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**"A fragment of a better order?"  
The Manawatu Co-operative Society Ltd,  
1935 - 1939.**

**A Research Exercise presented in partial fulfillment of the requirements for the  
degree of Bachelor of Arts with Honours in History at Massey University.**

**KAREN MORGAN**

**1995**

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**Abbreviations**

Alliance	The New Zealand Co-operative Alliance
Co-op.	Co-operative
CWS	British Co-operative Wholesale Society
MP	Member of Parliament
NDA	National Dairy Association of New Zealand
NZCWS	New Zealand Co-operative Wholesale Society
NZ Co-op.	<u>The New Zealand Co-operator</u>
PDC	Premier Drapery Company Ltd
PN	Palmerston North
PNCCA	Palmerston North City Council Archives
SPA	Shareholder's Progressive Association

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## Introduction

**'Co-operation:  
it is a brand burning brightly in the minds of hundreds,  
smouldering in the minds of thousands,  
ready to kindle in the minds of millions.'**<sup>1</sup>

The world experienced the 1930s as a time of economic depression, with increasing political unease about the situation in Germany, and wars in Spain and China. The economic depression triggered by the collapse of Wall Street in October 1929 was felt in New Zealand from 1930. Unemployment rose, wages and farm prices fell, and New Zealand saw an increase in relief work and soup kitchens. In 1932 there were riots in the main cities. A coalition of the United and Reform parties won the 1931 election, but voters found the government was unable to improve conditions materially. The first Labour Government won power in November 1935, and although New Zealanders saw good times ahead, the economy did not fully recover from the slump until demand for the country's products improved with the Second World War. Although New Zealanders are generally proud to be individualists, experiences of the 1930s encouraged many to work together to mitigate the prevailing conditions. Women's unemployment relief committees were established up to help women without family or government assistance, by providing food and training in domestic skills. Churches became increasingly involved in economic and social problems, and previously evangelical city missions assumed a welfare role. Similarly, the State's place in the domestic economy changed from the late 1920s. The Government made housing loans available, eased mortgage payments and increasingly provided work schemes and benefits for unemployed men. Labour's election in 1935 led to previous government welfare initiatives being consolidated in the 'welfare state', and compulsory unionism was introduced. There was a general rise in collectivism in society at this time, and within this, the model of international co-operation, and especially British consumers' co-operation, attracted attention in New Zealand.

The pattern for consumer co-operation had been taken from the earliest successful British co-operative society, the Rochdale Equitable Pioneers' Society. In 1844, twenty-eight weavers contributed £1 of capital each, and started a world-wide phenomenon.<sup>2</sup> This group established certain principles which co-operatives throughout the world still tend to adhere to, including open membership, equal voting rights, consumers' rebates, cash trading and education, and generally followed the ideas of Robert Owen.<sup>3</sup> What, therefore, is a consumers' co-operative? According to a pamphlet written in New Zealand in the 1940s, it is 'a voluntary

<sup>1</sup> 'What is this thing, Co-operation?', *The New Zealand Co-operator* (NZ Co-op.) 1:3, December 1933, p. 15.

<sup>2</sup> *NZ Co-op.* 1:1, 10 July 1933, pp. 1-2; pamphlet on Toad Lane Museum in Rochdale, PNCCA, Series Co-op 30.

<sup>3</sup> Margaret Digby, *The World Co-operative Movement* (London, 1948) p. 12-13.

association of people organised democratically and according to a specific set of rules or principles, for the primary purpose of supplying their needs through mutual action',<sup>4</sup> and this, with the limitation that membership is restricted to consumers, is the definition used in this study. Others have called it a form of socialism, or more idealistically, 'a fragment of a better order embedded in an imperfect world'.<sup>5</sup>

The co-operative movement grew out of poverty in the north of England, and spread around much of the world. Before the Second World War, consumers' co-operation was estimated to span fifty-four countries, 50,279 co-operative societies and over fifty-nine million members. In addition, there were forty-seven million members of producers' societies, and agricultural and rural credit societies.<sup>6</sup> In Britain in 1935, there were 1,118 retail consumers' co-operatives with 7.8 million members, about 20% of the population.<sup>7</sup> Co-operative retail trade for 1935 exceeded £220 million, and £27 million was paid in wages to over 210,000 employees.<sup>8</sup> Of this, the Co-operative Wholesale Society (CWS), which sold goods to the retail co-operatives, accounted for nearly 45,000 employees and had a turnover of almost £100 million in 1933.<sup>9</sup> Co-operative societies were active in Australia also. In 1932, Australia had 98 consumers' co-operatives, nearly 120,000 members, and turnover of £3.7 million.<sup>10</sup> Consumers' co-operatives existed in a range of countries, including Israel, USSR, Ireland, Japan, India, Denmark, USA and Germany, but the New Zealand model seems to have come from England.

As the next chapter will show, New Zealand co-operation was small in the 1930s. This study will consider the role of one consumers' co-operative, the Manawatu Co-operative Society Ltd<sup>11</sup> from its foundation in April 1935 until the start of the Second World War in September 1939. The Society was based in Palmerston North, a city with an estimated population in the Borough of 22,250 in April 1935, and 1,004 unemployed men in May 1936.<sup>12</sup> Although the Society later had trading enterprises around the region, at the time of my study it was confined to the city.

<sup>4</sup> William. L. Robertson, What is a Consumers' Co-operative?, pamphlet, New Zealand Federation of Co-operatives (Palmerston North, c. 1947), p. 1.

<sup>5</sup> Digby, p. 8; NZ Co-op, 2:8, August 1935, p. 13.

<sup>6</sup> G. D. H. Cole, A Century of Co-operation (London, 1946) p. 369.

<sup>7</sup> Cole, pp. 372, 375, 391.

<sup>8</sup> NZ Co-op, 4:5, May 1937, p.14.

<sup>9</sup> NZ Co-op, 1:3, December 1933, p. 15; 1:9, August 1934, p. 8.

<sup>10</sup> NZ Co-op, 2:2, November 1935, p. 4.

<sup>11</sup> The original name was Manawatu District Co-operative Society Ltd, however the 'District' was dropped in October 1935. It became Consumers' Co-operative Society (Manawatu) Ltd in October 1944, and traded under this name until 1988. Minutes of Management Committee, 23 October 1935; Minutes of Special General Meeting, 25 October 1944.

<sup>12</sup> New Zealand Official Yearbook, 1936 pp 63, 65; Bronwyn Dalley, 'A Question of Responsibility - the Palmerston North Hospital Board and Charitable Relief, 1925 - 1938', BA (Hons) research exercise in History (Massey University, 1985); p. 38.

I am using this particular co-operative as a case study to reflect what may have occurred in the early years of similar organisations. The area of co-operation has not been considered academically in New Zealand, and indeed, there has been a limited amount of formal business history written in which we can contextualise this study. In Manawatu, the only local business studies have been a centennial history of Barraud and Abraham, a trading company, and a retired engineer's memoirs of the Manawatu-Oroua Electric Power Board.<sup>13</sup> Both are narratives, and lack any context of the time, area or industry. Although there are a number of general local histories, they are also uncritical and have tended to concentrate on the early colonial period.<sup>14</sup> There have also been a variety of organisational histories, which again do not concentrate on the period of the 1930s.<sup>15</sup> Academically, the 1930s in Manawatu have previously been considered in the areas of maternity care, charitable relief, radio broadcasting and the political labour movement,<sup>16</sup> and these studies have provided helpful material to my research.

The Manawatu Co-operative Society is an important part of the history of Manawatu, socially and economically. It grew to be the largest business in the district, and was a major employer. It had groceries and butchers' shops throughout the city and surrounding areas, including Foxton, Ashhurst, Bulls, Levin, Pahiatua, and Taihape. The purchase and renovation of the Premier Drapery Company (PDC) department store in 1956 and Manly Outfitters in 1951 signalled its move into selling non-food items. This trend continued with the takeover or opening of stores selling petrol, bicycles, wine and liquor and motorcycles. By 1978, the Society had 30,000 shareholders, and it was estimated that there were members in half of the city households, and one-third of country homes. The 1980s saw a change in role for the Co-operative Society, as it moved out of community stores and became primarily a landlord, with the building of the PDC/Foodtown Plaza. The Society figures prominently in the memories of people living in Palmerston North as an employer, a sponsor of local sporting events, and as a

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<sup>13</sup> Merchant Memoirs: The Short History of a Manawatu Merchant in a Century of Service, 1882 - 1982 Barraud and Abraham Ltd (Palmerston North, 1983); James William S. Clevely, Manarua Memoirs: a Short History of the Manawatu-Oroua Electric Power Board, 1920-1972 (Palmerston North, 1973).

<sup>14</sup> See for example, G. C. Petersen, The Pioneering Days of Palmerston North (Levin, 1952); G. C. Petersen, Palmerston North: a Centennial History (Wellington, 1973); A. G. S. Bradfield, Forgotten days: Pioneering Experiences of the Early Citizens of Palmerston North and Settlers of Manawatu (Levin, 1956); A. G. S. Bradfield, The Precious Years: Further Stories of the Pioneering Days of Palmerston North and Districts in the Manawatu (Palmerston North, 1962).

<sup>15</sup> See for example, Mary Davies, Without Prejudice: a History of the Manawatu Branch of the National Council of Women, 1934 - 89 (Palmerston North, 1990).

<sup>16</sup> Dalley, op. cit.; B. J. Webster, 'The Palmerston North Political Labour Movement, 1916 - 35', BA (Hons) research exercise in History (Massey University, 1980); Philip Fleming, 'Radio Broadcasting in Palmerston North, 1924 - 1937', BA (Hons) research exercise in History (Massey University, 1980); Gaynor Smith, 'Essentially a Woman's Question. A Study of Maternity Services in Palmerston North, 1915 - 1945', BA (Hons) research exercise in History (Massey University, 1987).

supplier, and even its collapse and the resulting loss of shares is remembered by its ex-members. A study of the first five years of this organisation foreshadows its meteoric rise in the post-war period. Even in the short period considered, the Society opened five enterprises, and only the war limited further expansion. My work also takes into account the extensive international body of works on co-operation, especially from the period of the late 1930s and 1940s, when world co-operators were preparing to celebrate the centenary of the Rochdale Pioneers in 1944.

There are problems in undertaking a local study of an international phenomenon, without a national framework available as a background. As a consequence, this is very much a preliminary study, as it is difficult to be certain that this organisation is typical of its time. Although the national magazine of the 1930s, The New Zealand Co-operator, shows that Manawatu was founded in much the same way as other societies, it was unusual in that it was one of the few co-operatives to report on its activities regularly and therefore no real comparisons can be made. In addition, the Manawatu Co-operative Society grew to be much more successful than other co-operatives, trading for over fifty years when the average lifespan was around nine years.<sup>17</sup>

The Manawatu Society's success led to my initial interest in how a group of socialists and idealists could start and run a successful business. Palmerston North was chosen as the focus for this study because the society operated sufficiently recently for local people to remember it, and because the records were preserved in the Palmerston North City Council Archives, and thus were available for use. Whilst the quality of records make a comprehensive study possible, the scope of an honours research exercise precluded a longer time frame for this study. However, a study of the first five years of this organisation is significant because it sheds light on the beginnings of similar organisations, and allows some conclusions to be drawn as to why it achieved early success, at a time and stage of development when other co-operatives failed.

The first chapter considers the New Zealand co-operative experience, and puts the Manawatu Society into the national context. Chapter Two considers the role of trade unions in the local co-operative movement, and that of the Labour Party in local and national co-operation. The third chapter looks at the difficulties faced by the idealists on the management committee when it came to running a business in a professional manner. Lastly, at a time when there was a growing prominence of women as consumers, I consider the many roles filled by women in the local co-operative movement, and assess their significance. The importance

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<sup>17</sup> W. A. Poole, Co-operative Retailing in New Zealand (Wellington, 1969) pp. 7, 18.

of women was stressed throughout New Zealand co-operation, and it is this background that will be considered first.



The first store in Broadway Avenue, opened 14 November 1935.

Source: PNCCA Community Archives, reunion display. The style of the 'Co-op' logo indicates that this photograph was not taken before the early 1950s.

**Chapter One.**  
**New Zealand consumers' co-operation.**

**'Co-operation:  
 it is a plant, indigenous in men's minds,  
 springing up everywhere'.<sup>1</sup>**

Road-workers established the first consumers' co-operative early in the history of European settlement in New Zealand, in the Nelson area in the 1840s. It was a short-lived enterprise, and therefore is typical of the consumers' co-operative movement in New Zealand. Almost two hundred consumers' co-operatives registered under the Industrial and Provident Societies Act in the ninety years to 1969,<sup>2</sup> and others registered under the Company Act and the Friendly Societies Act. Of these, one-quarter had not traded, and the remainder had an average lifespan of nine years. It appears that the Manawatu Co-operative Society Ltd was not the first consumers' co-operative in the area, as the Chairman reported in his Silver Jubilee address in 1960 that one had traded in Palmerston North from 1922, but it failed financially within two years.<sup>3</sup>

Other forms of co-operation which existed in New Zealand are generally divided into producer co-operatives and credit co-operatives. Dairy co-operatives are the widest known form of producers' co-operatives, but there were also co-operatives involved in other fields, including stock slaughtering, wool broking and fertiliser production. From the start of the twentieth century, a majority of dairy factories in New Zealand have been co-operatives,<sup>4</sup> where farmers supply milk or cream for factory production of butter, cheese or other products, which are then marketed by the co-operative through the Dairy Board. The dairy industry became totally co-operatively owned and operated in 1951.<sup>5</sup> Farmers' co-operatives acted as a form of specialised consumers' co-operative, and generally bought livestock and farm produce and sold farming supplies to their members. In addition, they acted almost as a bank in supplying short-term funding and insurance. Typical of many credit co-operatives, the Public Service Investment Society Ltd (PSIS) was established to gather members' savings to make housing loans, and only later expanded into building ownership, leasing and retailing.<sup>6</sup>

The oldest surviving retail consumers' co-operative at the time that the Manawatu Co-operative Society started trading was the Runanga Co-operative Society. It was founded in

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<sup>1</sup> *NZ Co-op*, 1:3, December 1933, p. 15.

<sup>2</sup> Poole, p. 7.

<sup>3</sup> Chairman's address, Annual, Half Yearly and Quarterly Meeting minute book, 12 October 1960.

<sup>4</sup> Eric Warr, *From Bush-burn to Butter* (Wellington, 1988) pp. 77, 79.

<sup>5</sup> *Ibid.*, p. 79.

<sup>6</sup> Poole, pp. 48 - 52.

1906, and in 1933 had 500 members, annual turnover of £45,000 and dividends averaging 2/9 pence per pound of purchases.<sup>7</sup> It ran the local picture house, as well as a thriving grocery shop. Other co-operatives were trading in the Hutt Valley, Nelson, Mosgiel, Kaitangata, Masterton and Alexandra. The Nelson enterprise was about fifteen years old, had over 800 members and ran the largest grocery business in the city.<sup>8</sup> There was no national organisation before 1933, and the co-operatives operated independently.

There was a growing interest in co-operation as the Depression deepened. The National Dairy Association of New Zealand Ltd (NDA), which described its role as 'the sponsors of the local movement'<sup>9</sup>, noted this, and issued the first instalment of The Co-operator (later The New Zealand Co-operator) on 10 July 1933, to be a 'vehicle of expression by which co-operators may be kept in touch with each other's activities'.<sup>10</sup> The NDA was an umbrella organisation that acted as the co-operative buying association for a number of co-operative dairy companies. It also sponsored the calling of a conference in November 1933, at which potential co-operators discussed the benefits of working together, and then established the New Zealand Co-operative Alliance. Its intention was to raise awareness of co-operation as 'the only effective solution ... to the present economic position'<sup>11</sup>. The conference was opened by Keith Holyoake, MP, whose great uncle, George Jacob Holyoake, was described as 'his illustrious forbear ... one of the founders and historians of the co-operative movement in England'.<sup>12</sup> The manager of the NDA, Mr C. H. Backhouse,<sup>13</sup> became the first President.

The main objective of the Alliance was to foster the development of co-operation in New Zealand. Many New Zealand co-operators believed that the establishment of a 'co-operative commonwealth' in the world would benefit society as a whole. The President of the Woodville Society, Mr M. M. Munro, suggested that the deliberations at the Alliance's annual conference of 1935 'may produce results of greater moment to the people of this land than any event since the Treaty of Waitangi'.<sup>14</sup> A secondary objective of the Alliance was to promote the buying of British goods, as co-operators believed that balancing imports and exports would lessen the economic slump. The NDA was the agent for the Co-operative Wholesale Society

<sup>7</sup> NZ Co-op 1:1, 10 July 1933, p. 3.

<sup>8</sup> NZ Co-op 1:10, September 1934, p. 4.

<sup>9</sup> NZ Co-op 1:1, 10 July 1933, p. 1.

<sup>10</sup> NZ Co-op 1:1, 10 July 1933, p. 1. The original punctuation is retained in quotations from The New Zealand Co-operator and in extracts from Manawatu Co-operative Society's minute books.

<sup>11</sup> NZ Co-op 1:3, December 1933, p. 4.

<sup>12</sup> NZ Co-op 1:3, December 1933, p. 5.

<sup>13</sup> Due to the formality of the language used in reports and minutes, relatively few Christian names of those involved in the 1930s co-operative movement are known.

<sup>14</sup> M. M. Munro, NZ Co-op 2:10, October 1935, p. 4.

In order to support the development of new and successful co-operatives, the Alliance relied heavily on advice from established co-operatives, especially Runanga. Thomas Bowes, the Runanga manager-secretary, provided a 'prescription for success' made up of four items - 'don't start with too little capital, see that you get a good manager who understands co-operation, have an enthusiastic, keen and intelligent committee, and endeavour to build reserves from the commencement'.<sup>15</sup> The Foxton Society reiterated this advice, and suggested not opening a store until at least two hundred pounds were collected, as they had struggled after opening their shop in early 1934 with less than five pounds.<sup>16</sup>

The number of consumers' co-operatives increased rapidly after the establishment of the Alliance. Societies were established at Wanganui, Foxton, Levin, Wellington, and Dunedin in late 1933, and Nireaha converted a former co-operative store, established in 1902, back to a co-op. in December 1934. Foxton opened its shop in February 1934, Woodville in December 1934, and Levin in June 1935. Other societies were formed at Waipukurau and Ahaura in 1935. Manawatu was the next to open a store, on 14 November 1935, followed in December by Dannevirke. Westport, Carterton, and a second society for Masterton were established in 1936, and societies were formed in Tuai, Taranaki, Otahuhu, Northcote, Whangarei, Mirimar, Upper Hutt, Hastings, Moera and Petone in 1937.<sup>17</sup> Feilding was gathering support for a society in 1938.<sup>18</sup>

The size of the co-operative movement in New Zealand was reported to the fourth annual Alliance conference, held in Wellington in August 1936. In early 1934, there were 6 co-operatives with a membership of 1,500, 48 employees and annual trade of £87,250. This grew to 15 co-operatives in 1935, with 2,250 members, 68 employees and sales totalling £98,550. The movement nearly doubled in the next year, with reported figures of 21 co-operatives, 5,206 members and 105 employees, and trade of £205,000 for 1936.<sup>19</sup> Denham von Sturmer, the Secretary of the Alliance, reported in August 1937 that the movement had 26 societies, 8,000 members and trade of over a quarter of a million pounds.<sup>20</sup>

However, there were problems ahead for the Alliance. In September 1935 Denham von Sturmer expressed his concern that the co-operative movement was pushing ahead too fast, as ten societies had commenced since 1933. He noted the tendency for new societies to

<sup>15</sup> Thomas Bowes, *NZ Co-op.* 1:4, January 1934, pp. 3, 13.

<sup>16</sup> *NZ Co-op.* 2:2, February 1935, p. 12.

<sup>17</sup> *NZ Co-op.* 1:3, December 1933, p. 12; 2:1, January 1935, p. 3; 2:3, March 1935, p. 3; 2:6, June 1935, p. 3; 3:1, January 1936, p. 3; 3:4, April 1936, p. 3; 3:5, May 1936, p. 5-7; 4:4, April 1937, p. 6; 4:10, October 1937, p. 7.

<sup>18</sup> Minutes of the Management Committee, 27 July 1938.

<sup>19</sup> *NZ Co-op.* 3:11, 1 November 1936, p. 5.

<sup>20</sup> *NZ Co-op.* 4:9, September 1937, p. 10.

be undercapitalised and trade on credit terms, and to neglect educating the bulk of their members on the aims and benefits of co-operation, so that undue emphasis was placed on the opening of a store, to the detriment of long term trading.<sup>21</sup>

It is difficult to establish how many of the new societies were successful. Not all were able to raise enough capital to open stores, and those that did had problems with price cutting by competitors, and supply worries. It appears that several wholesalers preferred not to jeopardise relationships with existing businesses, so would not supply co-operatives. To an extent, this was overcome by co-operatives choosing to buy through the NDA, but by 1937 there were moves for the Alliance to establish its own New Zealand Co-operative Wholesale Society (NZCWS). Despite mixed feelings among the Management Committee, Manawatu supported the establishment of a NZCWS by buying twenty-four £5 shares, and it commenced trading in October 1937.<sup>22</sup> However, 'some manufacturers refused to supply the Co-operative Wholesale Society, alleging with some justification that they were unhappy about its viability. But it was also clear they had no sympathy towards the idea of co-operative trading'.<sup>23</sup> In addition, the NZCWS suffered from insufficient support from many of the societies, and lacked capital.<sup>24</sup> According to Gordon Brown, who was Manawatu's Secretary at the time, 'the wholesale lasted less than a year and its bankruptcy put the Alliance out of existence'.<sup>25</sup> The March 1938 issue of The New Zealand Co-operator was the last printed, and a national co-operative body was not re-established until the late 1940s.

The collapse of the Alliance affected other co-operative enterprises. The Alliance set up Co-operative Holidays Ltd in October 1937, with the intention of running educational and recreational weekends or holidays for New Zealand co-operators. They secured a 'resort' at Hokio, near Levin, and this was formally opened on 15 January 1938 with a weekend of discussions on the 'co-operative commonwealth'.<sup>26</sup> A number of rallies were held by the Co-operative Holidays Society into 1939 but it did not survive the war. The Alliance also set up the Co-operative Press Society in January 1938, and intended to undertake all the co-operatives' printing needs, as well as produce the New Zealand Co-operator. Lack of capital to produce the magazine spelled the end of the Press Society.<sup>27</sup>

<sup>21</sup> NZ Co-op. 2:9, September 1935, p. 8.

<sup>22</sup> NZ Co-op. 4:10, October 1937, p. 3.

<sup>23</sup> Co-op Consumer Times 50th Jubilee edition, no date but after 7 May 1986, p. 2.

<sup>24</sup> Mr I. MacLeod and Mr M. M. Munro, meeting with Manawatu Co-operative Society, Minutes of the Management Committee, 2 March 1938.

<sup>25</sup> Gordon Brown, 40th Jubilee typescript, 'How it all began', Evening Standard November 1975, p. 9.

<sup>26</sup> NZ Co-op. 4:10, October 1937, pp. 3-4; 4:11, November 1937, p. 5; 5:1, January 1938, p. 5.

<sup>27</sup> NZ Co-op. 5:1, January 1938, pp. 3, 7.

Overall, the Alliance's history mirrored that of many individual co-operatives. It came into existence with a number of enthusiastic supporters, grew rapidly, took on ambitious projects, and eventually collapsed under the combination of insufficient funding and internal dissension. The Alliance's history is also reflected in the life of one of New Zealand's key co-operators, Iain MacLeod. A Scot, 'Mac' came to New Zealand in 1926 after ten years in the Post Office Division of the British Civil Service. He worked for the Self Help grocery chain, and later was general manager in Dunedin and Invercargill. From here, he moved to Palmerston North as a branch manager for the Community Stores, and called the initial meeting to form a co-operative in Manawatu on 7 April 1935. MacLeod is generally credited with being Manawatu's 'founding father' - 'he was a bubbling enthusiast for the co-operative idea and ... infected all those foundation members who came into contact with him'.<sup>28</sup>

MacLeod joined the NDA merchandise department as a traveller in 1935, moved to Wellington in 1936, and became head of his department in early 1937. The new NZCWS was to be his next challenge, as he was chosen out of fifty applicants for the position of General Manager.<sup>29</sup> His career collapsed with the Co-operative Wholesale Society. The government announced plans to build a new steel working town at Onekaka, so MacLeod moved there, planning to start another co-operative as soon as there were sufficient people. In the meantime, he was reduced to working with a pick and shovel. Wartime meant the steel works did not proceed, and rather like the New Zealand co-operative movement, MacLeod dropped out of sight in late 1939.<sup>30</sup>

Manawatu's role in New Zealand consumer co-operation similarly varied over time. Initially, the Manawatu Society relied heavily on the Alliance for advice, both about legal procedures and about commencing trade. It received practical help from members of neighbouring societies, especially at the opening of the first store, and was fortunate to be able to learn from the mistakes made by Foxton and others. In November 1935, the Alliance pointed to Manawatu as a model of the best way to start a co-operative, and its trading success meant that it continued to be used as a pattern. As it grew, the Manawatu Society offered new co-operatives the same support and practical help that it had received, corresponding with organisations in Whangarei, Otahuhu, Taranaki and Miramar.<sup>31</sup> By 1938, the Manawatu Society had come to be seen as a leader in much the same way that Runanga had been in 1933, and in the NZCWS fiasco, Manawatu headed moves to prevent the Alliance from persevering with the Wholesale Society, and thus risking greater losses to be carried by the

<sup>28</sup> 'How it all began', Evening Standard November 1975, p. 9.

<sup>29</sup> NZ Co-op 4:8, August 1937, p. 3-4.

<sup>30</sup> Wm. L. Robertson, Final statement (unpublished typescript, October 1950, PNCCA Community Archives) p. 4-5.

<sup>31</sup> Minutes of the Management Committee, 17 August 1938, 22 March 1939, 14 June 1939.

New Zealand movement.<sup>32</sup> After the effective collapse of the Alliance, Manawatu called a conference with the Feilding, Levin, and Foxton Societies, with a view to setting up regional committees until such time as the organisation could afford a national body again.<sup>33</sup> It appears that after the war, the Manawatu Society was instrumental in the establishment of the new national body, the New Zealand Federation of Co-operatives, and it was initially based in Palmerston North.<sup>34</sup>

W. A. Poole, writing for the New Zealand Institute of Economic Research in 1969, suggested that the motivation for the creation of consumers' co-operatives in the 1930s was 'fear of a renewed onset of severe depression, a deep-seated desire for security at the individual level, and a degree of idealism'.<sup>35</sup> However, by the time the Manawatu Society was established the worst of the Depression was over. Co-operatives were forced to compete with 'a renewed wave of [capitalist] competition',<sup>36</sup> and as trade conditions tightened, few of the newest co-operatives lasted for more than a year or two. When competing retailers are efficient, co-operatives are not able to make worthwhile savings for their members. It is possible that the relative absence of poverty in New Zealand 'weakened any impulse to unite in co-operative enterprise', as co-operatives tend to be established in time of poor economic conditions, and then collapse when conditions improve.<sup>37</sup> Most New Zealand co-operatives were essentially ephemeral - the Dannevirke Society which was established in 1935 ceased trading in 1939,<sup>38</sup> and of those established around 1935, only Manawatu lasted into the 1960s.

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<sup>32</sup> Minutes of the Management Committee, 26 May 1938, 2 June 1938.

<sup>33</sup> *Ibid.*, 17 August 1938, 26 October 1938.

<sup>34</sup> Robertson, p. 13.

<sup>35</sup> Poole, p. 8.

<sup>36</sup> Poole, p. 18.

<sup>37</sup> Poole, p. 11.

<sup>38</sup> Fiona McKergow, 'New Zealand Co-operative Women's Guild, 1928 - 1965', in Anne Else, (ed.), Women Together. A History of Women's Organisations in New Zealand (Wellington, 1993) p. 309.

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Advertisement for Store Organisation by Iain MacLeod, a 1935 publication of the New Zealand Co-operative Alliance. Note that 'MacLeod' is misspelt in this advertisement.

Source: The New Zealand Co-operator 2:10 October 1935.

**Chapter Two.  
Co-operation and the Labour Movement.**

**'Co-operation:  
it is an idea.  
Ideas are the most powerful forces in the world'.<sup>1</sup>**

The New Zealand Co-operator shows a co-operative movement that is generally pro-Labour in nature, and the evidence from Manawatu tends to support this. However, Jock H. Churton<sup>2</sup> suggested in 1951 that the British model, where 'the unions, the co-ops and the Labour Party grew up together ... and ... were inseparable parts of one big working-class movement', had not been successfully transplanted to New Zealand, and at times the Labour movement stood 'on two legs instead of three ... [and] sometimes ... on only one'.<sup>3</sup> In Churton's opinion, the Labour government and unions failed to support co-operatives. I will test this view by looking at relations between the Manawatu Co-operative Society and trade unions, the Labour Party and the Labour Government in the late 1930s. In addition, contact with more left wing organisations will be considered. Some general comments on the interaction between the first Labour Government and the national co-operative movement will also be made. First, I will consider the relationship between socialism and co-operation.

The co-operative movement in New Zealand in the 1930s took some tenets from socialism, but was not exactly socialist. Socialism is a 'political and economic theory of social organisation which advocates that [the] community as a whole should own and control the means of production, distribution, and exchange',<sup>4</sup> but co-operation aimed to improve conditions for individuals, the members, not to create property for the whole community. Although in common with other co-operatives, the Manawatu Co-operative Society shareholding was set at a maximum of £300,<sup>5</sup> and each member had equal voting rights, trading surpluses were not distributed equally, or in relation to the capital invested. Any profit was returned to members by way of a six monthly or annual rebate which was distributed on a ratio according to the total purchases of each individual member. For example, the six month rebate declared by the Manawatu Society in June 1937 was 6d in the pound,<sup>6</sup> so for each pound of purchases, sixpence was received in cash or credited to the member's share

<sup>1</sup> NZ Co-op, 1:3, December 1933, p. 15.

<sup>2</sup> J. H. Churton 'has been closely associated with the co-operative movement both here and abroad', 'Co-ops & Ostriches', Here & Now (December, 1951) p. 21.

<sup>3</sup> *Ibid.*, p. 22. See also his comments in Common Wealth, the magazine of the NZ Federation of Co-operatives, 4:1, April-May, 1951, p. 1.

<sup>4</sup> The Concise Oxford Dictionary (Oxford, 1982) p. 1006.

<sup>5</sup> Minutes of the Provisional Committee, 14 April 1935. The maximum shareholding in English consumers' co-operatives was £100.

<sup>6</sup> Minutes of the Management Committee, 30 June 1937. For summary of financial results and rebates, see Appendix B.

purchase account. Individuals who spent more benefited more. Dairy co-operatives were similarly not socialist, as they did not contemplate community ownership of the land or livestock, only of the dairy factories. In addition, co-operation was 'not hostile to any class', or to capitalists, and even acted in a 'capitalist' manner by having the intention to accumulate capital 'necessary to the operations carried on for the common benefit'.<sup>7</sup> Finally, unlike some international enterprises where individuals were forced by legislation to take part, consumers' co-operation in New Zealand and in Manawatu was a matter of personal choice for members.

After the first meeting in April 1935 Manawatu's priority was to recruit sufficient members who could subscribe capital of £1 to allow the co-operative to open a store. Gordon Brown recalled that 'one of the railway unions, the Engine Drivers' and Cleaners' Union, virtually adopted the objective of forming a co-operative society as an official union project'. He saw this as 'a turning point in the membership target because the railway union generated a spill-off of interest to other trade unions with a resulting speed-up in membership support'.<sup>8</sup> An analysis of the occupational categories of early members clearly demonstrates the influence of this railway union. Of the 505 members recruited before the store opened on 14 November 1935, I have located occupations for 381 individuals, with women shareholders categorised according to their husband's employment where it is known.<sup>9</sup> Seventy of the initial members gave their occupation in the 1938 electoral roll as 'railway workers', which is over 18% of the total for whom occupations were identified. This shows the success of the railway union's recruiting of members for the Manawatu Co-operative Society. The importance of non-railway occupations is less pronounced in the occupational breakdown, and other evidence suggests that members were drawn from a variety of sources - through their places of employment, or in connection with friends, family or political interests.

The Management Committee minutes reveal little contact between the Labour Party and the Manawatu Co-operative Society, but this is partly explained by B. J. Webster's work which makes it clear that the Labour Party in Palmerston North was in difficulty in 1935,<sup>10</sup> as one of the two local party branches had to be disbanded in December 1934 due to alleged communist influences. Nearly one-third of the names mentioned in 'The Palmerston North Political Labour Movement, 1916 - 1935' were early members of the Manawatu Co-operative Society, but of these eleven people, only Rowland Watson was actively involved in the society at an executive level. Only one other co-operative committee member, Gordon Brown, was definitely known to be a member of the Labour Party. The Manawatu Co-operative Society's 50th Jubilee history states that 'members of the co-operative overwhelmingly supported the

<sup>7</sup> Patrick Bolger, *The Irish Co-operative Movement* (Dublin, 1977) p. 108 - 9.

<sup>8</sup> 'How it all began', *Evening Standard* 4 November 1975, p. 9.

<sup>9</sup> For analysis of occupations of initial members, see Appendix A.

<sup>10</sup> B. J. Webster, 'The Palmerston North Political Labour Movement, 1916 - 1935', BA(Hons) research exercise, Massey University, 1980.

Labour Party'<sup>11</sup>. Although there is no contemporary evidence to support this statement, and oral evidence suggests that not all the shareholders, or the Management Committee, were Labour supporters,<sup>12</sup> there is a definite impression that the Society had pro-Labour sympathies. The Women's Guild shared at least one meeting with the Housewives' League of the New Zealand Labour Party, in March 1937.<sup>13</sup> Even the Member of Parliament (MP) for Palmerston North from November 1935, Joe Hodgens, may have been personally involved in the Manawatu Co-operative Society, as his wife Catherine held share number seventy. The apparent lack of contact between the local party and the co-operative committee can also be explained as the result of using committee minutes as a source - informal contacts would not be minuted.

The difficulties of the Palmerston North Labour Party branch in relation to local communists were also reflected in the experience of the Manawatu Co-operative Society. The Golden Jubilee history reports that 'early in 1936 a split of opinion developed between those who wanted the society to be involved in political action and those who realised the Co-operative would fail if it lost sight of its primary aim'.<sup>14</sup> Gordon Brown believed that 'it was inevitable in the late 1930s that pressure would be put on the society to support left wing causes as Co-operative ideals had grown out of a need to counter the worst excesses of industrial capitalism [and] in Fascist Italy and in Germany co-operatives were being systematically destroyed'.<sup>15</sup> A group of shareholders who were commonly believed to be communists formed a Shareholders<sup>16</sup> Progressive Association (SPA). This included Max Wolf, an engine driver and member of the initial Management Committee, and Messrs Mandeno, Campbell, Crowther and Coupe. Mandeno and Crowther attempted to gain election to the committee, but failed due to lack of popular support, and even Wolf lost his seat in the March 1936 quarterly election. With the support of all of the shareholders who attended quarterly meetings, the co-operative made charitable donations to the Spanish and Chinese orphans funds, Spanish medical aid funds in 1938, and the Chinese relief fund in 1939,<sup>17</sup> but overall the committee avoided offending its more moderate members, and turned down applications for funding more left wing causes. The Management Committee decided to take no action over invitations from the Communist Party to participate in their Celebration Day on 7 November 1935 and Labour Day activities in 1936.<sup>18</sup> The Shareholders Progressive Association was nevertheless helpful to the co-operative while it lasted, as Gordon Brown felt it 'kept the affairs

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<sup>11</sup> Co-op Consumer Times 50th Jubilee edition, no date but after 7 May 1986, p. 2.

<sup>12</sup> Interviews, Mr Reg How, 20 August 1995; Mrs Isabel Ryan, 17 July 1995.

<sup>13</sup> NZ Co-op, 4:4, April 1937, p. 14.

<sup>14</sup> Co-op Consumer Times 50th Jubilee edition, no date but after 7 May 1986, p. 2.

<sup>15</sup> *Ibid.*, p. 2.

<sup>16</sup> Original punctuation as used in the minutes of the Management Committee.

<sup>17</sup> Quarterly General Meeting minutes, 13 July 1938; 12 July 1939.

<sup>18</sup> Minutes of the Management Committee, 30 October, 1935; 6 October 1936.

of the Society from slipping into a rut<sup>19</sup> and its existence ensured large turnouts at the quarterly meetings, both of SPA members and their opponents.

The first store opened in Manawatu less than a fortnight before the first Labour government won the election on 27 November 1935. The management committee 'set a few moments aside from its discussion on new confectionary scales to move that a letter be sent to Michael Joseph Savage congratulating him on his election as Prime Minister',<sup>20</sup> and expressed 'the hope that his Government's legislation would assist to bring about the Co-operative Commonwealth'.<sup>21</sup> Although Manawatu did not suggest how this was to be done, their hopes could have included easily available government finance and guarantees, or even something similar to Labour's proposed compulsory unionism. Savage's telegram in reply merely 'thanked the society for its message of congratulation'.<sup>22</sup> The next local attempt to seek favours from the Labour Government came in January 1937 after the first state housing precinct in Palmerston North, Savage Crescent, was announced. The Manawatu Co-operative Society wrote to the government 'putting forward the claims of a co-operative store in the new building project'.<sup>23</sup> Although they received responses from the Director of Housing, the Prime Minister, and Joe Hodgens acknowledging the request,<sup>24</sup> it is presumed that no actual support was forthcoming, as the co-operative eventually bought land and built its own shop in the area.

Although the members of the Management Committee were enthusiastic about Labour's election, at times there was tension due to their dual roles as workers and employers. Labour's protection for individual workers increased the co-operative's expenses, as shop trading hours were amended in 1936 to restrict hours of employment to forty-four,<sup>25</sup> and altered again for butchers' shops in October 1938. Award wages rose in November 1935 and August 1938. The possibility of purchasing Hopwood's Bakery in September 1938 was lost while the local MP, Joe Hodgens, and the President of the Alliance, Ben Roberts, MP, investigated the possibility that the government was considering licensing bakeries.<sup>26</sup> The most awkward breach of government legislation involved delivery hours, as the Labour Department threatened legal proceedings after staff were reported to be 'delivering goods after twelve noon on Saturday', and only swift explanations from the Secretary avoided a fine.<sup>27</sup> Overall, Labour's social legislation proved beneficial to the Manawatu Co-operative Society by

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<sup>19</sup> 'How it all began', Evening Standard 4 November 1975, p. 9.

<sup>20</sup> Co-op Consumer Times 50th Jubilee edition, no date but after 7 May 1986, p. 2.

<sup>21</sup> Minutes of the Canvassing and Propaganda Committee, 29 November 1935.

<sup>22</sup> Minutes of the Management Committee, 17 January 1936.

<sup>23</sup> *Ibid.*, 27 January 1937.

<sup>24</sup> *Ibid.*, 10 February 1937.

<sup>25</sup> New Zealand Official Yearbook (Wellington, 1990) p. 565.

<sup>26</sup> Minutes of the Management Committee, 17 November 1935, 17 August 1938, 11 October 1938, 21 December 1938.

<sup>27</sup> Minutes of the Management Committee, 12 July 1938, 27 July 1938.

improving their customers' finances. The various shops' trading rose with the increased incomes, and profits grew steadily in the late 1930s.

By 1951, the co-operative movement in New Zealand was in disarray, and Churton asserts that this is at least in part due to the Labour Government's failure to 'respond with the help and vision that a voluntary association of workers is entitled to expect from a workers' government'.<sup>28</sup> In reality, a number of members of the first Labour Government were involved in the New Zealand co-operative movement, in some cases for many years. Bob Semple became the President of the Runanga Society in 1908, and Paddy Webb had also been an early Runanga shareholder. During the debate on the 1937 Budget, Walter Nash stated that 'Co-operation...is the most beautiful word in the English language',<sup>29</sup> and he later attended the opening of the Hokio holiday resort.<sup>30</sup> The Minister for Industries and Commerce, D. G. Sullivan, dropped in unannounced to the Annual Conference of the Co-operative Alliance in June 1937, and gave an impromptu speech on the kinship between the Labour movement and the Co-operative movement, and the importance of co-operators supporting his legislation on Industrial Efficiency and Standards. Janet Fraser, wife of Peter Fraser, was the guest of the second Women's Guild congress in 1937.<sup>31</sup> However, the greatest personal commitment among those in government was that shown by Ben Roberts, MP for Wairarapa, who served as President of the Co-operative Alliance from 1936 until its collapse.

Churton suggests that 'Labour did not cause the failure of any co-op, but ... they let down the people who believed in them', perhaps 'for fear of losing shopkeepers' votes'.<sup>32</sup> I suggest that this view of the 1930s may be a result of unrealistic expectations on the part of individuals who were keen for New Zealand to become a 'co-operative commonwealth'. Members of the Labour Government reflected an interest in co-operation, but the government could not appear to be too partisan when re-election was required in 1938. Co-operatives were not advantaged by legislation enforcing price controls in trade, but they were not disadvantaged either. In fact, although rebates could reduce due to increases in their co-operatives' employees' wages and conditions, members were likely to benefit more individually from the development of the welfare state. Even in the post-war period, Churton's view is contradicted by Poole. Referring to state housing developments such as in the Hutt Valley, Poole indicates that 'the postwar initiative [in forming co-operatives] was taken by Government' which allowed 'preferential access to favourable, protected store-sites, to goods in short supply, and possibly

<sup>28</sup> Churton, 'Co-ops & Ostriches', p. 22.

<sup>29</sup> *NZ Co-op*, 4:11, November 1937, p. 1.

<sup>30</sup> Interview; Mrs Isabel Ryan, 17 July 1995.

<sup>31</sup> *NZ Co-op*, 4:6, June 1937, p. 3; 4:9, September 1937, p. 5.

<sup>32</sup> Churton, 'Co-ops & Ostriches', p. 22.

even to working capital' and that without this, establishment of new co-operatives 'would have been nearly impossible'.<sup>33</sup>

In the case of the Manawatu Co-operative Society, it is clear from the analysis of the early membership records that trade unions did not fail to support this co-operative. The railway union's recruitment efforts were significant in Manawatu reaching its membership target promptly, and thus allowing the opening of a store before the momentum was lost. It is less clear that the Labour Party in Manawatu was supportive, but this could either reflect the problems suffered by the Party in Palmerston North, or the deficiencies of using minute books as a source. In the absence of contemporary evidence supporting the statements in the Jubilee histories, I am unable to draw any concrete conclusions. The Manawatu Society was in direct contact with the Labour Government on only a few occasions but these are sufficient to show the goodwill felt on both sides. Although Manawatu would have appreciated more positive assistance, such as preferential access to the Savage Crescent housing precinct's customers, Labour's legislation improved the financial position of some members, and others benefited from shorter hours and improved working conditions. Increased trade due to higher family incomes helped the stores. Nationally, the Alliance was satisfied in the 1930s with the degree of support that it received from the government, at a time when the country was recovering from the Depression.

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<sup>33</sup> Poole, p. 8.



Gordon Alexander Brown, 1907 - 1982.

Source: 25th Jubilee Report, 1960, PNCCA Community Archives, Series 32.

**Chapter Three.**  
**The gap between ideology and practice.**

**'Co-operation:**  
**It is the solution that dissolves the conflict between producers and consumers,**  
**by showing them that they are one.'**<sup>1</sup>

The Manawatu Co-operative Society was, in essence, a workers' organisation, and this characteristic led to a number of its difficulties. The first was that the Management Committee lacked business expertise. The Accountants' Society was told in 1948 that any saving in co-operative management costs due to not paying directors' fees 'is nearly always more than offset by the incompetence of the management committee. Most of the members of such committees have no experience or training in the conduct of a business'.<sup>2</sup> The President of the Provisional Committee from April 1935, George Geekie, was a salesman.<sup>3</sup> Wilfred Cantlon, a senior employee in the City Council Electricity Department,<sup>4</sup> was elected inaugural President of the Management Committee in September 1935. He stood down in February 1939, and was followed as President by Robert Foster, who worked as a gas meter repairer. Three of the 1940s Presidents were members of the Engine Drivers' Union.<sup>5</sup> Of the balance of the 1930s Management Committee members, only Iain MacLeod had business or grocery skills, and he left Palmerston North in May 1936. Mrs Edith Niederer had recently moved to Palmerston North from a Southland dairy farm, and her 1939 replacement, Ella Harrod, was married to a railway engine driver. Robert Boyd and Max Wolf were engine drivers, and were replaced in March 1936 by Martin Lee, another railway employee, and Clarence Aitken, an electrician. Rowland Watson, a City Council meter reader, was next to join the Committee, followed by a labourer, Francis O'Connell and Alf Syder, a railway fireman.<sup>6</sup> Although there was reasonable continuity of leadership with only one-quarter of the committee up for re-election every three months, the lack of business skills was a problem. This situation was not limited to the 1930s. Mrs Muriel McDonough commented in an interview in 1992 that when she joined the Committee in the early 1950s, it was fortunate that she had worked in her father's jewellery business, as she was the only committee member with business experience.<sup>7</sup>

<sup>1</sup> NZ Co-op 1:3, December 1933, p. 15.

<sup>2</sup> H. Mountfort, 'Consumers' Co-operatives. Some Financial and Accounting Considerations', The Accountants' Journal 27, 1948-9, pp. 263.

<sup>3</sup> See Appendix C for details of members of the Committee of Management's names, dates of service and occupations.

<sup>4</sup> Palmerston North electoral roll, 1938; Gordon Brown, 40th Jubilee typescript, 'How it all began', Evening Standard 4 November 1975, p. 9.

<sup>5</sup> 'How it all began', Evening Standard 4 November 1975, p. 9.

<sup>6</sup> Quarterly General Meeting minutes, 27 September 1935; 18 March 1936; 24 June 1936; 25 September 1936; 14 January 1937, 18 March 1937; 23 September 1937; 12 July 1939; Palmerston North electoral roll, 1938 and supplementary roll, 1935.

<sup>7</sup> Mrs M. McDonough, taped interview as part of the 'Co-op Reunion', 1992, Palmerston North City Council Archives.

As the committee members were clearly deficient in practical management experience, they relied heavily on the Secretary, Gordon Brown. Mountfort advised the Accountants' Society that inexperienced committee members 'often err on the side of optimism when considering the desirability of undertaking some particular action ... [and] co-operatives ... must also put up with bad executive decisions, [and] higher accounting and administrative costs, due to their large body of shareholders and the records involved'.<sup>8</sup> The Manawatu Society had opened its shop in Broadway with 505 shareholders enrolled. However it proved impossible to collect subscriptions from all of these, and the Committee reported in April 1936 that they had 470 effective members.<sup>9</sup> Maintaining the handwritten share registers at a time when there was a net gain of around twenty shareholders each month, and also keeping detailed purchase records was the challenge confronting Gordon Brown. Although in later years customers had to retain their docket in order to claim their rebate on purchases, in the 1930s complete purchase records for each member were kept by the Secretary to enable six monthly or annual rebates to be calculated correctly.

Gordon Brown was a key member of the early Committee, and became the Honorary Secretary from September 1935. At the same time, he was elected to the Board of the Co-operative Alliance.<sup>10</sup> He reflected the pro-Labour nature of the organisation - he was a lifelong Labour supporter, and his father Robert had been a 'Red Fed'. Gordon Brown was a local man, born in Turakina in 1907, who worked initially for the Manawatu Times, and later for a local lawyer's office. Although never formally qualified as an accountant, he had his own accountancy business in Broadway from the 1930s, and displayed a high level of practical management ability in his years with the Manawatu Society.<sup>11</sup> As well as becoming General Manager of the Society, and later the Chairman of Directors, Gordon Brown had a high profile in Manawatu. He was President of the New Zealand Rugby Football Union and Manawatu Rugby Football Union, a City Councillor, member of the Wellington Harbour Board, and Chairman of the Palmerston North Showgrounds' Board of Control, among other positions held in the 1950s, 1960s and 1970s. It appears that much of the early success of the Co-operative is attributable to the steady work performed by Gordon Brown. His role was important due to the deficiencies of the co-operative structure, where formal management was in the hands of a group of people who only met fortnightly. Although they were full of enthusiasm and gave their time voluntarily, they essentially lacked the required business skills. Brown's expertise was especially needed after February 1939, when the Co-operative had five separate businesses operating.

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<sup>8</sup> H. Mountfort, p. 263.

<sup>9</sup> NZ Co-op, 3:4, April 1936, p. 4.

<sup>10</sup> NZ Co-op, 2:9, September 1935, p. 18.

<sup>11</sup> Evening Standard 13 February 1973, p. 2; obituary, 17 July 1982, 20 July 1982; obituary in Co-op Consumer Times 1982.

Although the Committee relied heavily on Gordon Brown, it proved to be a difficult relationship at times. None of the Committee members had ever employed staff before, and problems were experienced both with the Secretary's position, and with the staff in the grocery and butcher's shops. Initially, Gordon Brown acted as Honorary (unpaid) Secretary, but there were problems when the 'girl' who was employed at 15/- per week to post member's purchases to the ledger resigned. It was suggested that it would be cheaper if Brown's staff took over this task, with the Society paying 5/- towards their wages.<sup>12</sup> This led to allegations from George Geekie that Brown was benefiting financially from the arrangement, and as a result of this, Brown resigned in March 1936. The committee soon found that paid assistance was required to replace his voluntary work, and William Horsfall was employed part-time in May at a salary of £65 per annum. He resigned in November, advising 'that his work in his permanent employment now rendered it difficult to attend to the affairs of the society',<sup>13</sup> but the minutes reveal a strained relationship with numerous critical comments. Gordon Brown was then formally appointed as Secretary, on £1/10/0 weekly, from December 1936.<sup>14</sup> After the opening of a second business, Takaro Butchery, in December 1936, a number of staff problems led the Management Committee to appoint Brown as Managing Secretary in June 1937, to co-ordinate and improve the service to shareholders. After much discussion, the Committee increased his emolument by 10/- per week in July 1937, and by a further pound in May 1938, after a second butchery shop was purchased.<sup>15</sup> The addition of a bakery in Milson and a third butchery in February 1939 led to a full review. Brown advised that 'the affairs of the Society ... at present took up the major portion of his working hours'<sup>16</sup> and that his own business was being neglected. The committee resolved as an interim measure to increase Brown's salary to £7/10/0 per week, to allow him to employ someone to help with his accountancy practice, but the store managers continued to be paid more than the Managing Secretary.

The Management Committee's relationship with the store staff was generally even poorer. Harry Fox, from Hunterville, was employed as the manager of the first shop, on £5 per week, with Wilf Somerville as assistant on half of this. The delivery boy, Arthur Mason, received £1/3/6.<sup>17</sup> M. Jennens was tested for Saturday work, then taken on at 15/- as business boomed in the first fortnight. The Coalition government increased award wages just before the November 1935 election, and Somerville's wages rose to £4/5/6 per week. This upset the shop manager, who did not receive a similar pay increase. In January, Jennens 'services [were]

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<sup>12</sup> Minutes of the Management Committee, 17 January 1936, 20 February 1936, 5 March 1936.

<sup>13</sup> *Ibid.*, 25 November 1936.

<sup>14</sup> *Ibid.*, 25 November 1936.

<sup>15</sup> *Ibid.*, 15 June 1937, 14 July 1937, 27 January 1938, 4 May 1938, 1 March 1939.

<sup>16</sup> *Ibid.*, 1 March 1939.

<sup>17</sup> *Ibid.*, 23 October 1935, 30 October 1935; Co-op Consumer Times 50th Jubilee edition, no date but after 7 May 1986, p. 2.

dispensed with on the grounds of inefficiency'.<sup>18</sup> However, it was found to be necessary to hire two replacements because of the volume of work. The manager's wage increased to £5/10/- in July 1936, as the business expanded to include a confectionery counter. The Committee interviewed all of the twenty-three applicants, finally choosing Miss J. Vickerstaff to run this, and act as office assistant for at £1 weekly. This allowed the committee to reduce Mr Horsfall's salary by 10/- per week, and to employ another assistant, but Miss Vickerstaff resigned after only some six weeks.<sup>19</sup> At this point, the next business, Takaro Butchery, was purchased. The picture of rapid staff turnover, discontent and lack of long-term staff planning was repeated in this, and subsequent businesses. The Committee purchased delivery vans, and after issuing instructions 'that any driver found exceeding a speed of 30 miles per hour will be liable to instant dismissal', found they had to replace the grocery delivery staff as none were able to drive.<sup>20</sup> 'Management committees often adopt a dictatorial attitude towards their staff, and impose ill-considered measures upon them',<sup>21</sup> according to Mountfort, and this generalisation is true in the case of the Manawatu Society.

After the issue of whether or not to offer store credit to shareholders, the 'next problem was the efficiency of the store management. There was certainly need of improvement but defects tended to be magnified because the committee kept pretty close to the affairs of the store,'<sup>22</sup> according to Gordon Brown. The priority of the Committee was happiness of shareholders, not staff satisfaction. Because so many of the customers were shareholders, who felt they owned the store, and because they were encouraged in the local co-operative bulletin to report any concerns directly to a Committee member, the store managers were called in front of the Committee over every customer complaint or suggestion. After months of this, Harry Fox moved on to work for another grocery business in July 1937. In addition, the Committee had a policy of only employing shareholders, which meant sometimes they could not employ the best people available, as some prospective employees could not afford to join. Later, when the Society purchased existing businesses, staff had to join the co-operative in order to retain their employment.

There was one staff problem that was not, on the face of it, the fault of the Committee, but it serves to illustrate how it could sometimes be slow to act decisively. It was discovered that the Manager of the Broadway Butchery, Mr L. Hepworth, was allowing other butchers to use the expensive new cool room, and that he was involved 'in certain activities ... in his shop in connection with horse-racing'.<sup>23</sup> After discussing this at two committee meetings, the

<sup>18</sup> Minutes of the Management Committee, 17 January 1936.

<sup>19</sup> Ibid., 3 July 1936, 14 July 1936, 24 July 1936, 7 August 1936.

<sup>20</sup> Ibid., 24 March 1937, 7 April 1937.

<sup>21</sup> H. Mountfort, p. 263.

<sup>22</sup> 'How it all began', Evening Standard 4 November 1975, p. 9.

<sup>23</sup> Minutes of the Management Committee, 23 November 1938, 7 December 1938.

Committee resolved to hold over further discussion until the next year, and in the end, it took no action. In contrast, it was quick to act against the new grocery manager, Mr J. W. Evans, when a number of complaints were received of discourtesy to customers. However, because of previous decisions to guarantee his rent, and to lend him the £19 he needed for the removal of his furniture from Auckland, the committee was restricted in its choice of possible actions. It was limited to threatening that 'unless there was a cessation of complaints the Committee would have to consider dispensing with his services'.<sup>24</sup> This episode demonstrated how the Committee's generosity, and lack of professional experience could hamper management of the Co-operative.

The Manawatu Co-operative Society experienced difficulties in turning an ideal of co-operation into practice as a successful business. Much of the difficulty stemmed from the lack of business experience shared by members of the Management Committee, but this was largely overcome by their enthusiasm and hard work, and by the skills of their initially voluntary Secretary. The relationship between the largely blue-collar workers of the Committee and the service workers in the shop proved to be tricky, and that with semi professionals Brown and Horsfall was little better. This probably reflects the discomfort felt by committee members at filling an unaccustomed role, as it would have been easy for the staff, and especially the shop managers, to show up the Committee's relative ignorance of shop matters. However, the committee had a superior knowledge of co-operation, and of the ideals and intentions of the Co-operative. This allowed them to provide an effective leadership in non-business terms for an enterprise that had to be run differently from their competitors. That the Manawatu Society was in such a strong position at the start of the Second World War reflects the abilities of its Secretary, Gordon Brown, its staff and Management Committee, as well as the enthusiasm of the women of Palmerston North for co-operative shopping.

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<sup>24</sup> Minutes of the Management Committee, 22 March 1939, 19 April 1939.

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THE MANAWATU DISTRICT CO-OPERATIVE SOCIETY LTD.

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APPLICATION FOR MEMBERSHIP

TO: The Committee of Management,  
The Manawatu District Co-operative Society Limited.

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I apply to become a member of THE MANAWATU DISTRICT CO-OPERATIVE SOCIETY LIMITED, a Society registered under the Industrial and Provident Societies' Act, 1908.

I apply for 2 shares of One Pound (£1) each in such Society.

I enclose herewith £5 being ~~cash deposit~~ <sup>cash</sup> of 5-0-0 shillings ( ) per share payable on the said shares applied for by me in the anticipation of my application being approved by the Committee of Management, and agree to pay the balance in accordance with the rules.

DATED this 6<sup>th</sup> day of May 1935.

NAME (IN FULL) Gordon Alexander Brown

ADDRESS 2 A Brown Street

OCCUPATION Accountant

USUAL SIGNATURE G. A. Brown

N.B. The terms for payment of shares: -

10/- per share on application

2/6d per month until share fully paid up.

SHARES - - ONE POUND (£1) EACH

Gordon Brown's application for membership as Shareholder number 4, dated 6 May 1935.

Source: PNCCA Community Archives, Series 15.

## Chapter Four.

### In what ways were women involved in Co-operation?

**'Co-operation:  
it is a demonstrated method of placing [wo]man as consumer  
in control of the sources of consumable goods'.<sup>1</sup>**

Women played a crucial role in the development and growth of the Manawatu Society, firstly as committee members, then as shareholders, Guild members, educators and communicators, staff members and customers. A testimonial to Manawatu, after the opening of the first store, reports that 'the tireless work of Mesdames MacLeod, Niederer, Geekie, Wolf and Boyd, is a glowing reminder of the value of women in the [Co-operative] Movement',<sup>2</sup> and much of the co-operative rhetoric in The New Zealand Co-operator is designed to remind societies how much the co-operative movement depended on women's shopping decisions for success.

In the early twentieth century, 'the roles of wife and mother became more sharply defined'<sup>3</sup> and domestic work and motherhood gained a new importance. Allied to this, belief grew in a 'separate sphere' for women. In the book In Those Days, one interviewee's father stated 'a man's job was to provide a wife with a home and all the things to do with it. A woman's job was to look after the home and children and the husband. That was her role in life'.<sup>4</sup> The separate sphere was affirmed by the 1936 Industrial Conciliation and Arbitration Act, which provided for a basic male wage 'sufficient to enable a man ... to maintain a wife and three children in fair and reasonable comfort'.<sup>5</sup> Relatively few married women worked outside the home in the 1930s, although many took in boarders. Women became increasingly dependent on a sole male breadwinner, and less likely than previously to contribute directly to the family economy through their labour. Consequently, women were integral to the emerging consumerism as their role as careful buyers became more important. As shoppers rather than producers of food and clothing, women were concerned both with obtaining quality goods, and value for their money. They therefore took an interest in the operation of the marketplace. Even though Depression conditions were easing in 1935, there was still pressure on women to make the best use of money. For those who could afford to purchase a share in a consumers' co-operative, its emphasis on providing high grade foodstuffs at reasonable prices, with the added attraction of potential rebates and interest at 5% on their capital made this a worthwhile investment. As buying shares in the Manawatu Co-operative Society initially required a deposit

<sup>1</sup> NZ Co-op. 1:3, December 1933, p. 15.

<sup>2</sup> NZ Co-op. 2:11, November 1935, p. 7.

<sup>3</sup> Erik Olssen, in Phillida Bunkle and Beryl Hughes, (eds.), Women in New Zealand Society (Auckland, 1980), p. 159.

<sup>4</sup> Society for Research on Women, In Those Days (Wellington, 1982) p. 47.

<sup>5</sup> Helen May, Minding Children, Managing Men (Wellington, 1992) p. 32.

of only 2/6, with a further 2/6 monthly until the £1 share was paid off, it was possible for women to purchase shares. Even when the co-operative requested that shareholders increased their holding to £3 from September 1936, the deposit and payments did not increase, so that the investment was still affordable.

Of the seven co-operative founders at the inaugural meeting at the MacLeod home on 7 April 1935, three were women. Marjorie MacLeod acted as Secretary for the first few months, and helped to start another co-operative Guild in Wellington in 1936.<sup>6</sup> Although Marjorie MacLeod and Christina Geekie's husbands were both involved in the society, Edith Niederer's husband Otto was not an early member. Born in 1889 in Edendale, Southland, Edith Niederer was aged around forty-six at this time, and had arrived in Palmerston North with Otto and their three youngest children the previous year, after the family dairy farm was lost in the Depression. Otto was an early member of the Farmers' Union, and Edith had been a member of the Women's Division since attending the Wellington conference in 1927.<sup>7</sup> This shared interest led to Otto's new career as a Farmers' Union organiser in Manawatu and Wairarapa. Mrs Niederer had helped start branches of the Women's Division in Southland, Otago and South Canterbury, and continued to talk to women's groups in the North Island about the Division, and later about the Women's Co-operative Guild.<sup>8</sup>

Two further women joined the Provisional Committee, Minnie Boyd, wife of a railway engine driver, and a Mrs Redwood.<sup>9</sup> Jessie Wolf and Mrs Muir, both also wives of railway workers, assisted in preparing the store for its opening. As with Marjorie MacLeod and Christina Geekie, little is known about these women, other than what is revealed by the formal minutes of the meetings. Perhaps because they had time available during the day, the women members of the canvassing committee spoke to a wide variety of groups, in order to enlist and educate prospective members, and collect money. Edith Niederer and Marjorie MacLeod went with George Geekie and Mr Johnson to sign up railway employees on 31 May 1935, with such success that it was reported that they expected to be able to sign up 95% of those attending.<sup>10</sup> Generally however, it appears from the minutes that the proceedings of the Provisional Committee were dominated by its up to twenty-one male members.

The situation was similar for the Management Committee. Edith Niederer was elected along with six men, in September 1935, and was subsequently re-elected for three further

<sup>6</sup> *NZ Co-op*, 3:9, 31 August 1936, p. 14.

<sup>7</sup> Interview with oldest daughter, Mrs Isabel Ryan, 17 July 1995.

<sup>8</sup> 'Woodville Notes', *NZ Co-op*, 3:7, 1 July 1936, p. 14; 3:8, 31 July 1936, p. 14.

<sup>9</sup> Due to the formality of the language used in minutes and reports, Christian names for many members are not known.

<sup>10</sup> Minutes of the Provisional Committee, 19 May 1935, 2 June 1935.

terms, only resigning in April 1939 when she left Palmerston North.<sup>11</sup> Unfortunately, the minutes only record decisions, not full discussions, but clearly Mrs Niederer was prepared to retain her own opinions at times, as she records her vote against Committee decisions to withdraw support from the Co-operative Wholesale Society.<sup>12</sup> On the other hand, although she missed few meetings, Edith Niederer initiated very few proposals, and generally seconded only minor matters. The value of her role on the Committee, on the face of it, seems to be mainly as a figurehead. However, her involvement in a connected group, the Women's Co-operative Guild, suggests that her contribution was more significant than this.

The Women's Co-operative Guild was 'the female wing of the ... co-operative trading movement' and served as 'an important link between housewives and the male dominated trading societies'.<sup>13</sup> Edith Niederer and Marjorie MacLeod convened a meeting<sup>14</sup> to start a Manawatu branch of the Guild after Denham von Sturmer addressed the first general meeting of the Society 'on the value of assistance that could be given by women in the movement'.<sup>15</sup> Edith Niederer was elected President of the local Guild, and this is where her role on the Management Committee became so important. She provided the direct link between the men and women of the Co-operative, as she was familiar with what was happening both on the Committee and in the Guild. The roles that women played in the development of the Society were vital to its success, as like other new co-operatives, it was vulnerable in its early years. Women, and especially Mrs Niederer, provided the communication and education roles that the Society desperately needed.

Guild members helped to form a New Zealand Co-operative Guild at the national conference in August 1936. The new Dominion President was Edith Niederer, and she was re-elected the following year, by which time there were ten Guilds around the country.<sup>16</sup> Manawatu was proud to provide the National President, and was also proud when the ex-secretary of the English Guild, Eleanor Barton, visited over the summer of 1937 and 1938.<sup>17</sup> Mrs Barton was the mother of an early Manawatu Co-operative Society shareholder and later Management Committee member, Linda Bennett, and spoke at numerous Guild and co-operative meetings, as well as at the opening of the Hokio holiday resort.

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<sup>11</sup> Minutes of the Quarterly General Meetings, 27 September 1935, 25 September 1936, 23 September 1937, 21 September 1938, Management Committee, 5 April 1939.

<sup>12</sup> Minutes of the Management Committee, 2 June 1938.

<sup>13</sup> McKergow, p. 308.

<sup>14</sup> The first meeting was held on 17 October 1935, and set up a Provisional Committee. The Guild branch was officially inaugurated on 2 March 1936.

<sup>15</sup> Minutes of General Meeting, 27 September 1935.

<sup>16</sup> *NZ Co-op*, 3:9, 31 August 1936, pp. 13-16; 4:9, September 1937, pp. 5-15.

<sup>17</sup> *NZ Co-op*, 4:12, December 1937, p. 15; 5:1, January 1938, p. 5, 5:3, March 1938, p. 7.

Runanga established the first Guild in New Zealand in 1928,<sup>18</sup> followed by one in Nelson. The Co-operative Alliance, and especially its Assistant Secretary, Miss Elizabeth Huntington, actively promoted further Guilds after 1933. Manawatu's Guild had dual educational and social roles, 'helping to make the members more efficient co-operators, housewives and citizens, and to lead fuller and happier lives',<sup>19</sup> and therefore had a mixed programme of speakers on co-operation and peace, and speakers on drama, sewing and cooking.<sup>20</sup> In addition, the Guild organised fundraising '500' evenings, children's dancing lessons, community singing, and annual children's parties to celebrate the anniversary of opening the store. The first party in December 1935 hosted 320 children and 140 adults, and the next year the adults 'enjoyed dancing until a late hour', after the children had gone home.<sup>21</sup> The Guild 'helped foster a sense of community among working class women',<sup>22</sup> and its success is shown by the fact that Manawatu was the only co-operative to form a Men's Guild, as men complained that they wanted a similar social and educational programme. Later, the Guild organised debates and smoking concerts in conjunction with the Men's Guild.

'Although men dominated the leadership of trading societies, a substantial proportion of members were women'.<sup>23</sup> In fact, women were surprisingly numerous among the early members. Of the 472 shareholders that I can locate of the 505 'pioneering' shareholders who joined the Manawatu Society before the first store opened, 175, or over 37%, were women. Of these, only eight were couples where both husband and wife owned shares, so in the rest of the cases, women are the family shareholders. Presumably in many situations, women made the decision to purchase, or otherwise the share would be in their husband's name. In addition, this figure may be underestimated due to the difficulty of establishing exactly who some of the early shareholders were. Many women are listed by their initials in the earliest share registers, without 'Mrs' preceding, therefore, where I have been unable to locate the shareholder in the electoral roll, I have had to assume that it is not a woman. In addition, I would expect that the rate of female shareholding rose as a proportion after the store opened, as women using the shop were encouraged by the staff to join.<sup>24</sup>

The way in most women were involved in co-operatives was as customers, as the Co-operative Alliance believed that women carried out 90% of grocery shopping in the 1930s. The

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<sup>18</sup> McKergow, p. 308.

<sup>19</sup> 'Manawatu Notes', *NZ Co-op.* 3:4, April 1936, p. 14.

<sup>20</sup> *NZ Co-op.* 2:12, December 1935, p. 14, Linda Bennett addressed the Manawatu Guild on co-operation, 3:5, May 1936, p. 14; 3:8, 31 July 1936, p. 13.

<sup>21</sup> 'Manawatu Notes', *NZ Co-op.* 3:2, February 1936, p. 14; 3:12, 1 December 1936, p. 14.

<sup>22</sup> McKergow, p. 308.

<sup>23</sup> *Ibid.*, p. 308.

<sup>24</sup> Mrs Muriel McDonough, a long-serving board member, joined the Manawatu Co-operative Society in 1940 after buying groceries at one of the stores. Taped interview as part of the 'Co-op Reunion', 1992, Palmerston North City Council Archives.

men of the committee admitted that all their efforts to sign up members were useless, if women did not choose to shop at the co-operative store. Consequently, most of the educational efforts were aimed at convincing women to 'co-operate', and enormous efforts were made to ensure that the shop was attractive and the service efficient. Harry Fox spoke at Guild meetings about the range of CWS goods available, the need to get orders in early each week, and sought suggestions to improve the service.<sup>25</sup> Miss Huntington told Guild members how they could use 'the power of the basket' to increase their standards of living and assist the development of the 'co-operative commonwealth'.<sup>26</sup> The Alliance gave the same message to management committees: 'basket power' could make or break businesses, so 'get the women to understand the Co-operative Movement and you have no need to fear the future of your society'.<sup>27</sup>

However, the biggest attraction for many members was the rebate. Co-operative stores charged about the going market rate for goods, and returned the profits each year in the form of a six monthly or annual rebate. Although this started as a small rebate in Manawatu, at threepence in the pound for the first six months, co-operators were confident that it would reach the level of 2/- in the pound achieved by the Runanga Society.<sup>28</sup> In addition, the staff and Management Committee put a high value on providing top quality service, with orders gathered together and delivered on the same day, free of charge. It is possible that customers who were also shareholders had higher expectations of 'their' store than any other, as Guild members report strong feelings of pride in 'their' store. These demands were not helped by difficulties caused by 'a refusal to supply, or a refusal of discounts, or some similar boycotting move by a manufacturer or supplier',<sup>29</sup> which the Manawatu Co-operative Society did not completely overcome until the late 1950s, and which meant at times that goods were not available for purchase.

The last area where women were involved was as staff members. Overwhelmingly, the co-operative employed men, and there was much discussion in The New Zealand Co-operator about the unfair tactics of a competitor of the Foxton Society who was able to cut prices because he only employed females. Miss J. Vickerstaff was the only female member of staff mentioned by name in the minutes, and other references were similar to 'the girl employed ... to post members purchases'.<sup>30</sup> However, the proportion of female employees increased

<sup>25</sup> 'Manawatu Notes', NZ Co-op. 3:2, 1 November 1936, p. 14.

<sup>26</sup> NZ Co-op. 3:4, April 1936, p. 14.

<sup>27</sup> Mr Free, member of the executive of the New Zealand Co-operative Alliance, NZ Co-op. 3:2, February 1936, p. 6.

<sup>28</sup> See Appendix B.

<sup>29</sup> Self Help Recipe Book (Wellington, circa 1933) p. 5; Gordon Brown, 'How it all began', Evening Standard 4 November 1975, p. 9.

<sup>30</sup> Minutes of the Management Committee, 17 January 1936. Quotation includes the original punctuation.

substantially in later years, especially as the Co-operative moved into selling non-food items after the purchase of the PDC department store in 1956.

Women, therefore, played an important part in the success of the Manawatu Society. They made up approximately 90% of the customers, and over one-third of the shareholders, because as household managers, women had a particular interest in obtaining quality products at reasonable prices. Women also provided most of the education on co-operation, as well as being the major educational target. Individual women were involved as staff, committee members and canvassers, and the Women's Co-operative Guild held the whole co-operative structure together. Edith Niederer's pivotal role as local and national women's leader was lost when she left Palmerston North, but she was not away from the co-operative movement for long - she and Otto took over from their son Eric as managers of the Nireaha co-operative store when he went to war.

## Conclusion

### **'Co-operation: it is rain watering the economic desert'.<sup>1</sup>**

The purpose of this research exercise was to consider how a group of idealists formed a collective organisation based on the English model of consumers' co-operation, to clarify who was involved and their reasons, and to establish the methods by which they put their dream into practice, and the results. In doing this, I have also looked at the national organisation behind consumers' co-operation in New Zealand in the 1930s, and the relationship between co-operation and the Labour movement.

Firstly, I ascertained who was involved in setting up the Manawatu Co-operative Society, and exactly how many shareholders could be said to be 'pioneering' - those who joined before 14 November 1935. The minutes speak of sixty members in the first month, each of the twenty-four canvassing members signing a minimum of three per fortnight, and sixty-five joining in the most successful week in October. Share registers, lists of members with dates of joining, and reports in the New Zealand Co-operator that speak of the 'five hundred odd members' at the opening, support the number of 505. However, in later reports and jubilee histories, this number reduces over time. In the 1960 Chairman's annual report, written to celebrate the 25th anniversary, the number had decreased to 360. In the report for the 40th anniversary reunion in 1975 it is given as 'over 200',<sup>2</sup> and by the 1986 anniversary reunion, the lists speak of the '100 Foundation' pioneers. The reason for the discrepancy appears to be that at each count, only original members who remained shareholders of the co-operative were included. This seems to have a propaganda type of effect, suggesting that founder members were committed to co-operation, and did not resign.

Although I was successful in locating names, and often occupations, for early members, I was unable to confirm an impression that English immigrants were important in the initial setting up of the Manawatu Co-operative Society. It is impossible in an exercise of this size to establish places of birth for even the members of the Management Committee. However, Iain MacLeod and Linda Bennett are confirmed as Scottish and English respectively. It is clear that recent English immigrants assisted in the early period of recruiting for the Women's Guild, as a report in The New Zealand Co-operator indicates: 'others present who had been members at Home gave interesting details of what the "Co-op" had meant to the people

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<sup>1</sup> NZ Co-operator 1:3, December 1933, p. 15.

<sup>2</sup> Minutes of the Provisional Committee, 2 June 1935, 21 July 1935, 2 November 1935; NZ Co-operator November 1935, p. 3, December 1935, p. 3; 1960 Chairman's report, Annual, Half Yearly and Quarterly Meeting minute book, 12 October 1960; Gordon Brown, 40th Jubilee typescript, 'How it all began', Evening Standard 4 November 1975, p. 9.

of their home town, more particularly in supplying quality goods'.<sup>3</sup> Future research on this topic may be able to confirm a feeling that potential members' personal knowledge of co-operation assisted in the speedy recruitment of five hundred members in a little over six months.

Although it is not possible to ascertain what proportion of members joined the co-operative for various reasons, speculation is feasible on people's motives in signing up. Firstly, previous practical experience of English co-operation clearly attracted some shareholders. Others were idealists, who believed in the goal of a world wide co-operative commonwealth, and these included Edith Niederer. Supporters of the labour movement, such as Gordon Brown, formed another group of members. Lastly, a number of members were pragmatists, who joined to receive less expensive foodstuffs or a rebate. Women, whose role was increasingly that of household purchaser, rather than domestic producer of foodstuffs, had an especially strong incentive to support a consumers' co-operative, or to ensure that their husbands did. Many members may have been impelled by more than one motive. Again, future research may be able to clarify the proportion of members who co-operated for each reason.

It is apparent that a key theme in studying the Manawatu Co-operative Society is the contrast between ideal and reality. Although the dream of the initial organisers was to form a co-operative using the Rochdale principles, in practice the plan was moderated. In Rochdale, education for members was a major objective, whereas in Manawatu the urgent need to sign up five hundred members to raise the capital to open a store meant that educating members had to be left to later. As a result, some members signed up because of promised rebates or ability to purchase on credit, not because of their belief in co-operative principles. The influence of the railway union may have also meant that members who were uncommitted to co-operation itself joined. Similarly, although one of the aims of the Women's Guild was education, training in dressmaking and card evenings for fundraising proved to be more popular with members than lectures on 'Co-operation'.

Although their dream was a co-operative store running at a profit and paying handsome dividends, the members of the Provisional Committee and early Management Committee initially did not comprehend the reality of the amount of work this would require. After their original enthusiasm, the constant decision making - staffing, transportation, improving services, which goods and brands to stock, which bills to pay first, what recruitment methods to try, whether to support a CWS and when to stop supporting it - proved a heavy load for committee members. The Alliance expressed concern that it was easy for new co-operatives to see the opening of a store as the ultimate goal, and cease or reduce their efforts when this was

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<sup>3</sup> NZ Co-op., 2:11, November 1935, p. 11.

achieved. It was a risk that short-term objectives would be seen as more important than long-term goals, and complacency or the sheer amount of effort required may have caused the early demise of small consumers' co-operatives.

The Manawatu Co-operative Society was one of the survivors. For a variety of reasons, including enthusiasm among local co-operators and unionists, support from the Alliance and nearby co-operatives, the central location of the initial store, possessing an adequately sized population base, regular canvassing and pattern of growth, fragmented competition due to the pressure of the Depression, and appropriate advertising aimed at housewives, Manawatu made it through the crucial first year. After that, interest caused by opening new branches in convenient suburban locations, customer loyalty, and the retention of key staff members such as Gordon Brown, took the co-operative up to the beginning of the war. Through the Management Committee's ability to change its management style to suit wartime conditions and sheer luck, the Manawatu Society survived the war. Once war-time supply difficulties eased, the co-operative grew quickly until it peaked at over 33,000 shareholders in the mid 1960s. As department store shopping became less popular, and increasing competition from supermarkets spelled the end of suburban grocery shops in the 1980s, the Society had to change its trading methods. However, its poor capital structure, the October 1987 sharemarket crash and related rise in interest rates saw the co-operative go into receivership in February 1988.<sup>4</sup> It had outlived almost all of the other New Zealand consumers' co-operatives, but after fifty-three years, the dinosaur of local Manawatu trading ceased to exist.

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<sup>4</sup> Dominion Sunday Times 1 May 1988, p. 29.

## Appendix A

### The occupations of the pioneering shareholders

The 'pioneering' members were accepted by the Consumers' Co-operative Society (Manawatu) Ltd to be those who had joined before 14 November 1935, the day that the first store opened. There were 505 pioneering shareholders, and I have been able to locate most names and many addresses from the earliest remaining share register (PNCCA, Series Co-op 15/1) which I have estimated was in use before April 1940, as that is the date of the earliest resignations marked in this register. I also added people who were on the Manawatu Society's list of pioneers at its 25th and subsequent Jubilees. In addition, I have included fifteen people who were members of the Provisional Committee, but who had resigned before this share register came into use. This has given me a total of 472 names of early shareholders, about 93% of the total.

I then attempted to locate each of these shareholders in the electoral rolls and local body registers. For most, I worked from their 1940 addresses to find their 1938 occupations. As the city had renumbered all of the streets at this time, this was an interesting process. In other cases, I worked back from the shareholder's 1960 address to obtain full names, then looked in 1938 electoral rolls to find their 1930's address and occupation. As the 1935 rolls, other than the supplementary roll, are unavailable in the Palmerston North Library, shareholders who had left Palmerston North before 1938 are under-represented in the sample. In total, I was able to locate 389 members with a high degree of certainty. As the women are invariably listed in the electoral roll under 'spinster', 'married' or 'widow', with a few 'domestic duties', I have categorised women by their husband's occupation, where known. To avoid duplication of occupations, the eight married couples were counted only once, reducing my total of members with confirmed occupations to 381, or a total of just over 80% of the original 472 names.

Finally, I divided the sample of 472 by gender, obtaining 175 women who were definitely shareholders before November 1935, or 37%. Some of the eighty-four members that I was unable to locate might be women as well, as the 1940 share register has members listed by initials, and only sometimes with 'Miss' or 'Mrs' as well. Lastly, the sheer formality of the language used in the minutes impeded this search, as members were never referred to by their Christian names, and only rarely by initials.

<b>Occupational groupings, or employer</b>	<b>Number</b>	<b>% of Total</b>	<b>% Rounded</b>
<b>Railway workers</b>			
Engine driver	17	4.46%	
Fireman	8	2.10%	
Guard	6	1.57%	
Porter	5	1.31%	
Signalman	2	0.52%	
NZR clerk	1	0.26%	
Railway employee	30	7.87%	
Train examiner	1	0.26%	
	<u>70</u>	<u>18.37%</u>	18%
<b>Rural related occupations</b>			
Farmer	19	4.99%	
Skin or stock buyer	2	0.52%	
Stock inspector	1	0.26%	
Blacksmith	1	0.26%	
Well borer	2	0.52%	
Sawyer	1	0.26%	
Organiser for Farmers' Union	1	0.26%	
	<u>27</u>	<u>7.09%</u>	7%
<b>Engineering or technical skills</b>			
Electrical engineer	1	0.26%	
Electrician	7	1.84%	
Engineer	8	2.10%	
Engineer's fitter/fitter & turner	3	0.79%	
Motor mechanic	11	2.89%	
Motorbody builder	1	0.26%	
Tinsmith	1	0.26%	
	<u>32</u>	<u>8.40%</u>	8%
<b>Transport/delivery (excluding railways)</b>			
Driver	8	2.10%	
Carter/carrier	5	1.31%	
Mail carrier	1	0.26%	
Postal employee	2	0.52%	
	<u>16</u>	<u>4.20%</u>	4%

**Tradesmen**

Carpenter/builder	17	4.46%	
Cabinetmaker/joiner	4	1.05%	
French polisher	1	0.26%	
Locksmith	2	0.52%	
Plumber	5	1.31%	
Painter/paperhanger	7	1.84%	
Plasterer	2	0.52%	
Tiler	1	0.26%	
Concrete worker	2	0.52%	
Contractor	2	0.52%	
	<hr/> 43	<hr/> 11.29%	11%

**Retail sales**

Grocer/grocer's assistant	4	1.05%	
Greengrocer	1	0.26%	
Draper's assistant	1	0.26%	
Salesman	7	1.84%	
Traveller	3	0.79%	
Coal merchant	1	0.26%	
Bottle hawker	1	0.26%	
	<hr/> 18	<hr/> 4.72%	5%

**Skilled retailers**

Baker	3	0.79%	
Pastrycook	2	0.52%	
Butcher	4	1.05%	
Jeweller	1	0.26%	
Watchmaker	1	0.26%	
Confectioner	1	0.26%	
Furrier	1	0.26%	
Boot repairer	1	0.26%	
	<hr/> 14	<hr/> 3.67%	4%

**Services**

Piano tuner	1	0.26%	
Dental mechanic	1	0.26%	
Nurse	1	0.26%	
Monumental mason	1	0.26%	
Undertaker	1	0.26%	
Taxidermist	1	0.26%	
Signwriter	2	0.52%	
Tailor	3	0.79%	
Upholsterer	2	0.52%	
Trainer	1	0.26%	
Billiardmaker	1	0.26%	
Auctioneer	1	0.26%	
Pawnbroker	1	0.26%	
	<hr/> 17	<hr/> 4.46%	4%

**Gas/electricity supply**

Gas meter repairer	2	0.52%	
Gas worker/fitter	3	0.79%	
Gas works operator	1	0.26%	
Meter reader	2	0.52%	
Power board electrician	1	0.26%	
	<hr/> 9	<hr/> 2.36%	2%

**Professional/managerial**

Accountant/manager	1	0.26%	
Law clerk	2	0.52%	
Solicitor	1	0.26%	
Teacher	4	1.05%	
Bank officer	1	0.26%	
Bacteriologist	1	0.26%	
Mill manager	1	0.26%	
Timber manager	1	0.26%	
	<hr/> 12	<hr/> 3.15%	3%

**Newspaper/printing**

Compositor	2	0.52%	
Printer	1	0.26%	
Newspaper runner	1	0.26%	
Paper ruler	1	0.26%	
	<hr/> 5	<hr/> 1.31%	1%

**Office workers**

Clerk	10	2.62%	
Civil servant	2	0.52%	
Public servant	1	0.26%	
Secretary	1	0.26%	
	<hr/> 14	<hr/> 3.67%	4%

**Caretaking/preserving**

Caretaker/janitor	4	1.05%	
Curator reserves	1	0.26%	
Storeman	4	1.05%	
Gardener	6	1.57%	
Nurseryman	2	0.52%	
Fireman	1	0.26%	
	<hr/> 18	<hr/> 4.72%	5%

**Factory work**

Flourmiller	1	0.26%	
Buttermaker	2	0.52%	
Cheesemaker	1	0.26%	
Textile worker	1	0.26%	
Sugar boiler	1	0.26%	
	<hr/> 6	<hr/> 1.57%	2%

**Unskilled**

Labourer	44	11.55%	
Roadman	1	0.26%	
Barman	1	0.26%	
Kitchenman	1	0.26%	
Laundryman	1	0.26%	
Steward	2	0.52%	
	<u>50</u>	<u>13.12%</u>	13%

**Unknown occupation**

Married	8	2.10%	
Spinster	4	1.05%	
Widow	16	4.20%	
Retired	1	0.26%	
No occupation	1	0.26%	
	<u>30</u>	<u>7.87%</u>	8%

**Total**

	<u>381</u>	<u>100.00%</u>	<u>100%</u>
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## Appendix B

### Financial summary

The earliest financial statements for the trading part of the co-operatives have not survived, however, the following summary gives an idea of the size and complexity of the business that was run by the electricians and train drivers of the Management Committee.

<b>Six Months Ended</b>	<b>Turnover Grocery</b>	<b>Turnover Butchery</b>	<b>Turnover Bakery</b>	<b>Turnover Petrol</b>
May 1936				
Nov 1936				
May 1937				
Nov 1937	£8079	£2989		
May 1938				
Nov 1938	£10928	£5630		
May 1939	£12366	£4911	£563	£97
Nov 1939	£15288	£5509	£1212	£308

<b>Six Months Ended</b>	<b>Net Profit</b>	<b>Rebate Paid Out</b>
May 1936		3d in the pound
Nov 1936		Unknown
May 1937	£184	6d in the pound
Nov 1937	£246	8d, half cash, half to share account
May 1938	£230	None, carried forward
Nov 1938	£785	£1015, 5d plus 3d to capital account
May 1939	£742	None, carried forward
Nov 1939	£439	£1181

Source: Palmerston North City Council Archives, Community archives:

Series Co-op 16, box 1.

Minutes of the Management Committee, in Series Co-op 3; 10 June 1936, 15 June 1937, 30 June 1937, 22 December 1937, 30 March 1938, 29 June 1938, 21 December 1938, 20 December 1939.

At the time the first store opened, November 1935, average minimum weekly adult wage for the members of the board, and shareholders, were as follows:

	£
Bakers	4/8/9
Butchers	4/14/0
Buttermaking	3/12/7
Carpenters	4/8/0
Electrical workers	4/4/3
Engineering fitters	4/2/3
General farm hands	2/4/11
Grocers' assistants	4/4/7
Motor mechanics	4/4/4
Plumbers	4/9/3
Railway engine drivers	4/15/6
Railway firemen	4/0/9
Railway guards	4/13/7
Soft goods assistants	4/5/2
Tailors	4/6/0
Tinsmiths	4/5/6
Warehouse storemen	3/12/9

Source: New Zealand Official Yearbook 1936, pp. 627-8.

## Appendix C

### Membership of the Management Committee

Name	Occupation	Elected	Resigned
Max Wolf	Railways	Sept. 1935	March 1936, not re-elected
Robert J. Boyd	Railways	Sept. 1935 Jan. 1938	March 1936, did not seek re-election After Sept. 1939
Iain MacLeod	Grocer	Sept. 1935	May 1936, resigned when left Palmerston North
George Geekie	Salesman	Sept. 1935	July 1936, resigned after argument
Gordon Brown	Accountant	Sept. 1935	Dec. 1936, resigned to become Secretary
Edith Niederer	Married to union organiser	Sept. 1935	April 1939, resigned when left Palmerston North
Wilf C. Cantlon	Electrician	Sept. 1935	After Sept. 1939, resigned as President Feb. 1939, then co-opted to Committee
Clarence C. Aitken	Electrician	March 1936	March 1937, did not seek re-election
Martin Lee	Railways	March 1936	After Sept. 1939
Rowland Watson	Meter reader	June 1936	July 1937, did not seek re-election
Francis W. O'Connell	Labourer	Sept. 1936	Sept. 1937, did not seek re-election
Alf Syder	Railways	Jan. 1937	After Sept. 1939
Robert Foster	Meter repairer	March 1937	After 1942, President Feb 1939 - 1942
W. R. Smith	Unknown	Sept. 1937	After Sept. 1939
Ella Harrod	Married to railway driver	July 1939	After Sept. 1939

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Series Co-op 26	Jubilee and history notes, assorted dates.
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