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26,000 were in Ontario, where they operated a salt-manufacturing company for 38 years. The Grange also went into fire-insurance business for 22 years and, in 1879, started a banking operation that lasted seven years. The Grange eventually united with another farmers' organization.

About 1890 the Patron of Industry organization came to Canada from Michigan; it handled binder twine for farmers on a co-operative basis.

Agriculture in the Prairie Province began to develop rapidly about 1890. This encouraged the early settlers to try to establish better marketing facilities. The beginnings of the co-operative movement in this section of Canada were made by organizations formed by these farmers.

The federal Department of Agriculture helped farmers in the Territories (now Saskatchewan and Alberta) to form co-operative creameries during the 1890's and early 1900's. These provided marketing facilities for cream in communities where there had not been any. 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 1900's, 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 Prairies Provinces by 1913. The United Grain Growers Ltd. was formed in 1917 by the amalgamation of two of these - the Grain Growers' Grain Company in Manitoba and the Alberta Farmers' Co-operative Elevator Company.

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 the 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. 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 fall, when prices were often 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 1920's followed the pattern set by the grain pools.