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During the 1890s and early 1900s, the federal Department of Agriculture helped farmers in the territories that are today the Provinces of Saskatchewan and Alberta to form co-operative creameries. These provided marketing facilities for cream in communities where there had been none previously. Another early co-operative creamery was established in the Duncan area of Vancouver Island in 1896.

There was much dissatisfaction among the Prairie pioneers about the marketing of grain. In the early 1900s, the Territorial Grain Growers Association and the Manitoba Grain Growers Association were formed. While some progress was made in obtaining relief through regulatory legislation, these organizations soon decided that co-operative marketing was the real solution, and the Grain Growers Grain Company was organized in 1906. Some farmer-owned local elevator companies had been formed before this date.

Province-wide co-operative elevator companies were well established in each of the three Prairie Provinces by 1913. The United Grain Growers Ltd. was formed in 1917 through amalgamation of two of these - the Grain Growers' Grain Company in Manitoba and the Alberta Farmers' Co-operative Elevator Company.

Though some of the early co-operatives survived and are still in existence, many either failed or evolved into joint-stock companies. They were handicapped by lack of appropriate legislation dealing with their incorporation and operation. Manitoba enacted the first provincial co-operative act in 1887 and Quebec followed in 1906. In 1908, a federal bill for incorporation of co-operatives passed the House of Commons only to be rejected by the Senate. In subsequent years, provincial co-operative legislation became general.

Meanwhile the need was felt of some common association among co-operatives. Thus a small group of leaders met in Hamilton, Ontario, on March 6, 1909, to form the Co-operative Union of Canada, which became a co-ordinating and educational body.

Growth The co-operative movement in Canada expanded rapidly during the first 15 years of the present century. In addition to the co-operative grain-elevator companies, numerous small purchasing and marketing co-operatives were formed. Many of these, however, could not cope with the rapid changes in price levels that occurred between 1916 and 1924, and they failed during this period.