

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. These were handicapped by lack of appropriate legislation dealing with their incorporation and operation. Manitoba passed the first provincial co-operative act in 1887, and Quebec followed suit in 1906. In 1908, a federal bill for the incorporation of co-operatives passed the House of Commons only to be rejected by the Senate.

Provincial co-operative legislation gradually became general. Meanwhile the need was felt for 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. Meanwhile, the farmers of Western Canada, having built a system of co-operative grain elevators and creameries, developed a keen interest in the pooling principle, through which they could receive average annual prices for their produce rather than the prevailing market price on delivery date. Pooling was particularly attractive to marketers of cereal grains, as farmers were in the habit of delivering most of their grain during the autumn, when prices were generally lowest. By 1925, Prairie farmers had organized three large grain-pools, which handled about half the grain marketed in the Prairie Provinces. A number of other pools organized during the 1920s followed the pattern set by the grain-pools.

The Great Depression, which began in 1929, created difficult problems for many marketing co-operatives. Prices of agricultural products fell for over three years and eventually stabilized at extremely low levels. This led to the failure of a number of weaker co-operatives and imperilled even the strong ones. For example, Saskatchewan Co-operative Creameries Ltd went bankrupt, though it was later reorganized. The grain-pools made payments at the time of delivery that were expected to be substantially below the final price. In the crop year 1929-30, prices fell so rapidly that these initial payments proved to be much higher