

The History of the Co-operative Movement in Canada

By G. S. MOONEY

THE provinces of Quebec and Nova Scotia vie with one another for honours in establishing co-operation in Canada, for it was in these two provinces, in the year 1789, that farmers' co-operatives first dug their roots into the Canadian soil.

John Young, of Halifax, a newspaper correspondent for the *Acadian Recorder*, writing under the pen name "Agricola", during the latter part of the 18th century, is the first scribe of the new movement. His writings inform us that "the first agricultural society in Nova Scotia was instituted at Halifax on the 10th of December, 1789; and soon after, the inhabitants of the County of Hants formed themselves into a similar association, with a view to co-operating with the capital in promoting agricultural and rural economy". In the same year there is record of the formation of a farmers' club in Quebec City under the patronage of the Governor General, Lord Dorchester.

Two years later, the first agricultural society was formed in Upper Canada with provincial-wide aspirations but does not appear to have carried out its program and by 1805 had ended its brief career. Following closely after these early attempts at organization, other societies were formed from which can be traced the beginnings of our agricultural fairs and other permanent institutions.

These early co-operative societies were interested mainly in improved husbandry, and by collective action encouraged and assisted in the introduction of new

machinery, seeds and live stock and in the treatment and application to the soil of the natural limestone deposits. Through their organizations they also assisted immigrants in settlement on the land and in finding employment.

In 1872, the organization known as the Grange, which was then flourishing in the rural communities of the northern United States, and which still operates on a large scale, entered Canada and organized branches in Quebec and Ontario. A few years later, in 1877, this affiliation was broken and a Dominion Grange of the Patrons of Husbandry was established under federal charter. This organization established a number of co-operative enterprises of a business nature, none of which have survived, although the society itself still exists. In 1889, another farmers' organization made its way into Canada from the United States. This was the Patrons of Industry which also promoted and established a number of co-operative enterprises. In principle and purpose this organization differed from the Grange in that it definitely entered politics, both provincial and federal. The growth of the Patrons of Industry was phenomenal, but the organization died out rapidly after its failure in the elections of 1896. The Dominion Grange, following the principles of its constitution, has always kept out of the political field.

In the latter part of the 19th century, in addition to the further development of agricultural co-operatives, there emerged the first Consumers' Co-operatives. The honour for their establishment goes to a group of Nova Scotia miners who had come to Canada after having been members of Co-operative Societies in Great Britain. It was they who organized, on strict Rochdale principles Can-

EDITOR'S NOTE: The above article is taken from an excellent survey of the co-operative movement in Canada which was published in 1938 under the title *Co-operatives To-day and Tomorrow* for the Survey Committee in Montreal. The author who has given valuable assistance to many good causes is at present Executive Director of the Canadian Federation of Mayors and Municipalities.

ada's first Consumers' "Co-Op". Their first venture was the opening of a co-operative store in Stellarton, Nova Scotia, in the year 1861, which carried on until 1916 when it failed. The society at Sydney Mines, organized in 1863, had considerable success for several years but made the mistake of not providing for a reserve fund. This fact, together with the withdrawal of capital from the society, led to difficulties and when fire destroyed the store in 1905 there was no attempt to rebuild. The history of this organization was sufficiently encouraging, however, to lead to the formation of another society in 1906. This society, the British Canadian Co-operative Society, Ltd., of Sydney Mines, was organized more closely in accordance with co-operative principles, a reserve fund being provided for and business conducted on a cash basis. Starting with a membership of 32 in 1906, and an average share capital of \$6.00 each, the society has since grown to monumental proportions. It has recently been described as "probably the most successful consumers' society on this continent".

As an interesting sidelight on the activities of this society, Mr. W. L. Mackenzie King, who as Deputy Minister of Labour, appeared as a witness before the Federal Parliamentary Committee of 1907, enquiring into the Co-operative Movement, read into the record a letter he had received in connection with the several co-operative groups then functioning in the Maritimes, from which we quote:

"The British Co-operative Society, Ltd., of Sydney Mines, started the present year. This society is composed nearly altogether of old country co-operators. Very few of the members of the old store have so far identified themselves with them. *They are adopting old country methods altogether.* While other societies allow credit to the amount of four-fifths of the capital, this society gives absolutely no credit even to their members. They now have a membership of 78, and are doing a good business."

This society, "adopting old country methods altogether", continued to do a

good business. At the end of 1936, after 30 years of consistent and successful business development, they report a membership of 3442; four branches at Florence, Cranberry, North Sydney, Glace Bay, in addition to the main store at Sydney Mines; a business for the year totalling \$1,159,352 representing an increase of \$96,472 over the previous year; and dividends amounting to \$91,536 or 8%.

Elsewhere, as we will shortly show, the movement was also slowly developing. By the turn of the present century, Co-operation, both as a consumer and a producer movement had gained a struggling foothold in widely scattered parts of the Dominion. Farmers' Co-operatives of one form or another had arisen in most of the provinces; isolated Consumer Co-Ops were functioning in Cape Breton, British Columbia and other industrial centres; while in Quebec, under the inspired leadership of Desjardins, the first halting developments of Credit Unions, les Caisses Populaires, were being laid. But, as far as the urban Consumer Movement was concerned, it was only a foothold. It was later to meet with severe setbacks.

For a decade, interest continued to grow and development along with it. Indeed, the record would seem to indicate that the growth of Co-operation in Canada was keeping pace, in those days, and in all its phases, with similar developments on the Continent and elsewhere. Thus we see, during the year 1906, a Bill being introduced into the Federal House of Parliament to enact enabling legislation on behalf of the then developing Co-operative Societies. True, the Bill was defeated, after passing the Commons, in the Senate,—but only by one vote, and on the pretext that such an act would interfere with Provincial rights. Undismayed, the proponents of Co-operation arranged for similar bills to be presented during the Parliamentary sessions of 1907, 1909, 1911 and 1914, but nothing came of them. However the failure to pass Federal Legislation led to fairly satisfactory Provincial legislation. Thus, during this

period, did most of the Provinces enact their present legislation on the Co-operative Movement. By 1909, the need was apparent for some central National federation and during the year there was brought into being for this purpose The Co-operative Union with headquarters in Brantford, Ont.

The years 1900 to 1914, betokened promise for Consumers' Co-operation in Canada. But actually, with the same period, the beginning of a disheartening succession of failures paved the way for an almost complete disintegration. The record is a tragic trail of disaster. Its lessons are of peculiar significance to the present wide-spread interest in the movement.

Let us make a brief excursion back to that period. Ontario offers a good example of what happened, more or less, in other parts of the Dominion.

One of the most promising Ontario Societies, which does not exactly fall within the example of the pre-war failures, but which emerged during that period, was the Guelph Co-operative. Organized in 1904 by a group of workmen to meet what they considered the excessive prices being charged for the price of bread, the society became a flourishing co-operative business. By 1906 a grocery and meat business was added to their co-operative bakery; in 1907 a boot and shoe department; in 1908 a coal yard; while in 1925 a cash and carry groceteria was established to meet the competition from chain stores. In the same year, through circumstances which probably could have been prevented, the society had to close its doors.

The Guelph Society, as we have pointed out, survived the war period. We mention this society because its growth was typical of what was happening more or less elsewhere. For instance, in the early years of the United Farmers of Ontario, 48 Co-operative Consumer Stores were opened under its auspices. These stores were opened under the multiple or chain store plan. They were not a success and were gradually closed or turned over to local co-operative

societies¹. The high cost of living of the later war period led to the formation of numerous co-operative stores, but the business difficulties of the subsequent years, plus immature co-operative leadership and management, brought failure to most of them.

In Quebec, Consumers' Co-operatives have never experienced any particular success. A society in Valleyfield is the only one which has survived a period of years. For a while there was an active society operating in Lachine and some fifteen years ago a Consumers' Co-operative Store was opened in Verdun. For a year or two it did a fair business. But unfortunately the manager was seemingly more interested in propagating his own philosophic views on religion than in administering a co-operative business enterprise and the society finally liquidated when members withdrew in protest. A Masonic Co-operative Society functioned for a brief period several years ago but finally discontinued its activities as such, although the remnant still carries on under private auspices as a commission buying agency. The fate of a Consumers' Co-operative in Maisonneuve, immediately following the war, is wrapped up in the wrangling among its members and finally the dishonesty of its store manager. Consumers societies in Quebec rural districts have met similar fates, permitting the Provincial Minister of Trade and Commerce, in reviewing Co-operation in Quebec during the year 1934, to state, "that while the Caisses Populaires have been an unqualified success, co-operative stores have to-day completely vanished."

In other parts of the Dominion—New Brunswick, the Prairie Provinces and British Columbia, a similar tale could be told. With always the isolated exceptions which seem to prove that where efficient management, sound Rochdale principles, and loyal co-operative members are wedded together, Co-operation in Canada, as a Consumer Movement,

(1) The failure of the U.F.O. Co-operatives was due, perhaps more than anything else, to the tendency of their members to go bargain hunting at other privately owned stores.

is not an unrealizable possibility. For instance, the several British Columbia Societies, particularly in mining districts, whose beginnings go back to the pre-war period, and whose activities have met with considerable success. Likewise among the farming population of the Prairie Provinces, whose co-operative buying of binder twine and other farm supplies has been supplemented with grocery staples and household necessities.

But, by and large, up until a few years ago, Consumer Co-operatives in Canada could hardly be said to have proved an unqualified success. Their history is perhaps best summarized in an article in the *Canada Year Book* for 1925, prepared by Miss M. Mackintosh of the Department of Labour. She states:

"The record of producers' co-operation in Canada has been, on the whole, one of steady growth...but the history of consumers' co-operation shows no such development. The first co-operative stores were opened by groups of workers who were applying the principles of co-operation they had learned and practised in England. In the late 90's and in following decades, when the increasing cost of living put greater pressure on the wage earners, co-operative stores were opened in many towns. Another wave of co-operative activity followed the rising prices during and after the war. But the more individualistic character of the population and the higher standard of living made possible by higher wages appear to have rendered consumers in Canada less inclined to co-operative effort than in the older countries of Europe, so that many co-operative societies have languished for lack of funds, suffered from poor or indifferent management and lacked the enthusiasm of a membership of genuine co-operators. The success achieved by a comparatively small number of societies is all the more striking by contrast."

And in the same general article, but in an earlier section:

"Scattered as they are over a vast territory, the consumers' co-operative societies of Canada have laboured under the disadvantage of lack of communication and absence of opportunity for the discussion of common problems. *The desire to effect a saving in buying commodities has been the only motive of most of the members and there has been little knowledge of the principles of co-operation,*

with consequent failure to observe one or the other of the fundamental requisites for the successful operation of the co-operative stores. Managers have been drawn from the retail trade and have not always had any real interest in or understanding of the co-operative system. To these reasons may be ascribed many of the failures of co-operative stores in Canada."

It is to be hoped that the sad lessons of the pre-war decade are not too far removed from the contemporary scene to have lost all their significance to the present body of co-operative leaders. Certainly, mushroom growth must not be reckoned as an indication of ongoing stability. Likewise, the errors and omissions of an immature leadership, committed in what was a probably premature environment, must be safeguarded against.

Can this be done? Probably. You ask how? The answer, we think, is in the emphasis which is being placed by leaders of co-operative thought in such devices as Study Circles and preparatory Buying Clubs. Let us look to the Maritimes. The experience of St. Francis Xavier University has been heralded across the country. Its lessons are being learnt wherever Co-operation is being talked. St. Francis Xavier has perhaps discovered and added a new principle to orthodox Rochdale Co-operative philosophy. It will perhaps turn out to be Canada's contribution to this mighty world movement. Succinctly stated it might be termed: *No Co-operation without preparation*. Or in other words, *education before action*.

It is this emphasis upon adequate knowledge of the principles of Co-operation before undertaking co-operative business ventures, which will probably be the safeguard of these new groups. That, plus the fact that some of the lessons of the past have been learnt. And most of all, the basic fact that Canadians are no longer a pioneer people enjoying the upswing of an expanding economic system. Those days are gone. Economic insecurity, the propelling force which led the Rochdale pioneers to a program of self-help almost one hundred years

ago, is forcing Canadians, in ever growing numbers, in a not dissimilar direction.

Perhaps it is all to the good. We have needed something like the experiences of these latter years to shake off the hypnotic spell which a century of new and rapid wealth getting has cast over us. A new sobriety of thought grounded in an understanding of economic realities can only result in a strengthening of the national character. Self-help, rather than a reliance upon the vagaries of government or the paternalism of the rich, is a quality worthy of emulation and much to be encouraged.

The present widening interest in the co-operative idea is therefore a bright sign on the Canadian horizon. The future is still too beclouded with uncertainties to predict what may yet be before us. But there is some glimmer of hope when Canadians from all strata of society, who are not too deeply inhibited in retrospect by the seductive nature of pre-1929 prosperity, nor romanticized by the myth of its inevitable resurgence are turning in thoughtful enquiry to such methods as are represented in the co-operative ideal.

Prevention of Highway Accidents

By ARTHUR H. ROWAN

IN spite of rigid traffic regulations and constant educational campaigns to promote safer conditions, motor vehicle accidents remain one of the chief causes of death in Canada, in fact, only about ten diseases cause more deaths. Motor accidents, as a by-product of the most widely-used mode of transportation in this country, have thus become everyone's problem, for no active citizen today can avoid exposure to the hazards of the highway. But while we might well shudder at the annual waste of life, health and property were it concentrated into one calamity, the fact that it is diffused in time and place to a point where the majority have never witnessed a serious accident, is at least one reason that the tendency to treat the accident problem with indifference or apathy exists.

During the years that have elapsed since the inception of the motor vehicle we have witnessed tremendous improvements in the design and construction of motor vehicles and highways but because of the rapidity with which this form of transportation has been thrust into our

hands our demands for better cars and highways have been more insistent than our demand for safer transportation.

Unlike the locomotive which was an entirely new contrivance, requiring a special road, the first motor vehicle was a horseless carriage. In the beginning this vehicle was simply a carriage without a horse—clumsy and ungraceful in appearance and so much a product of the horse-and- buggy age that one early model was even equipped with a whipsocket. But while such vehicles would appear the height of incongruity on the roads today, many of the cars still in use bear a striking resemblance to the milk-wagon with its box-like rear and a horse out front with a radiator cap for ears and louvres to simulate the horse's ribs. The development of the motor car has thus been handicapped by either precedent or fashion.

But unlike the locomotive, the horseless carriage was adaptable to the carriage-ways used by its horse-hauled predecessor. As its advantages gained growing recognition, however, there came a demand for better roadways—the cry was 'get us out of the mud.' Subsequently came the demand for gravelled surfaces and wider roads. Later, in very recent years has come the demand for dustless, hard-