

Meanwhile, the need for some common association among co-operatives was felt. A small group of leaders therefore met in Hamilton 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 this century. In addition to the co-operative grain-elevator companies, numerous small purchasing and marketing co-operatives were formed. However, many of these could not cope with the rapid changes in price levels that occurred between 1916 and 1924 and failed during that period.

Meanwhile, the farmers of Western Canada, having already built a system of co-operative grain-elevators and creameries, developed a keen interest in the pooling principle, whereby they could receive average annual prices for their produce rather than the prevailing market price on delivery date. Pooling was particularly attractive in the marketing of cereal grains, as farmers usually delivered most of their grain during the autumn, when prices were often at their lowest. By 1925, Prairie farmers had organized three large 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 severe depression that began in 1929 gave rise to difficult problems for many marketing co-operatives. Prices of agricultural products held a downward trend for over three years and eventually stabilized at extremely low levels. This led to the failure of a number of the weaker co-operatives and imperilled even the strong ones. For example, Saskatchewan Co-operative Creameries Ltd. went bankrupt but was later reorganized. The grain pools made payments at time of delivery that were expected to be substantially below the final price. In the 1929-30 crop year, prices fell so rapidly that these initial payments proved to be much higher than prices realized when the grain was sold. Government-guaranteed loans tided the three pools over the crisis.

It was now established that even large pooling co-operatives could not stabilize the prices of Canadian grain. The Canadian Wheat Board was formed to assist in this stabilization. It operates pools for marketing the grain of the Prairie Provinces. The Western grain co-operatives, as agents for the Canadian Wheat Board, assemble and store over half the grain harvested in the Prairie Provinces.

Despite all the setbacks during the depression, farmers continued to give their support to co-operatives, so that the basic strength of the movement was unimpaired. Indeed, the 1930s brought a revival of interest in co-operative purchasing. The grain-marketing co-operatives, especially the Saskatchewan Wheat Pool, assisted farmers in organizing new co-operatives. With lower prices for farm products, savings on the purchase of farm supplies became more important. For example, in the Prairie Provinces the mechanization of agriculture led to special interest in savings on the cost of petroleum. A small group