317
1960	261,134
1961	292,195
1962	343,675
1963	418,989
1964	484,051
1965	586,127
1966	645,541
1967	807,471
1968	858,705
1969	887,237
1970	836,998
1971	910,871
1972	1,141,060
1973	1,573,327
1974	1,864,983
1975	2,908,471
1976	3,123,178
1977	3,558,710
1978	3,885,718
1979	4,537,069

## Appendix 3 (continued)

Financial Statistics of  
 Low Farm Co-operatives  
 Low Farm Consumers Co-operative  
 (Oil Station)

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1931	\$ 4,850.00	
1932	6,140	
1933	7,828	
1934	14,811	
1935	31,515	
1936	47,443	
1937	98,272	
1938	72,985	
1939	29,840	
1940	28,594	
1941	29,771	
1942	44,809	\$ 2,770.00
1943	45,146	
1944	44,226	4,266
1945	46,141	3,474
1946	65,738	6,581
1947	74,887	
1948	77,141	
1949	86,469	
1950	84,650	
1951	95,191	
1952	93,036	
1953	97,774	
1954	90,242	
1955	102,820	
1956	121,435	
1957	124,333	
1968	219,012	4,693
1969	235,658	6,440
1970	218,732	9,424
1971	214,319	11,615
1972	255,429	16,289
1973	471,320	35,250
1974	688,219	10,477
1975	662,489	(19,092)
1976	727,798	(15,032)
1977	703,653	(62,530)

## Appendix 4

Financial Statistics of  
Winkler Co-operatives  
Winkler Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1940	\$ 47.00
1941	1,321
1942	2,084
1943	4,151
1944	9,910
1945	26,739
1946	62,329
1947	108,540
1948	289,072
1949	492,370
1950	332,574
1951	359,979
1952	349,059
1953	375,650
1954	428,399
1955	559,370
1956	916,593
1957	1,184,995
1958	1,502,533
1959	1,951,814
1960	2,492,044
1961	3,016,389
1962	3,625,563
1963	4,479,588
1964	5,251,729
1965	6,128,106
1966	7,352,565
1967	8,176,404
1968	8,177,636
1969	9,002,129
1970	9,669,492
1971	11,047,917
1972	14,767,416
1973	19,499,463
1975	24,612,511
1978	46,462,987

## Appendix 4 (continued)

Financial Statistics of  
Winkler Co-operatives  
Winkler Co-op Creamery

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1941	\$ 141,000.00	\$ 8,049.00
1942	183,696	7,547
1943	184,854	8,358
1944	214,000	5,633
1945	305,180	7,482
1946	323,000	6,891
1947	369,000	12,037
1948	577,000	15,491
1949	555,000	8,609
1950	635,000	21,326
1951	608,000	18,656
1952	749,000	9,205
1953	898,000	20,750
1954	831,000	12,205
1955	910,000	18,946
1956	989,000	22,879
1957	1,692,000	20,744
1958	2,050,000	5,996
1959	2,063,000	6,372
1960	1,653,000	36,487
1961	1,813,456	28,345
1962	1,671,791	16,663
1963	1,596,192	10,815
1964	1,596,197	27,865
1965	1,624,255	3,612
1966	1,515,006	2,737
1968*		

\*Amalgamated with Manitoba Dairy Co-operative

## Appendix 4 (continued)

Financial Statistics of  
Winkler Co-operatives  
Winkler Co-operative Service

<u>YEAR</u>	<u>SALES</u>	<u>EARNINGS</u>
1942		
1943	\$ 52,601	
1944	138,367	
1945	137,659	
1946	130,576	
1947	137,865	
1948	131,395	
1949	160,509	
1950	152,189	
1951	208,425	\$ 9,389.00
1952	207,434	8,806
1953	230,592	9,588
1954	223,575	7,290
1955	238,284	8,690
1956	289,323	13,926
1957	308,410	9,660
1958	341,298	17,626
1959	378,571	18,410
1960	425,094	26,637
1961	532,948	38,162
1962	556,251	37,492
1963	622,738	41,569
1964	667,360	48,785
1965	755,537	20,491
1966	869,822	30,546
1967	1,021,973	20,541
1968	1,094,480	31,620
1969	1,177,002	30,288
1970	1,254,993	31,727
1971	1,347,930	30,608
1972	1,555,609	54,730
1973	1,769,729	87,472
1974	2,087,587	129,958
1975*	4,841,152	248,848
1976	5,122,416	227,763
1977	5,478,698	131,377
1978	5,929,524	218,240
1979	6,475,022	84,959
1980	6,904,442	(207,358)
1981	7,439,644	(21,342)

\*Winkler Co-op Service and Stanley Consumers Co-operative amalgamated, forming Winkler Consumers Co-operative Ltd.



## Appendix 4 (continued)

Financial Statistics of  
Winkler Co-operatives  
Stanley Consumers Co-operative

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1942	\$ 17,600.00	\$ 2,152.00
1943	25,459	
1944	77,337	3,613
1945	87,969	3,685
1946	104,540	7,637
1947	126,936	
1948	98,585	
1949	111,259	
1950	142,708	
1951	178,201	
1952	192,553	13,715
1953	206,042	9,631
1954	217,785	8,410
1955	230,890	15,570
1956	258,263	16,747
1957	384,250	30,057
1958	471,398	35,839
1959	621,747	63,036
1960	712,168	54,694
1961	738,752	42,338
1962	712,741	39,137
1963	785,181	50,604
1965	859,461	26,535
1966	1,065,929	45,214
1967	1,275,436	30,134
1968	1,098,684	(5,021)
1969	1,071,199	(14,490)
1970	861,057	(56,615)
1971	841,886	24,160
1972	1,056,716	28,581
1973	1,400,918	194,279
1974	1,955,293	184,359

## Appendix 5

Financial Statistics of  
 Plum Coulee Co-operatives  
 Plum Coulee Co-operative Service

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1942	\$ 28,880.00	\$ 2,325.00
1944	38,395	2,360
1945	43,237	2,266
1946	45,922	765
1947	42,788	2,926
1949	55,726	(990)
1950	34,318	(2,068)
1951	35,237	963
1952	58,025	1,054
1953	79,511	2,289
1954	77,744	4,214
1955	78,957	6,045
1956	101,254	8,234
1958	105,872	6,139
1959	108,986	8,439
1960	106,460	6,866
1961	114,908	5,786
1962	113,287	3,714
1963	119,666	3,774
1964	111,143	2,881
1965	109,417	1,614
1966	96,268	2,927
1967	130,616	6,171
1968	167,528	11,154
1969	148,192	7,095
1970	134,479	4,264
1971	170,153	7,860
1972	192,912	14,122
1973	259,533	22,491
1974	441,887	47,538
1975	660,668	78,777

## Appendix 5 (continued)

Financial Statistics  
of Plum Coulee Co-operatives  
Plum Coulee Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1942	\$ 524.00
1944	769
1945	2,182
1950	30,090
1952	55,529
1955	49,939
1957	88,009
1952	322,688
1967	1,057,045
1972	1,572,066
1977	4,509,947
1981	6,352,377

## Appendix 6

Financial Statistics of  
Gretna Co-operatives  
Gretna Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1944	\$ 5,799.00
1945	6,116
1946	12,000
1947	23,000
1948	40,000
1949	48,000
1950	44,000
1951	47,000
1952	70,000
1953	97,586
1954	154,000
1955	200,000
1956	251,970
1957	310,000
1958	380,000
1959	450,000
1960	563,842
1961	655,000
1962	860,000
1963	956,000
1970	1,810,000
1971	1,825,000
1972	1,875,000
1973	2,148,000
1974	2,535,000
1975	2,941,000
1976	3,300,000
1977	3,850,000
1978	3,986,486
1979	4,900,000
1980	6,000,000
1981	6,700,000

## Appendix 6 (continued)

Financial Statistics of  
 Gretna Co-operatives  
 Gretna Consumers Co-operative

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1939	\$ 542.00	\$ 151.00
1940	8,691	(11)
1952	97,896	1,672
1953	102,643	5,088
1954	90,706	(766)
1955	120,575	559
1956	133,436	4,966
1958	140,192	(139)
1959	149,815	8,574
1960	162,382	5,710
1961	176,185	8,386
1962	178,639	7,730
1963	181,417	9,558
1964	208,116	11,735
1965	242,563	13,729
1966	263,298	11,480
1967	282,313	16,030
1968	298,074	14,306
1969	300,974	11,988
1970	293,276	8,197
1971	307,206	7,519
1973	330,501	12,758
1974	351,684	7,272
1975	386,681	15,916
1976	433,310	5,708
1977	464,638	5,759
1978	533,320	6,207
1979	589,842	10,156
1980	657,827	10,758
1981	707,689	19,222

\*Statistics are for six months only.

## Appendix 7

Financial Statistics of  
Halbstadt Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1943	
1944	\$ 3,980.00
1945	5,277
1947	9,482
1948	7,832
1949	8,321
1950	12,876
1951	15,597
1952	25,958
1953	37,664
1954	61,446
1955	70,731
1956	100,648
1957	137,000
1958	148,000
1959	157,013
1960	191,414
1961	198,647
1962	240,859
1963	343,041
1965	394,000
1966	423,000
1968*	500,000

\*Amalgamated with Altona Credit Union  
Society

### Appendix 8

#### Financial Statistics of Co-operatives in Smaller Communities Reinland Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1944	\$ 4,390.00
1945	6,024

#### Blumenfeld Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1944	\$ 1,421.00
1945	2,071

#### Horndean Credit Union Society

<u>YEAR</u>	<u>ASSETS</u>
1944	\$ 31.00

## Appendix B (continued)

Financial Statistics of Co-operatives  
in Smaller Communities  
Reinland Co-op Dairy Service

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1942		\$ 2,134.00

Sunrise Co-operative

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1942		\$ 844.00
1943	26,152.00	2,162
1944	31,791	2,449
1945	33,639	838
1946	33,954	410

Horndean Co-operative Service

<u>YEAR</u>	<u>SALES</u>	<u>SAVINGS</u>
1942		\$ 504.00



## Appendix 9

Financial Statistics of  
Valley Credit Union Society\*

<u>YEAR</u>	<u>ASSETS</u>
1965	\$ 14,304.00
1966	31,722
1967	52,776
1968	77,135
1969	102,095
1970	121,847
1971	189,622
1972	266,269
1973	507,336
1974	932,675
1975	1,610,226
1976	2,785,459
1977	3,602,528
1978	5,417,154
1979	8,776,220
1980	9,156,687
1981	9,231,400

\*The name changed in 1980 from the Morris Credit Union to the Valley Credit Union, reflecting the location of a branch at Dominion City.

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