

German Farmers Organizations in South America

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[Note: Translating this document has not been easy for me. As a member of the Lutheran clergy, I know how difficult it can be to translate church documents with all their special vocabulary. Even more difficult to translate documents of different church denominations with their own unique vocabulary. However, to translate this document, which deals with banking and financial matters, has been most challenging. Since it was my goal to know for myself what it had to say about our ethnic Germans who found their way into South America, I tried to work my way through some difficult sentence structure and find the appropriate words of the English language to match up with the German technical words. My thanks goes to Elvire Necker who proof read this work and helped put me on the right track in some instances. So, this is to acknowledge that the following work is far from perfect, but it hopefully will give the reader some sense of what farmers and bankers experienced in South America back in the 1920s. Comments in square brackets in the document are those of the translator.]

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[Translation Begins]

Organizations of German Farmers in South America

Graduate economist Heinz Kloß, Stuttgart

In recent years, with good reason, the agricultural organizations of the Germans in Eastern Europe began to draw to themselves the attention of the Germans in Germany. It was recognized that cultural work in school and church among the German farmers can thrive only where the economic foundations of existence are secured and that this economic security can be achieved best by way of the co-operative. Also, the economic connection with the Germans of Germany can be done only by way of the co-operative organizations. It is an impossibility for the individual German farmer from Banat, Bukovina or Bessarabia to sell to Germany and impossible for him alone to have recourse to a German bank for any loans.

This is true not only for the German farmers in Eastern Europe, but also for those overseas. Attempts have been made several times in recent years to organize the German farmers, mainly in South America, especially in 1927. There are approximately 80,000 Germans living in Brazil,

nearly 200,000 in Argentina, and nearly 12,000 in Paraguay, about three quarters of whom are farmers. First, the conversation here will be about the German farmers in Brazil. In the Serra, the mountainous north of Rio Grande do Sul, the southernmost State of Brazil, a merger was started there for consolidation by someone from Neu-Württemberg. Its aim is the establishment of a “*uniav-colonia*” (colonists-union) in each rural German colony, later to become a standing organization throughout the State, working hand in hand in lending support to the wishes of the agricultural emphasis. Upon the establishment of an Oris group (*Orisgruppe*) in Neu-Württemberg headed by Luiz Kling, it was followed by one in Ijuhy. Almost at the same time it is reported in Central Brazil that the local German farmers are seeking a trade association of the farmers for the whole of the Brazilian Federation. Should what is planned succeed; however, not all that easy with the other constituted structure of the southern state agriculture which at this time is only supported by the representatives of the German agriculture in Minas Geraes, Parana and São Paulo and completely autonomous from the Rio Grande generated activity to also incorporate Santa Catharina and Rio Grande do Sul in the south, so the new generated division co-operative of the Serra will probably allow itself more easily to be incorporated into the greater association, where it will find the ground more favorably prepared in northern Rio Grande. Its intended primary aim is to have a counterpart on the rand (*Rande*) of the German-Brazilian settlement areas to the Imperial German “Confederation of Farmers” (*Bund der Landwirte*), the aforementioned all Brazilian “Confederation of Farmers in Brazil” (*Bund der Landwirte in Brasilien*) in São Paulo. The Interim Chairman was Luiz Kuchenbecker in Ouro Preto (Minas Geraes), the Advisory Board for Cultural Issues in general; viticulture, *Pomologie* [the study of species and varieties of fruit and their systematic classification and destination], and bee-keeping were assigned to Pastor F. Brepohl in Ponto Grossa, who was the head of the German Record Department (*Deutschen Bücherstelle*) for captured farmers during the war and later head of the publicity department of the former Royal Prussian Agricultural Research Society (*preußischen Forschungsgesellschaft für Landwirtschaft*). As a task of the union, constant consultation of all plantation owners (*Fazendeiros*), colonists, small animal breeders and garden owners was called for. Members were supposed to receive original seed supplies, cattle breeders given superior breeding stock and, through notices by way of a daily press, promote the common interest of agriculture. It was also started to bring together German farmers and colonists more closely and all members to have access to a weekly journal. A special inspector and information advisor is to be provided for each area of agriculture. It is surprising that, in the months following the formal establishment, little has been heard from the Confederation of Farmers (*Bund der Landwirte*); apart from recently, in São Paulo, Rua D. José de Barros N. 14-a Sobr., a magazine *German Agricultural Press for Brazilians* (*Deutsche Landwirtschaftliche Presse für Brasilian*) has appeared, the only agricultural German journal in Brazil, and from a bilingual half German, half Portuguese paper (*Blatt*) *O Agricultor* in the State of Santa Catharina.

More important than this young beginning of a “Confederation of Farmers” and that of the locale Rio Grande merger movement is the existence of a ready to start new German agricultural co-operative association. It is a creation of the German Catholics from Rio Grande do Sul and follows, for the time being, the example of the German associations in Latvia, Poland, Romania, Soviet Union, Yugoslavia, and Czechoslovakia. Its importance for the Germans is greater than that of the Confederation of Farmers, based on the fact that the mother-tongue is the base for the structured professional associations which supports and complements the professional work of everyday life, but are not directly a part of this profession, while farmer co-operatives are

immediately cut off from a piece of their business career by their non-English environment, as they, in the course of internal trade with comrades, use only the native language and the application of the language on the traffic between the co-operatives and the world around them limits to a certain extent the traffic for existence of the co-operative headquarters between the headquarters and the world around them. It affects the preponderance of meaning little that the new co-operative association (*Genossenschaftsverband*) only includes half of the Catholic population, and this only for the State of Rio Grande do Sul; decisive, however, is the advanced stage of development of the association, which is not a trial, but already an integral part of the economic life of Rio Grande. Even today, the association has no name, it has rather in fact arisen that on 6 and 7 September, 1925, the Savings and Loan Bank (*Raiffeisen* co-operatives) of the Catholic People's Association in Rio Grande, at its Congress in Santa Maria, decided on the establishment of a Negotiation Office (*Vermittlungsstelle*) and a Union Office (*Einigungsstelle*), the "Headquarters of the Rural Banks of the People's Association" (*Zentrale der ländlichen Kassen des Volksvereins*) and that this headquarters, which could slowly take up its activities first in early 1926, could gradually come into business connection with the individual banks. The business report of the First Annual General Meeting of the Central Bank of the United People's Association Bank (*Kassenzentrale vereinigten Volksvereinskasse*) on 27 March 1927, provided the definitive proof that the center, which originally was without real cohesion in the context of funds on hand, could gradually grow together or be welded together as a workable Federation.

The full name of the institution is "Headquarters of the Rural Savings and Loan Bank of the People's Association in Rio Grande de Sul Co-operative Association m.b.H." (*Zentrale der ländlichen Spar- und Darlehenskassen des Volksvereins in Rio Grande de Sul. Kooperative Genossenschaften m.b.H.*), Rua Voluntarios da Patria Nr. 282—Porto Alegre. The director-president is Gaston Englert, managing-director (*Direktor-Gerent*) is Albano Volkmer. The esteemed persons of Amstadt and Rick are to be mentioned when it comes to the former Rio Grande Farmers Association in the area of the co-operative establishing personalities of the People's Association.

In that the onsite individual co-operatives are older than the business headquarters, is a better cash-in-hand security (*Bestandsgewähr*) than the establishment from above, which the Confederation of Farmers (*Bund der Landwirte*) is trying. Older than the new business and organizational headquarters and also older than the majority which for the most part were brought about through the established individual co-operatives is the People's Association as the initial and most recent organizational center of the Catholic Germans of the Rio Grande. The diversity of its initiation beyond the narrow economic system gives the economic experimenters a support within an ideologically closed community such as the Catholic German folks of Rio Grande do Sul, over against possible recession. But this support is based on the religious and not on the linguistic side of the cultural work of the People's Association, so that it is impossible to establish a comprehensive organizational system for all German-speaking farmers of Rio Grande do Sul or of Brazil. An example of this would be the fear of the economic experiments undertaken by purely linguistically and not at the same time religiously underpinned German People's Confederation for Argentina (*Deutsche Volksbund für Argentinien*) leading to a fear of a sharp loss of members.

It also, in its extremely diverse People's Association agricultural work, has recently even started sourcing seeds and cultivation plants at the Ministry of Agriculture in Rio de Janeiro. It has also already guided various production plants and consumer co-operatives. In addition to its scope of economic activity, one also hears that it has founded a retirement home, at the moment the establishment of a midwife teaching institution and, of course, not concerning itself and not exclusively for German-speaking Rio Grande Catholics, engage itself in a home for lepers. In addition, it has created a teacher training college and a large number of private schools. Its publication is the monthly *St. Paul Paper (St. Paulus=Blatt)* at Porto Alegre, Rua 25 de Novembro, 12.

The Central Bank (*Zentralkasse*) in Porto Alegre has taken over the holdings of the previously existing People's Association Bank (*Volkvereinskasse*) of Porto Alegre. Full operation of its work could not begin until the beginning of 1927, because a lot of time was taken up with the charter, the drafting of a constitution, legal registration of books, etc.. At the Bank Meeting end of March, 1927, the task of the center over against the individual *Raiffeisenkassen* [Austrian banking group] was thus characterized: organization, also a smooth cooperation of the banks with one another, legalization, also granting of legal force of documents, statutes, etc. through compliance with the legal registration requirements, and financial matters, namely supervision through existing State agencies.

For this third point, however, there is still a great deal of legislative action lacking on the part of the State, so that it has little practical significance for the present. The emphasis is on organizational work, in which we can distinguish the work of the business from the control of the business. The business purpose of the Headquarters is the installation of all reserves of the individual banks at the headquarters, i.e. a centralization of the funds, which ensures the exchange and compensation between the co-operatives and beyond that also financing, like those of the colonization enterprises of the People's Associations, in which the help of individual banks, which has sometimes already been used, is not sufficient. Thus, the purpose of the headquarters already reaches beyond the narrowest radius of the credit-co-operative (*kreditgenossenschaftlichen*) work area. On 31 December, 1926, there were 17 banks connected to the headquarters, which had on deposit over 9,000 *contos* [monetary unit equal to 1,000 Brazilian cruzeiros], 500 in reserve, and 15,000 as the amount of liability of the associates. Of course, the functioning of some private sector, securely unrivalled and thoroughly in the hands of its director's existing bank, is often little different from that of a Private Bank and have little specific co-operative in itself. The active participation of the associates in the destiny of the bank is of great importance here.

The 17 co-operatives were located in Arroio do Meio, Boa Vista (Santo Christo), Colonia Selbach, Harmonia, Novo Hamburgo, Picada Café, Poco das Antas, Porto Alegre, Rocca, Salles, Rolante, Santa Cruz, Santa Maria, Santo Angelo de Missoes, Sao Jose do Herval, Serro Cadeado, Serro Azul, Taquara. By 31 July, 1927, a further bank was added from Alto da Feliz, on 30 September the bank in Agudo, on 31 December the bank in Sobradinho; with the expectation of the addition of the banks in Bom Princípio, Estrella and Três Arroios, while likewise the Catholic-German Co-operatives of Venâncio Ayres and Sao Jose are still standing on the sidelines. By the way, the young organization is not the first minorities Co-operative Association on American soil. The French in Canada and the Jewish farmers in Argentina have

their own credit co-operative organizations, the Finns in the United States their own agricultural purchasing co-operatives.

One has to wish that quite soon a close connection develops between the German-Brazilian Raiffeisen Organization and the Reich German Credit Co-operative system, perhaps also with the German Co-operatives of other Countries (Czechoslovakia, Romania, etc.). When the Reich German Raiffeisen Confederation celebrated its 50th anniversary in 1927, which was also an anniversary of all German and non-German Raiffeisen banks all over the world, as the *Deutsche Post* — Sao Leopoldo wrote on 2 September, 1927, “In Brazil, it was not recognized in the publication celebrating the event, or even up to now by the Brazilian Organization.” This co-working of the German (meaning “German Reich”) and Brazilian Organization without having any contact is regrettable. Our young Brazilian banks need a mentor that warns them in good time when they are on the wrong path. “Because a good balance sheet of a Raiffeisen Bank does not necessarily show that it has really worked in the mind of Raiffeisen.” The entire German Reich economy would benefit from this if, in confidential co-operation, the German Reich Co-operative Alliances compiled their impressions and experiences concerning the special economic situation of the German Rio Grande agriculture, their needs and the possibility of their business satisfaction through the German Reich. Alternatively, the German Reich is particularly leading in the credit co-operative field, while its achievements in the other types of co-operatives are by no means behind the times but still only average. For credit co-operatives of Germans abroad especially, the advice of their sister co-operatives in the Reich is therefore of particular value during the first decades of their expansion.

Furthermore, it must be hoped that once the alliance has consolidated itself and arrives at holding to safe and regular surpluses at its headquarters, it will no longer be able to direct these funds exclusively into the individual economies of its members (or, if need be, indirectly via a colonization into the individual economies of the colonists, on whose membership one is anticipating), but rather to help build up a specialist educational system based on native language. Such an association, as the German-Argentinean farmers have clearly recognized, does not mean throwing out money for just any vague cultural purposes. All training of young people in an agricultural school certainly pays off by improving business technology. The *Deutsche Post* article states: “Raiffeisen's basic theme was—not every Raiffeisen subsidiary is aware of it—that the improvement of the economic situation of the agricultural population is only the basis for their intellectual development.”

The credit association is more suitable than a co-operative, which serves the production or the sale of products, being decisive in the selection of members in addition to the economics, also the linguistic moment. Like the Germans at the Raiffeisen Bank, the majority of the Italians hold on to the Italian-based, and the Schultz-Delitz Association took allied Luzattio People's Bank (*Luzattischen Volksbank*). This is characterized by the fact that at the beginning of 1927 there were 22 Luzattio banks and only three Raiffeisen banks in the State of Sao Paulo, while in Rio Grande there were only three Luzattio banks, whereas 29 Raiffeisen banks.

Around September-October of 1927, a Congress of all Raiffeisen and Luzattio banks was held in Rio de Janeiro, at which G. Englert, the representative of Alegrenser Headquarters (*Alegrenser Zentrale*), described as one of his directives the possible establishment of many individual small

banks in all parts of Rio Grande, their cooperation with the People's Association Central Bank and union of the entire Association to the National Central Institute in Rio de Janeiro (*Nationale Zentralinstitut in Rio de Janeiro*). This shows how little the Germans of Rio Grande think of themselves as a foreign entity, separate from the rest of Brazilian economic life.

But apart from the Raiffeisen banks, there are already isolated German co-operatives in Brazil, such as several dairy co-operatives in the State of Santa Catharina, a Coop Electricity Society (*Sociedade Coop de Electricidade*) in Nova-Breslau, an agricultural syndicate in Blumenau with its own experimental station and an agricultural syndicate in Hammonia, both in Santa Catharina, and others. A merger movement is not yet noticeable here.

In the southerly adjacent Argentina, where the German-speaking agricultural settlements (*Farmerschaft*) are much more numerous than one usually assumes in Germany, there is no self-evident manifestation as a German co-operative confederation, but otherwise many confirmed notable similar manifestations. Not only are there isolated co-operatives, for example, credit co-operatives in Entre Rios (among others at Urdinarrain), as well as e.g. a *Co-operative Tabacalera y Yerbatera Lida Rincon* in Bonpland (Misiones), by the way also an extensive 120 Colonist German "Association for Export Culture" (*Verein für Exportkultur*) in Independencia in nearby Paraguay: but almost at the same time as the Brazilian experiment, it has also made an attempt totally independently for a German-Argentinean Farmers' Confederation (*Bauernbund*). In July and August of 1927, the first calls appeared in the German-Argentinean Press calling for the establishment of a farmers' confederation (*Bauernbundes*). On 3 September, the first delegate conference was held in Buenos Aires to set up a preliminary commission. In the following weeks, nearly 30 local groups came together. This proved that the confederation corresponded to a need and on 27 October, the association could name a joint-stock company (A.=G.) (*Sociedad Anonima*) under the name *Union Agraria Germano=Argentina S.A.* ("Confederation of German-speaking Farmers in Argentina"—*Bund Deutschsprechender Landwirte in Argentinien*), occasionally also translated in the press as "Confederation of Germanic=Argentinean Farmers" (*Bund Germanisch=Argentinischer Landwirte*), founded with a definite initial capital of 1 million pesos. The model of the A.G. was preferred to the co-operative model because the multifaceted purposes of the federal government required an high initial capital, but also because, as a result of the failure of numerous co-operative experiments in Argentina, farmers there were skeptical about this model of enterprise. The Argentina Co-operative Act has impractically narrowed the co-operative's application possibilities. But the introduction of co-operative voting rights was provided at the A.G., similar as in Europe at the Viennese Workers' Bank-A.G. (*Wiener Arbeiterbank-A.G.*) As already with the Immigrant Advisory Office of the German People's Confederation for Argentina and also many others for the German-Argentineans, Scandinavians and Dutch were also drawn in; Swedish Lawyer Norbert Friboes was heavily involved in the preparatory work and heads a legal department. Pedro Schwindt became president, manager (*Gerent*) Carlos Beck, legal representative Andres Stöbel; the board of directors, besides Schwindt and Beck, included yet a further 14 persons.

The Confederation Central Office (*Bundeszentrale*) was reworked into a commercial department with sections for concerns about credit, insurance, machines and implements, consignments and commissions, as well as a cultural department with a lawyer, a technician, a farmers section and with an editorial board for the monthly letter *The Farmers' Confederation* (*Der Bauernbund*).

The address of the Confederation is: Union Agraria Germano=Argentina S.A., Buenos Aires, 25 de Mayo 375.

The first local groups were created in Entre Rios, where we find the starting point of the whole movement in Santa Anita, the model settlement of the late Father Becher, in Buenos Aires (province), Neuquen and the Pampa Territory; separate from this, discussed in the German press, the creation of co-operatives (“Germania”=Posades) or that of a German or a (more comprehensive) Germanic Farmers’ Confederation (“New Homeland”-Posades—*Neue Heimat-Posades*). At the founding meeting of the new A.G. in October, farmers from Misiones also showed up and a resolution was passed that the farmers of Misiones, adjacent to Paraguayan Alto Parana, also be admitted to membership. This is an important approach to closer cooperation of the southern Germans (i.e. South American German). After all, the German farmers in Misiones and East Paraguay are largely from the Brazilian southern states, so that the possibility and the cooperation of German farmers will also be taken into account in South Brazil.

Among the German-Argentinean farmers, the national differences are far more strong than in Brazil, since there are only a few from Germany, most of them coming from the Soviet Union and quite a few from Switzerland, Brazil and Southeast Europe. But there is evidence of the success of the Argentina experiment, that it has a real calamity, the leaseholder’s-misfortune, as a cause, which is by no means known in Brazil on this scale. The program differs in many ways from the Brazilian one initially mentioned. Both programs provide for the consultation of members and the publication of a magazine. In Argentina, however, there is the procurement of land for the members, the establishment of linguistically and denominationally uniform colonies, as well as the promotion of the construction of the roads is necessary also, the elevator construction and the creation of agricultural and domestic science schools. The last point is the demand made above in connection with the Rio Grande Raiffeisen Bank; according to the statutes, no less than 15% of the net profit should be used for their realization. In the complexity of its program, the Confederation cannot simply be regarded as a professional organization, as a trade association, but much more as a colonization network, that is, an enterprise on a co-operative basis with a significant and increase required initial capital. The members of the Argentina Confederation are not yet able to be reconciled with the model of the A.G. and want a co-operative.

Internal and external difficulties are not lacking among the South German (i.e. South American German) agricultural organizations. Nevertheless, they are interesting, especially for the German farmers in Eastern Europe, who see their overseas brothers with their own needs, struggles and sacrifices as they themselves have. But they also see that one is successful overseas in overcoming the difficulties. So it is for the German people spread all over the world, a world people (*Weltvolks*) whose members will get to know each other more and better.

[Translation Ends]