

Patterns in the Maritime Co-operative Movement 1900-1945

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Patterns in The Maritime Co-operative Movement 1900 - 1945

Maritime co-operatives and their leaders have always played a major role within the Canadian co-operative movement. From the earliest years of this century Maritimers have experimented successfully with many different forms of co-operatives, have collected considerable information on co-ops in other countries, and have provided coherent statements of the total possibilities of co-operative action. They have also been among the most active supporters of national co-operative organizations and projects: without their support the Co-operative Union of Canada would not have survived its first twenty-five years from 1909 to 1934; without their involvement the national campaigns for favourable taxation regulations for co-operatives would not have been so successfully waged in the late twenties and early forties; without their promptings there would not have been national co-operative insurance companies and financial organizations established after World War II.

In large part the prominent role played by Maritimers can be explained by the personalities of the co-operators who represented the region in national organizations and activities. W. C. Stewart, M. M. Coady, J. J. Tompkins, A. B. MacDonald, J. T. Croteau, Alex S. McIntyre, Martin Légère, Alex Laidlaw, W. H. McEwen and Lloyd Matheson were or are strong individuals with both idealistic motivation and judicious judgement. They have also been a remarkably consistent group of men: all have had strong bonds with the

- * The author would like to express his debt to Dr. A. F. Laidlaw, whose advice and assistance over many years contributed greatly to the preparation of this paper and to Professor D. G. G. Kerr who directed a thesis on which this essay is partly based. He also appreciates having received the constructive criticisms of Dr. C. Armstrong of York University, who commented on the paper when it was presented at the Atlantic Studies Conference in the Spring of 1974. Finally, the author acknowledges with thanks the support of the Canada Council which made possible a series of interviews with co-operative leaders in the Maritimes.

rural, fishing, and industrial communities of the Maritimes; all have been convinced that the co-operative technique could be useful to the underprivileged in a variety of ways; all have supported the idea of all co-operatives pooling resources to meet common needs; and, most importantly, they have all been influenced by the co-operative ideology so forcefully presented by the Antigonish movement emanating from St. Francis Xavier University.

But the consistency of these men and the dominant position of the Antigonish movement did not mean that there was either a simple or a deeply united Maritimes co-operative movement in the years down to 1945. Geographically-based localism, provincial boundaries, metropolitan rivalries, personal animosities, complex historical backgrounds, institutional conflicts, religious divisions, and ethnic differences, all played important rôles in the Maritime movement; they meant that there were really several submovements in the Maritimes, submovements only occasionally brought together by common needs or by the Antigonish leaders. But more fundamentally, the Maritimes movement developed along several paths at the same time because there were several different motivating forces for the co-operatives that began and, in some instances, quite different objects to be pursued. Needs varied across the region, and, because they did, organizations that resulted varied from each other, meaning that unity was nearly always illusive before 1945.

In all probability the Maritimes turned to co-operative methods of buying and selling food earlier than any other region. Traditionally, the first co-operative store in Canada was established in Stellarton in 1861; it was followed by another ten Nova Scotian stores before the end of the century, most of them located in the mining districts of Cape Breton.¹ In the early 1900's, following a decade of adverse experience for co-op stores, another series of stores was started in such centres as Sydney, Sydney Mines, Reserve, Dominion, and New Waterford. Some of these stores were very successful and lasted several years; one of them — the British Canadian in Sydney Mines — still exists; but most of them gradually faded away, the victims of economic change in their regions, bad management, or indifferent membership.²

For as long as they existed, however, the industrial co-ops attempted to meet the widespread needs of their members: the first of these was cheap food. Mining communities had fluctuating economic histories — because of industrial disputes, depleted collieries and vacillating markets — and found

1 For more detail on these stores see R. G. Bain, "Consumers Co-operatives in Nova Scotia," (M.A. thesis, Acadia University, 1938). See also "Co-operation in Canada," undated memorandum, The Co-operative Union of Canada Papers (hereafter CUC), Public Archives of Canada, Vol. 12, 1913MY: file "U".

2 See testimony of W. L. M. King, *Reports of the Special Committee of the House of Commons of the House of Commons to whom was Referred Bill No. 2, an Act Respecting Industrial and Co-operative Societies*, (Ottawa, 1907), pp. 77-78.

it difficult to attract and hold retail merchants. And, when ordinary retail stores did appear, the miners believed, they overcharged for their wares. One possible solution to this problem — the company store — was attempted in some mining communities, but it never proved to be satisfactory. Company stores were part of a “neo-feudal” system that also included company housing and, in effect, company-run municipal governments. Given the difficulties characteristic of the mining towns in the late nineteenth century, miners naturally resented the entire system and particularly focused their attention on the company store. Thus the early labour organizations, such as the Provincial Workmen’s Association, encouraged co-operatives and played a role in some of the stores established in the nineteenth century.³

Of all the stores started in the mining communities, the British Canadian Co-operative Society in Sydney Mines was easily the most successful. In large part, this success can be explained by the particular needs of its early membership. In 1905 a fire destroyed an early Sydney Mines co-op called the Provident Society. As that society had been struggling to survive for many years, the fire had the effect of destroying interest in co-ops among many of the older residents of the area. Thus when the British-Canadian started about a year later, it was primarily the work of recent arrivals from the British Isles, men and women who had been trained to see the co-op store as a major part of their lives. Inevitably, therefore, the new society was solidly within the traditions of the British store movement; in fact, the store was founded by the same men who a few months earlier had established a fraternal society called the Sons of the British Isles.⁴ The new society followed strictly the tenets of the Rochdale system and emphasized high patronage dividends, cautious expansion, adequate reserve funds, and a strong educational programme. In 1908 it had its first excursion picnic and established an educational fund.⁵ In succeeding years it sponsored essay contests, thrift campaigns, an orchestra, special relief projects for families in need, and numerous educational activities.⁶ Its British orientation was demonstrated in the early years by its importation of managers from Great Britain, by special arrangements with British tea and jam distributors, and by affiliation in 1910 with both the (English) Co-operative Wholesale Society and the (at that time) British-oriented International Co-operative Alliance.⁷

3 *Ibid.*, p. 77.

4 See “History of the British Canadian Co-operative Society and its Branches during its 25 years activities in Cape Breton,” Sydney, N. S., 1931, p. 13ff. Copy available in the library of that organization.

5 *Ibid.*, p. 14.

6 Interview with I. West and R. Evans, August, 1972. The tape of this interview will be placed in the Public Archives of Canada by the summer of 1975.

7 “History of the British-Canadian . . .,” pp. 21-23.

Partly because of the loyalty of the original members, partly because older residents in the area again became interested, and partly because the British Canadian could draw upon the experience of the British movement, the society prospered. Within ten years it had nearly a thousand members and annual sales of \$319,000; in twenty-five years, it had nearly 3,500 members and gross annual sales of nearly \$1,500,000.⁸ The total dividends allocated to members by 1938 totalled over \$3,000,000, a significant amount of money in the frequently cash-poor districts of industrial Cape Breton.⁹ The success of the society was further demonstrated by the opening of eight branches in mining communities near Sydney Mines. In fact, so successful was the society that for about twenty years from 1917 onward it was probably the largest consumer co-operative in North America.

Success did not, however, make the British Canadian particularly expansionist. Each branch was added cautiously after lengthy discussions on the board and between the board and aspirant member groups. In fact the British Canadian refused to open branches in some areas and in some instances "to take over" stores already in operation but in difficulty. In part, the reluctance to grow was because of failures and near failures in co-ops in nearby mining communities. During the depression of 1913 and the difficult times at the start of World War I several co-operatives encountered difficulties in the mining districts; as they did so, the British Canadian was pressured to rescue them usually through a process of amalgamation. In the case of Glace Bay, the society willingly acceded to amalgamation, but in several other instances it did not. Early in its career the British Canadian became very concerned to avoid entanglements with weak co-operatives that potentially could undermine its own stability. In 1913 and 1914 the dangers of such entanglements were demonstrated when a prematurely-organized Cape Breton wholesale incurred debts that the British Canadian was forced to pay off.¹⁰

But the isolationism of the British Canadian had more behind it than a fear of bad business practice; it was also a result of the British background of most of the society's leaders. The British movement was characterized by autonomous societies, an emphasis on self-sufficiency, and a suspicion of new forms of co-operation. Most British co-operators were committed to the notion of developing small groups of consumer societies, which, as each strengthened, would come together to form a wholesale, manufacturing societies and service organizations; they were not enthused by the pattern of proto-chain stores with strong central direction, the pattern experimented with by the Right Relationship League and N. O. Nelson in the United States and, briefly,

8 *Ibid.*, p. 62.

9 R. G. Bain, "Consumer Co-operatives . . .," p. 61.

10 "history of the British Canadian", p. 25.

by the United Farmers Co-operative in Ontario.¹¹ Thus the British Canadian despite its success, never visualized itself as the focus of even a Cape Breton let alone Nova Scotian or Maritime movement.

This reluctance of the British Canadian to assume leadership was not of much significance from 1914 to the 1930's because, in those years, the store movement was generally lethargic. Toward the end of the war a few societies emerged in the towns and cities of the East, notably Saint John, Moncton, and Halifax, but they were isolated and weak, too far removed from Sydney Mines to be potential associates. The stores that emerged among farming groups, however, were somewhat different. In 1916 the United Farmers Co-operative Company of New Brunswick was formed, with head office in Woodstock and later Moncton. Twenty-five stores were opened in New Brunswick and six in Nova Scotia by 1920, and in that year the society changed its name to the Maritime United Farmers Cooperative.¹² As with the United Farmers Co-operative in Ontario, the M.U.F. soon encountered adversity because of internal divisions, the depression of the early 1920's, and effective competition. In 1922 the stores were decentralized as the debts of the central body increased; by the end of the decade only a handful remained in operation, and these were completely separated from the industrial societies of Cape Breton.

The same pattern of decline was discernible in the mining districts during the twenties primarily because of the labour-management struggles that started in 1922. The co-ops — especially the British Canadian — found themselves in a difficult position during the strikes of that decade. On the one hand, they favoured the miners — they could do little else since they were owned by miners — and relaxed rules on credit for members, provided free meals to children, and collected contributions from other Canadian co-ops.¹³ But, on the other hand, the leaders of the British Canadian had some sympathy with the mine owners and very little for the more radical strike leaders, notably J. B. MacLachlan.¹⁴ For the most part, the co-op leaders advocated more peaceful means of resolving disputes than strikes, and they did not believe the mine owners to be unreasonable men. Because of this position, the co-op leaders were criticized by some strikers for not contributing more to the workers, and in 1926 the New Aberdeen branch of the British Canadian

11 See exchanges between W. C. Stewart and George Keen, C.U.C., Vol. 138 "British Canadian Co-op Soc."

12 See R. J. MacSween, *A History of Co-operative Marketing in Nova Scotia*, section on "The Maritime United Farmers' Co-operative."

13 See letters from W. C. Stewart to George Keen, CUC, Vol. 143, 1925AY: file "British Canadian."

14 *Ibid.*, and Vol. 140, 1923AK: file "British Canadian Coop."

was destroyed during a riot.¹⁵ In balance, however, the criticism of some strikers was more than offset by the good will of the many who accepted the argument that the first responsibility of co-operatives had to be to their own survival. The stores had an obligation to contribute whatever surplus funds they had to the strike effort, but at all times they had to maintain adequate reserves to insure their continuation.

Yet the strikes had a very detrimental effect on the older store movement because they seemed to indicate that the co-operative technique was of limited value. Throughout the industrial crises, co-operatives had served as provisioners for trades unionism, but, aside from a few conservative and hesitant comments, they had had little to say about the industrial unrest. In a Canadian context, it seemed, co-operation might help feed the hungry in times of extreme unrest; but it would not be regarded by the working man, even where it was strongest, as the total solution; in the struggle for the things that mattered, it was the union that made him strong.

Because of the apparently weak position they displayed over the strike, because of the Depression and their own isolationism, the older co-operatives did not undertake any significant expansionist programmes during the 1930's. Instead, the growth of that decade was attributable almost entirely to the activists from the Antigonish movement. Between 1931 and 1938 these men and women established twenty-nine stores¹⁶ which, by the latter year, were grossing over \$1,000,000 in business.¹⁷ While these stores were part of the general effort on behalf of the co-operation undertaken by the Antigonish workers, they were also responses to specific problems. During the twenties and thirties chain stores had begun to appear in the economically more stable areas of the Maritimes and, along with mail-order catalogues, had quickly undermined older merchandizing methods. As local economies became more and more dominated from without, as more and more independent retailers closed their shops, Maritimers turned to co-operatives as a means of withstanding the economic onslaught of the major metropolitan centres.¹⁸ Not only were co-operatives "one hundred per cent Canadian-owned," they were one hundred per cent locally owned.

15 See exchanges between Stewart and Keen, CUC, Vol. 144, 1926AC: file "British Can. Co-operative Soc."

16 A. B. MacDonald to R. MacDonald, May 31, 1938. Department of Extension files, St. Francis Xavier University, file: A. B. MacDonald, General Correspondence, 1938.

17 R. G. McBain, "Consumer Co-operatives . . .," p. 88.

18 One aspect of this attitude was that the Nova Scotian co-operators became strong supporters of buying Nova Scotia products. Several of the stores, for example, supported the Nova Scotia first campaign of "The League of Loyal Nova Scotian."

The growth of the new societies brought into focus a tension in the Maritime movement that had been apparent since the early 1920's. As the men from Antigonish became more interested in co-operative action, they became critical of the British Canadian for being too cautious and too independent. Father Jimmy Tompkins, perhaps the most active of all the S.F.X. enthusiasts, was especially critical. In his view the British Canadian leaders were "like clams" and were incredibly lethargic in publicizing their own successes and promoting further development.¹⁹ Not a few members of the Antigonish movement — including Tompkins — suspected that the real reason for the lack of co-operation was anti-Catholic feeling on the part of the predominantly Protestant Sydney Mines society.²⁰ The British Canadian naturally protested angrily any suggestion that this was the case,²¹ but, true or not, there can be no doubt that old religious tensions did impede development of co-operative unity throughout the twenties and thirties.

The division between the established stores in Cape Breton and the burgeoning organizations spawned by Antigonish began to assume importance in 1934 when the drive to create a wholesale was started once again. The Antigonish leaders promoting the venture — especially A. B. MacDonald — repeatedly pleaded for the support of the British Canadian, but without success. Partly because of its isolationist tendencies, partly because of religious tensions, and partly because it was already receiving volume discounts from suppliers, the British Canadian remained aloof. The frustration caused by this aloofness was deeply felt. As one observer wrote,

The British Canadian MUST be brought in . . . this silly prejudice against Antigonish must be rooted out. Its all damn fine to be English. *But it's hell to be obstinate.*²²

But the Sydney Mines-Antigonish split was not the only division that retarded the development of a wholesale; perhaps an even more crucial one was a rural-urban dichotomy. This split had its economic and institutional overtones — the two sides for example, had quarrelled throughout the late twenties over which should control dairying²³ — but the main reason for the

19 J. J. Tompkins to G. Keen, 25 November 1927. CUC, Vol. 47, 1928QZ: file "T".

20 See exchanges J. J. Tompkins and G. Keen, *Ibid.*

21 Interview by author of I. West and R. Evans, August 1972.

22 L. R. Hollett to A. B. MacDonald, 5 February 1935, S.F.X. Extension files: "A. B. MacDonald — Stores & Plants & Co-operatives 1933."

23 See correspondence between George Keen and W. C. Stewart, CUC, Vol. 148, 1928AL: file "British Canadian."

division was deeper than that: the needs of the two groups varied considerably. The urban co-operatives needed a steady and inexpensive source of supply; they needed a wholesale willing to assume the traditional role of business adviser and financial bulwark, and, above all, they needed a wholesale which would be responsible to them because they would own it. The farmers, on the other hand, did not require, during the early thirties at least, so elaborate a wholesale because their needs were simpler. To understand this difference, however, it is necessary to examine the roots of the agrarian co-operative movement.

The agrarian co-operative movement in the Maritimes emerged because of a series of problems that confronted the region's farms from the late nineteenth century onward. While these problems varied in intensity from area to area, they generally can be reduced in number to three. The first of these was rural depopulation: the rural counties of the Maritimes were losing their work force at as fast a rate as the Central Canadian counties; in fact, between 1881 and 1931 Antigonish county had a larger percentage decline in population than any other Canadian county,²⁴ and the rural counties of eastern Nova Scotia declined from 89,110 to 65,595.²⁵ The second major problem was a faulty marketing system: the marketing of most commodities in the late nineteenth and early twentieth century relied heavily upon individualized and uncertain marketing or complicated patterns of jobbing and wholesaling. The third was the decline of the old sense of well-being created by self-sufficiency and isolation: as the city spread to the country, disenchantment set in, and those who wanted to preserve the rural way of life were forced to undertake onerous educational and cultural programmes.

In the struggle to improve and preserve rural societies, co-operatives early assumed an important role. During the 1880's and 1890's co-operative creameries appeared in Nova Scotia and New Brunswick, a little later than they had first appeared in Central Canada.²⁶ Primarily reactions to what the farmers believed were the exploitive practices of traditional dairies, these co-operatives expanded steadily in numbers and importance during the twentieth century. They did not become closely associated with other co-operatives, however, and, like most of their counterparts throughout Canada, remained almost exclusively concerned with securing the best income for their farmer owners. Similarly, the farmers mutual insurance companies that began early in the twentieth century were essentially manifestations of dissatisfaction

24 *Extension Bulletin*, 30 December 1935, p. 5. Based on analyses by O. A. Lemieux of the Dominion Bureau of Statistics.

25 W. Kontak and S. J. MacKinnon, *A Survey of Agriculture in Eastern Nova Scotia, 1871-1956*. (Antigonish, Nova Scotia, 1958), p. 1.

26 R. J. MacSween, *A History of the Nova Scotian Co-operative Movement*, section on "Co-operative Creameries."

over existing insurance rates and services: always locally-oriented, always preoccupied with insurance, the mutuals were significant but isolated attempts to deal with one aspect of the farmer's need.

Rather slowly, in the twentieth century, farmers began to see how an integrated co-operative approach — involving co-op stores, co-op marketing, co-op bulk buying, co-op insurance, and co-op credit societies — could help to meet many of the needs of the rural communities. They did not do so, however, until they had organized in the first instance extensive co-operative marketing organizations for nearly every commodity produced by Maritime farms. The Eastern farmers, in fact, though they started exploring the possibilities of co-operative action at about the same time as Canadian farmers elsewhere, were, in the early years, the most successful at adapting co-operative action to a wide range of commodity marketing. Starting in 1907, The Annapolis apple growers began to organize co-operative marketing organization; in 1912 they developed the United Fruit Growers, a co-operative that soon became the major marketing organization in the valley.²⁷ In the same year, T. A. Bension, a representative of the Dominion Department of Agriculture helped organize Prince Edward Island's first co-operative egg circles; within two years they had joined together in the Prince Edward Island Co-operative Egg and Poultry Association, and within ten years they were marketing the eggs of a third of that province's producers.²⁸

The provincial and federal Departments of Agriculture played important roles in the emergence of most of the marketing co-operatives. By 1914, all three Maritime provinces had co-operative legislation. Starting in the same year the Federal Government, through its Agricultural Instruction Act, helped finance increased activities by the provincial Agriculture Departments. Fieldmen were appointed throughout the region, and some of these men were interested in co-operatives. The best known of these was Father Hugh MacPherson in Antigonish County. He became especially active in developing locally the co-operative marketing of wool. Until his involvement, the wool growers had suffered because of poor quality controls and exploitation by drovers. His co-operative organizational work was instantly successful, as was the work of similar agricultural representatives in other Canadian wool-producing areas. In 1917, these co-operative organizers promoted the formation of the Canadian Co-operative Wool Growers' Ltd., the first national co-operative marketing organization.²⁹ Similarly, throughout the region, agricultural representatives actively promoted livestock shipping clubs. In 1920 lambs were first shipped co-operatively from Nova Scotia, followed two years

27 Nova Scotia, Secretary for Agriculture, Annual Report (1916), p. 173.

28 C. R. Fay, "Problems of the Maritimes Producers," *Dalhousie Review* (1924-25), p. 445.

29 P. M. Campbell, *Compassion on the Multitude*, unpublished manuscript, Sydney Public Library, pp. 8-9.

later by hogs. Once begun, co-operative livestock marketing grew rapidly. Again governments played a crucial role in the expansion, in particular because of the efforts of representatives of the Dominion Livestock Branch. Two of these representatives, A. B. MacDonald in Nova Scotia and J. K. King in New Brunswick, both appointed in 1919, were destined to play major roles in the agricultural movement.

The emergence of the livestock shipping groups did not mean continuous improvement of the farmers' position. Usually, members prospered dramatically upon organizing clubs, but buyers soon learned how to play clubs off against each other. Clubs, moreover, competed with each other in several instances, the result being lower prices than could have been achieved through unity.³⁰ In 1927, finally recognizing the possibilities of pooled selling, eighty-six clubs came together to form the Maritime Livestock Board, a central marketing agency located in Moncton.³¹ The first manager of this Organization was J. K. King, who resigned from his post with the federal Department of Agriculture. Almost immediately the Board was marketing annually between \$500,000 and \$600,000 for the most part in lambs.³² In 1930, so as to keep in step with the name selected for the national livestock marketing association — the Canadian Livestock Co-operative Ltd. — the Moncton-based organization became the Canadian Livestock Co-operative Ltd. (Maritimes).

C.L.C. (Maritimes) tended to concentrate upon Upper Canadian and other foreign markets. It did not concentrate upon the industrial markets of Cape Breton although it was quite obvious that a large potential market was located there: between 1891 and 1931 the population of Cape Breton county, which includes the industrial centres, increased from 31,258 to 92,502.³³ Nearby farmers, however, because of poor standards controls and inadequate marketing practices, were not meeting the demand: in 1925, for example, 23,000,000 pounds of meat, 155,000 cases of eggs, 2,730,000 pounds of butter, and 1,250,000 pounds of beans were imported into the Sydney area from outside Cape Breton county.³⁴ Generally impoverished farmers in the county, with the aid of S.F.X. fieldworkers finally began to plan their own marketing organization to meet this nearby urban market during the late twenties. In 1931 the Cape Breton Island Producers Co-operative Limited was formed,

30 W. H. McEwen, "Maritime Co-operative Services," *Canadian Co-operative Digest* (Winter, 1969-70), pp. 2-3.

31 *Canadian Annual Review* (1927-28), p. 438.

32 W. H. McEwen, *Faith, Hope and Co-operation* (Moncton, 1969), pp. 12-13.

33 *A Survey of Agriculture in Eastern Nova Scotia*, p. 1.

and for two years it struggled against member inexperience, the depression and effective competition. It failed in 1932 but was an important early experiment for the county's farmers.

These two marketing organizations, along with the United Fruit Company, the Maritime Co-operative Poultry and Egg Exchange, the Prince Edward Island Potato Growers, the Prince Edward Island Co-operative Egg and Poultry Association, several creameries, and other, small independent marketing co-operatives, very quickly saw the advantages of bulk buying. Fertilizer, coarse grains, fuel, and even consumer items, if purchased in large quantities, could be secured at low prices by these organizations, and incipient wholesaling operations sprung up as a result. As with pooled selling, fieldmen from the government agricultural departments encouraged this type of co-operation, as did the increasingly more active representatives of the Antigonish movement. As the savings made possible by this type of buying became evident, a few of the leaders of the various marketing organizations began to explore the possibilities of even more extensive bulk purchasing. From 1934 to 1937 a series of talks was held, involving representatives from the marketing co-ops and the consumer societies, to explore the possibility of organizing a regional co-operative wholesale. They were not peaceful nor particularly co-operative talks: the stores were divided between the British Canadian and the "Antigonish group"; and, more importantly, the farmers, interested primarily in a relatively few commodities, were reluctant to accept the rather centralized, complicated type of whole sale needed by most of the stores. In fact, there can be little doubt that the entire process would have collapsed except for the persistence of C.L.C. (Maritimes) and, above all, the enthusiasm of the men from Antigonish.

During the 1920's and 1930's, St. Francis Xavier University attracted a small band of priests and laymen who were determined to improve the living conditions of Maritimers, especially those in eastern Nova Scotia. For the most part Maritimers themselves, these men and women were driven by Catholic variations of the Social Gospel, by regional, even local, pride, and by the challenge of Marxism, to undertake numerous kinds of community development projects. The pattern was set by Father Hugh MacPherson early in the twentieth century when he became active in agricultural education and co-operative organization work. It was continued by the diminutive, irascible, prodding, Father Jimmy Tompkins; the dynamic, humble, philosophical, Father Moses Coady; and the irrepressible, diplomatic, capable, A. B. MacDonald. In time, these men gathered about them numerous field workers and assistants, notably A. S. McIntyre, Kay Desjardins, Father Michael Gillis, J. D. Nelson MacDonald, Sister Marie Michael, and Ida

Gallant. Collectively, these men and women, assisted by hundreds of workers scattered throughout the Maritimes, spearheaded a major reform movement that has generally been underestimated by Canadian historians.

The co-operative interests of this group matured in the 1920's.³⁵ During 1920 Fathers Hugh MacPherson and Jimmy Tompkins started the People's School, an early attempt at adult education for the most part among farmers. It was followed, in 1924, by the start of the Rural Conferences of the Diocese of Antigonish, annual meetings of clergymen and laymen interested in a wide range of social and economic questions. Inevitably, because of the growing interest of MacPherson, Tompkins, and eventually Coady, these conferences began to explore all kinds of co-operative action. Tompkins, in particular, encouraged a wider understanding of co-ops, an inevitable result of the extensive study of the movement he undertook during the decade. Among other aspects of international co-operation, his studies concentrated upon the work of priests in the European movement, the co-operative educational activities of universities in the United States, and the role of folk schools in the Danish co-operative movement.³⁶ By the end of the decade, in fact, he and Coady had become convinced proponents of co-operative methods for almost any economic activity.

The first large groups of people who Coady and Tompkins tried to interest in co-operative activities were the fishermen of Nova Scotia and New Brunswick. They could not have found groups of people with greater needs: between 1918 and 1933 the marketed value of fish and fish products sold by Nova Scotian and New Brunswick fishermen declined from \$21,442,000 to \$9,101,000 and the decline was general throughout the twenties.³⁷ All along the coasts of the two provinces — and Prince Edwards Island³⁸ — were depressed little fishing communities unable to maintain their position in the face of new marketing patterns and strong competition. Tompkins and Coady became convinced that fishing co-operatives could help reverse the trend, and from 1924 onward the former in particular began to gather information on fishing co-ops elsewhere. This information — gathered from Continental

25 For a more complete discussion of the Antigonish movement, see A. F. Laidlaw, *The Camps and the Community, The Global Impact of the Antigonish Movement* (Montreal, 1961).

36 See correspondence between J. J. Tompkins and George Keen, CUC, Vol. 33, 1924HY: files "M" and "T" and Vol. 47, 1928QZ: file "T".

37 Canada, *Proceedings*, Royal Commission on Co-operatives (Ottawa, 1945), Vol. XII, p. 4402.

38 Prince Edward Island's fishermen, under the leadership of Chester McCarthy, started to organize somewhat earlier. For a brief history of their movement see J. T. Croteau, *Cradled in the Waves, The Story of a People's Co-operative Achievement in Economic Betterment on Prince Edward Island, Canada*, (Toronto, 1951) pp. 84-98.

Europe, Ireland, Newfoundland, the United States, and western Canada³⁹ — proved invaluable later in the decade when the co-operative organization of Maritime fishermen began in earnest.

The plight of the fishermen became well known by the late 1920's in large part because of the indignant public statements of Jimmy Tompkins. In 1928 — partly because of his lobbying — a Royal Commission was appointed to investigate the fishing industry on the East Coast. One of the witnesses before the Commission was Moses Coady who made a considerable impact by pleading for the development of fishing co-operatives. The Commission was impressed by his submission, and within a year Coady found himself employed by the Department of Fisheries as an organizer of fishing co-ops. Partly because of his contacts in Scottish and Acadian fishing communities — contacts frequently though not entirely the result of his church connections — Coady was an instant success as an organizer. Co-operative lobster canning factories appeared all along the coasts, small marketing co-ops developed for other varieties of sea food, and, in 1930, the United Maritimes Fisheries, a central selling and purchasing agency, was formed. Under the management of Burke McInerney of Richibucto, the U.M.F. expanded steadily in the 1930's by moving into progressively more complicated forms of sea food marketing involving distant markets and bulk sales. The only serious setback, in fact, was the failure of an early attempt at uniting with the fishermen of P.E.I., a failure largely explained by personality conflicts and traditional rivalries.⁴⁰

The success with the fishermen led Coady and Tompkins to spark the creation of an Extension Department at St. Francis Xavier in 1930. Rather quickly, the Department perfected a technique — the study club — to take the university out into the community. A study club, while started by extension workers, was devoted to specific local problems that would be considered at study sessions held weekly, usually in members' homes. The basic approach was to gather together between ten and twenty neighbours, define a problem or perhaps several problems, and then begin a systematic study to see how the problem or problems could be alleviated. The technique was overwhelmingly successful, and by 1938, 1100 study groups involving over 10,000 people had been organized.⁴¹ In total, these groups found many ways of resolving their soluable problems but, not surprisingly, they more often than not turned to co-operative action to meet their needs. As a result, the Extension Department helped to stimulate the development of numerous kinds of co-operatives: aside from the stores already mentioned there were

39 CUC, Vol. 33, 1924HY: file "T".

40 See J. T. Croteau, *Cradled in the Waves*, p. 86.

41 A. B. MacDonald to R. MacDonald, May 31, 1938. Extension Department files. St. Francis Xavier University: "A. B. MacDonald — General Correspondence, 1938."

co-operative housing developments, co-operative libraries, new co-op marketing organizations, and credit unions. In fact, wherever a need appeared, it seemed, the Antigonish movement had a co-operative solution for it.

The most important kind of co-operative started by the Antigonish movement during the thirties was the credit union. As in so many other cases, Tompkins was the original instigator. He had watched the development of the American credit union movement since the early 1920's and, in 1931, prevailed upon the organizers of the Rural Conference to have Roy Bergengren of the Credit Union National Association, present an address on the value of co-operative credit societies. Within a year a credit union act had been passed, and in 1933 the first credit union was formed in Nova Scotia. Co-operative banking spread rapidly thereafter: by 1939 there were 148 in Nova Scotia, 68 in New Brunswick, and 37 in Prince Edward Island.⁴² In 1938 and 1939 Credit Union Leagues, much like their American counterparts, were formed in the three provinces and within two years the Nova Scotian League had joined the Credit Union National Association in the United States.⁴³ Not all credit union members, however, agreed with the American connection and, starting in the late thirties, nationalist groups began to press for a distinctly Canadian credit union national organization. The Acadians began even earlier — as soon as the credit union movement arrived — and as a result developed their own credit union central and insurance company during the late 1930's.⁴⁴

With the growth of credit unions, the emergence of the United Maritimes Fishermen, the expansion of what were really two store movements, and the rapid development of several farmers' marketing co-ops, the co-operative movement was an important component of Maritime life by the mid-thirties. A co-operative theorist, confronted by all this activity would probably have expected a considerable degree of integration and joint action. But, he would have been wrong. The only factor that could facilitate the joint action of many aspects of the movement was the Extension Department of St. Francis Xavier and especially Moses Coady. Coady, in fact, became the great inspirational leader of the Maritime movement, a man whose deep insights, magnetic personality, and common decency made the movement he led a national and ultimately international force for co-operative action.⁴⁵

Beyond Coady and the Department, however, the Maritime co-operative movement was characterized by differences between the various submovements — differences that would take years to overcome. Indeed, they would

42 *Extension Bulletin* (February 3, 1939), p. 8.

43 See Canada, *Report*, Royal Commission on Co-operatives (1945) p. 4450ff.

44 Interview, Martin Légère, February, 1974.

45 The best introduction to Coady's personality and ideas are to be found in A. F. Laidlaw's, *The Man from Margaree* (Toronto, 1971).

be overcome only when Maritime co-operators saw a need to unite, a need perceived at first by the Antigonish leaders and secondly, at a gradual rate, by some leaders of the various submovements. The Antigonish men believed in unity because they thought the pooling of institutional resources was no less valuable than the pooling of individual interests: joint operation would make available more capital and more expertise to be used for human betterment. Most of the co-op leaders, in contrast, viewed amalgamating forces in common projects with some suspicion and frequent opposition: creating large institutions or major projects with diverse purposes, after all, usually undermined local control, easy accountability, and secure financing. Unity also meant trying to bring together different organized groups with different purposes, a process necessarily fraught with difficulty. In short, the sense of personal responsibility and institutional loyalties the co-ops had done so much to stimulate among its leaders and members became an obstacle to their further development.

Nowhere were the undercurrents of divergent streams better demonstrated than in the efforts between 1934 and 1945 to create a common educational programme and a common wholesale for the Maritimes. The educational programme was one of the favourite projects of the enthusiasts from Antigonish. From 1930 onward, they encouraged a sense of responsibility among co-op leaders for the publication of a co-operative journal, the development of a co-op information and training centre, and the creation of educational institutions. In essence, what they championed was an adaptation of the Swedish brand of co-operative education whereby the educators were closely linked to the economic arm of the movement; they did not approve of the British pattern whereby the two aspects were separated as much as possible.⁴⁶

Throughout the thirties, however, they had little success in stimulating a general interest in co-operative education among co-operative leaders. Despite numerous meetings, annual co-operative summer schools at Antigonish, and constant private prodding, the Antigonish leaders did not succeed in shaking co-op leaders loose from a narrow approach to the co-operative movement. The British-Canadian co-op remained interested only in its own programmes and never joined co-ordinated, wider programmes. Similarly, the agrarian co-operatives, with the single major exception of Canadian Live-stock Co-op, showed little interest in the wider movement and its development; as in the case of most agrarian co-ops in the rest of the country, they were overwhelmingly concerned about the constant battle to secure a better price for the farmer's produce.

⁴⁶ See correspondence between J. A. Christie and George Keen. CUC, Vol. 101, 1940AC: file "C".

Thus, throughout the thirties, the Antigonish leaders rather reluctantly accepted a near monopoly position in educational activities. In 1930 a Maritime Co-operative Council was formed as an educational and lobbying institution, but it virtually disappeared because of apathy and rivalries during the mid-thirties. Toward the end of the decade what remained of it was fragmented into provincial co-operative councils with relatively little power or influence. During the early 1940's these councils became transformed into provincial co-operative unions in keeping with the reorganization in 1943-45 of the Co-operative Union of Canada. Despite all the changes, however, and even though the Nova Scotia council or co-operative union was stronger than the other two, the educational branch of the movement — aside from the Antigonish movement itself — did not prosper between 1934 and 1945. Certainly the co-operative organizations on their own never developed the thrust that their Saskatchewan counterparts did during the same period.

Similarly, the drive to create a wholesale made difficult progress. In 1933 P.E.I. farmers withdrew from Canadian Livestock Co-operatives (Maritimes) because of personality differences and a desire to have their own marketing organization close to home.⁴⁷ Their withdrawal adversely affected C.L.C.'s hopes of becoming a major wholesaling organization by significantly reducing the number of individual farmers and farm organizations to be served. Meeting the needs — especially the feed needs — of the farmers who remained was not an easy task either, the more so because C.L.C. attempted to buy as much as possible from the distant Prairie co-operatives; not until the late thirties did the necessary arrangements become sufficiently developed that the smooth flow of grains eastward was possible. In fact, federal government intervention, through the Feed Freight Assistance policy, was ultimately necessary to ensure reasonably inexpensive and ultimately reliable grain sources for the Maritime farmer.

Rationalizing the purchase of other bulk needs of Maritime farmers — for example, the securing of chemical fertilizer⁴⁸ — was not an easy task either, and in general, it required a decade before C.L.C. was approaching the wholesale volume necessary for economical operation. It took an even longer length of time to secure meaningful support from the co-operative stores. In 1934 and 1935 preliminary meetings to consider an integrated wholesaling operation were held in Cape Breton and on the mainland, and in 1936 a committee consisting of A. B. MacDonald and W. H. McEwen, the manager of C.L.C., was appointed to investigate the integration of wholesaling activities.⁴⁹ One year later at a large rally at Judique, the committee reported in favour of

47 W. H. McEwen, *Faith, Hope and Co-operation*, pp. 15-16.

48 See W. H. McEwen, *Faith, Hope and Co-operation*, pp. 37-49.

49 Minutes, Meeting on Wholesale, East Bay, 8 June 1938. S.F.X. Extension Files: "A. B. MacDonald — Co-ops Meeting on Wholesaling 1938."

C.L.C. becoming a co-operative wholesale for all co-op outlets in the Maritimes. Despite the reservations of leaders from the industrial co-ops, this report was accepted. In 1938 C.L.C. opened a branch in Sydney to serve the industrial societies, but almost immediately the local co-ops became dissatisfied because they seemed to have little control over its operation. Within four years, the resentment led the co-ops to form the Cape Breton Co-operative Services, a wholesale that by 1943 had taken over C.L.S.'s Sydney branch.⁵⁰ Nearly twenty years would elapse before the two organizations would come together again.

The inability of C.L.C. to bring about an integrated wholesaling system and the difficulties that plagued efforts to organize widely-supported educational institutions were not so much condemnations of the individuals involved as they were inevitable consequents of the fundamental nature of the Maritime co-operative movement. The region's co-operators had organized significant institutions that were playing increasingly important roles, locally, regionally, and even nationally;⁵¹ they had also produced one of the most creative wings of the Canadian movement — the Antigonish movement — and in Moses Coady they possessed perhaps the most profound Canadian co-operator. But the Maritimers had also produced a movement that was subdivided into several different aspects, a movement that had many different organizations and many different purposes. In short, the coherent philosophy of the men from Antigonish should not be taken to mean that Maritime co-operators as a group were a united and harmonious whole. They were, in general, men who had created successful organizations and then were, for a while at least, entrapped by those same organizations.

50 See R. J. MacSween, "A History of the Nova Scotian Co-operative Movement," section on "Co-operative Wholesales."

51 By 1945, there were 25 co-operative societies in Prince Edward Island, 83 in Nova Scotia and 41 in New Brunswick. They had a total membership of 36,000, were selling \$12,000,000 in produce, and were buying \$10,000,000 in supplies. *Co-operation in Canada, 1945* (Ottawa, 1946). The credit union movement was expanding even more rapidly, with close to 150 formed in the three provinces.