

Although some of the early co-operatives survived and are still in existence, many of them 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 of some common association among co-operatives was felt. Thus, a small group of leaders 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 this 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. Through this 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 lowest. By 1925, Prairie farmers 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 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 failure of a number of the weaker co-operatives and imperilled even 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 grain 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 half the grain marketed in Canada.