

*Patterns, Limitations and Associations:
The Consumer Co-operative Movement in Canada,
1828 to the Present*

by

Ian MacPherson
Emeritus Professor of History
Co-Director, The National Hub
Canadian Social Economy Research Partnerships
University of Victoria
Victoria, British Columbia, Canada

cluny1@uvic.ca

Colloquium on the Global Consumer Co-operative Movement

University of Sydney

Sydney, Australia

November 19, 2010

The consumer co-operative movement is – and for close to a century has been – a central part of the Canadian co-operative movement. It has included – and it includes – some of the most powerful groupings within the Canadian co-operative movement that strongly support the importance and possibilities of action across the co-operative sector. It has consistently been the most important advocate for the coherent and effective collaboration of all kinds of co-operatives in their own interests and for those of the broader movement – as well as for the benefit of Canada as a whole.

This paper is not an exercise in “whig history” celebrating the inevitable progression of co-operatives or the inevitability of the march (as some in other days would have dreamed) towards a Co-operative Commonwealth. The history of the Canadian movement is far too uneven and includes far too many setbacks for that kind of approach, though certainly the consumer movement has generally become stronger as the years have passed. The road, however, has not always gone upward and, most tellingly, it has not always gone straight.

This paper attempts to describe the contours of the consumer movement as it has developed in Canada over time. It discusses a long and complex history, one that in the space available can only be suggested, not considered in depth. Hopefully, though, it offers insights and conclusions that will be useful in comparing with reflections on the history of consumer co-operation in other countries. Hopefully, too, it will help create a fuller understanding of the impact of the global consumer co-operative movement, yesterday, today, and tomorrow.

These are interesting and important tasks. On one level, they build upon recent enquiries by historians in several countries, examinations of the changing patterns of consumption over time, particularly in the industrialized and industrializing parts of the globe.

On another level, given the increased importance of food production, processing and consumption industries in a world of diminishing resources, an international enquiry into the traditions and practices of consumer co-operation could be particularly timely. It could help in thinking about how to design a more dependable, responsible and ethical basis for supplying and consuming food and other consumer goods around the world. This is not a new idea in consumer co-operative circles. It echoes concerns, ideas, and ambitions that have been evident since the later nineteenth century and, despite the tendency of many consumer co-operatives to become “more like the competition” in recent decades, they can still be found within the international movement.

The Faltering Formative Period, 1828-1914

The Canadian consumer co-operative movement has a long and, in its early years at least, a chequered history. As early as 1828, an anonymous ten page announcement from a recently arrived British immigrant called upon the people of York to organize a consumer co-operative similar to the ones being developed at that time in the United Kingdom. There is no record of anything resulting from this appeal, but it is noteworthy that, even before the Equitable Pioneers had started their store in Rochdale in 1844, people in the North American colonies were discussing the possibilities of creating consumer co-operatives in the North American colonies.

From the 1840s through the 1880s, there were many discussions about consumer co-operatives in British North America (after 1867, Canada), and there seem to have been stores – the record is not entirely conclusive – in Halifax, Toronto, Winnipeg, and Victoria. The first store to become well established and to survive for a significant period of time was located in Albion Mines, Nova Scotia. In 1889, the town changed its name to Stellarton, and it is under that name that the co-operative is remembered. Supported by generations working on the rich seam of coal that literally ran beneath the town – the Foord seam, reputed to be the thickest in the world – it survived until the early years of the twentieth century.

There were many efforts to start consumer co-operatives in the course of the later nineteenth century. Enthusiasts with the Holy and Noble Knights of Labour, a briefly powerful union organisation in the United States and Canada during the 1870s and 1880s, promoted consumer co-operatives in several Canadian centres, though its main co-operative interest was in worker co-operatives. In a similar way, out in the countryside, the National Grange of the Patrons of Husbandry, though primarily concerned with farm issues of supply and marketing, also stimulated considerable interest in consumption generally, notably through its women's organisations and its programmes for general rural advancement. As a result, buying clubs were developed in rural districts where the Grange was strong. Some of them went on to contribute to the development of rural co-operative stores.

Mining communities, however, were the strongest early centres for the development of co-operative stores: in that sense, Stellarton stands at the beginning of a common trend within the history of the early consumer movement in Canada. There were three strong regions for stores among miners: the coal mining districts of Nova Scotia, mostly on Cape Breton Island; the silver-gold-nickel-copper mines of Northern Ontario; and the Alberta/British Columbia coal, silver and gold mines in Rocky Mountain communities. One other mining region, in the coal mining districts of Vancouver Island, also showed occasional support.

This early interest was rooted to a large extent in ethnicity and class. The most prominent participants in nearly all the co-operatives in mining communities prior to 1914 were British immigrants. They brought with them some of the co-operative enthusiasms of the British working class in that period, when a quarter of the British population purchased its consumer goods through co-operative stores and when one of the most reliable ways in which working class families could save money was through the “divys” they received for buying at the “co-op”. British immigrants were represented in disproportionately higher percentages than other immigrant groups in the leadership of many early Canadian co-operatives, most of which included a much broader cross section of nationalities in their memberships than the listing of board members would suggest.

Finns, Swedes, Ukrainians, and Italians were among the most common immigrants found within many local co-operatives. They were particularly evident in northern Ontario and on the British Columbian coast. By 1910 there were between fifteen and twenty co-operative stores in mining and fishing communities across Canada. One – in Sointula on Malcolm Island, on the British Columbia coast, developed by Finns escaping the drudgery of the Dunsmuir mines on Vancouver Island in 1909 – still survives, its Finnish heritage still proudly and prominently in evidence.

One must conclude, however, that, while ethnicity was important in the early stages of development for some co-ops, it did not remain a serious factor for long with very few exceptions, Sointula being among the best known. Similarly, one can only conclude that, while trade unionism was useful in developing early networks, it did not serve as a strong and permanent basis for the development of consumer co-operatives in Canada. Generally, the Canadian trades union movement gravitated towards “bread and butter unionism” as the twentieth century progressed, a development that focussed attention on workplace issues of wages, hours of work, and fringe benefits. It was a conceptualisation that differed markedly from the broad approach of the Knights of Labour. The problem of how best to unite with “sister” movements emerged early in the history of the Canadian movement and would never be satisfactorily resolved.

By the turn of the twentieth century, another and more powerful source for the development of consumer co-operatives – the pressures of the settlement process – was increasingly important, particularly in the regions of western Canada (the Prairies and British Columbia). Over two million immigrants came to those regions between 1895 and 1914. About half went to the cities and larger towns, where most settled in working class ghettos, while some gravitated to more prosperous middle class neighbourhoods. Most of the comparatively few co-operatives that emerged in the western cities prior to 1914 were tied to the limited identities they joined as they settled and found work.

The more substantial developments, however, were in rural areas. The settlement process depended to a significant extent upon collaboration among settlers: for example, the early development of roads, the creation of schools, the establishment of churches, and the construction of houses and barns through building “bees”. Most people involved in rural settlement went through an arduous process because they typically had few savings, such banks as existed were rarely friendly, and the sale of cash crops usually yielded limited results during the early years of farm development. Amid these shortages and pressures, many settlers were angered by the high cost of consumer goods and farm supplies. That anger fuelled tensions with owners of grocery stores and farm supply outlets in the emerging small communities – the over 4,000 of them that were formed in western Canada between 1895 and 1914. One outcome of the tensions that emerged was that settlers turned, as in so much else, to the collaborative approaches used to develop frontier lands to help defray the costs of consumer goods and farm supplies.

Typically, their first step was to organize buying clubs, particularly for the securing of consumer goods – from food supplies to clothes to the purchase of carloads of coal for the winter months. They were often begun by rural women stirred into action by women’s organisations and by the agrarian press of the time, itself often a strong proponent of co-operative stores, particularly on the Prairies. Some of these buying clubs, in time, were converted into co-operative stores. An estimated forty such co-operative stores had been created in western rural areas prior to 1914, though few lasted for long.

Similar practices could also be found in settled rural areas, notably in Ontario at the turn of the century, a little later in Québec, where rural societies were also coming under increased pressures. The farming people of southern Central Canada were facing the opposite of the issues confronting settlers forming new rural communities in the West. They were concerned with problems stemming from rural depopulation (particularly the out-migration of youth and families “heading west”), the gradual decline of services in many rural hamlets, the inability of rural education to meet relevant needs,

and the growing celebration of urban life in popular culture. In 1914 rural Ontarians formed the United Farmers of Ontario, followed shortly thereafter by the United Farm Women of Ontario and the United Farmers Co-operative. The latter two organisations, in particular, addressed general consumption interests in addition to concerns about marketing rural products and the high costs of farm supplies.

In its early years, consumer co-operation in Canada was not a neatly separate kind of business as it seemed to be in countries where it was much more tightly associated with working class culture and the advent of widespread urbanisation and the advent of industrial society.

The consumer co-operatives created by 1914, whether among working classes by ethnic or politicized new Canadians or amid the varying pressures in the countryside, were highly localized in their motivations and understandings. These decentralized beginnings were in sharp contrast with the way in which the *caisses populaires* movement developed in Francophone Canada or, even more strikingly, with how most of the burgeoning agricultural co-operatives were being organized at the same time. The result was that the consumer movement went through much longer formative and stabilizing periods, meaning that its cumulative impact was not felt within Canadian society until well into the twentieth century – and even then, because of the ways in which it developed, the impact was more regional than national.

Moreover, as the above suggests, one can argue that the agricultural co-operatives, through their farm supply activities (which could embrace the more profitable consumer items), actually held back the development of consumer co-operatives – intentionally or not. A number of agricultural co-operatives, in fact, organized types of stores to serve rural memberships, creating a blurred picture of consumer co-operative development, particularly in Ontario and Québec and, to a lesser extent, in other provinces as well, such as Alberta.

This overlap demonstrates the imprecision that can occur by reading into the past the kind of institutional and sectoral divisions that came to be so ingrained as the over-all movement developed around the world. In the end, such divisions can be arbitrary, caused by the accidents of history, the predilections of leaders, the interests of associated movements, the emergence of strong institutional loyalties, and the simplistic ways in which historians have tended to interpret the movement's past.

Beginning in 1906, some co-operative leaders, notably Alphonse Desjardins, tried to convince the Federal Government of the need for national legislation for the incorporation and development of all kinds of co-operatives. Desjardins used his position as a reporter for *Hansard* in the Dominion House of Commons to lead a campaign for this legislation. He was joined by some prominent Québec politicians and, in time, some leaders from the emerging co-operative movements – agricultural and consumer– in English-speaking Canada. They soon ran into opposition, the most prominent of it coming from the Canadian Retail Merchants Association, which was well aware of the strength and competition to “the private trade” provided by consumer co-operatives in the United Kingdom. Despite some five further attempts to have national enabling legislation passed between 1906 and 1920, the Canadian Parliament chose to leave the encouragement and regulation of co-operatives to the provinces, a set of decisions that profoundly affected how the co-operative movement, including the consumer movement, would develop.

As it turned out, the only serious and sustained effort to bring consumer co-operatives together, to develop training/educational programmes for them, and to think strategically about their development during the early twentieth century came from the Co-operative Union of Canada (CUC), organized in 1909. Its two most prominent early leaders, George Keen, its General Secretary from the beginning until 1943, and Samuel Carter, its President until 1921, were both British immigrants who sought to replicate in many respects the British experience with consumer co-operation. Keen was the founding President of the Brantford co-operative in Ontario and Carter, a successful businessman and mayor of Guelph, another nearby small city in Ontario, was President of its consumer co-operative.

Keen played a monumental role in building the consumer movement during his time as General Secretary. Though his familiarity with co-operatives while he lived in England was only incidental, he made a detailed study of the British movement after he became involved with the movement in Canada. He subscribed to the British co-operative periodicals; he purchased the main volumes on Co-operation written by British co-operative leaders and writers – many of which, their margins containing his comments, written in a very neat and careful script, survive in the library of the Canadian Co-operative Association (the successor organisation of the CUC) and the National Archives. He corresponded with many of the main British leaders of the day. During his time as General Secretary, he edited, largely wrote, published, and distributed a monthly journal, *The Canadian Co-operator*, which was devoted primarily to the furtherance of the consumer movement.

Keen did make a determined effort to understand the flourishing marketing and farm supply co-operative movement that became such an important dimension of the Canadian countryside, but it never became as important a form of co-operation for him – and for many others from the “Old Country” who became active in the stores that emerged. Similarly, he played an important role in trying to expand the work on co-op banking undertaken by Alphonse Desjardins into English-speaking country, in the process contributing significantly to the development of what became known as credit unions in English-Canada. He published reports on co-operative housing and worker co-operatives. He genuinely tried to be supportive of all kinds of formal co-operative behaviour.

Keen’s heart, however, rested with consumer co-operation. He looked upon it as a “great social religion”, one that held equal place for him with his deep devotion to Roman Catholicism. He championed the “consumer theory of co-operation”, which suggested that the organisation of intelligent consumption through co-operative forms would be the best way to organize much of the economy, to promote the democratic way of live, and to reward people appropriately for their multiple contributions and not just for their speculative investments. His devotion to this cause was remarkable, leading him to contribute years of work, most of it unpaid or underpaid. Though he never developed a large band of followers, his dedication contributed significantly to the emergence of networks of consumer co-operative enthusiasts in several provinces. Many of them, in turn, though not necessarily subscribing to Keen’s grand vision, became crucially important in contributing to the next stages of consumer co-operative development. Largely because of him, the movement in 1914 had developed many essentially local

initiatives, born of ethnicity, class, and settlement pressures, but leavened by a heady dose of idealism and some understanding of the movement's international dimensions.

The Struggle for Stability, 1914-1945

The advent of World War One in 1914 ushered in three decades of turmoil, uneven economic growth, and tragedy for many Canadians. Over 67,000 Canadians died in the century's first great conflict in Europe, with nearly 200,000 being wounded and another untold number carrying psychological damage for the rest of their lives. The period after the war witnessed a serious economic depression, which lifted briefly, all too briefly, before the onset of the Great Depression began in 1929. Then came the Second Great War, in which 45,000 were killed, some 50,000 wounded and another unknown number beset by continuing psychological problems. As a result of the associated turmoil, it was a period of intense political debate, a time when third party movements became powerful forces in the federal political process and regional loyalties detracted from national consensus.

It was also a time when many people investigated Co-operation as a way of responding to the growing economic and social dislocation of the times, though in the battle of ideologies that rose and fell throughout the period, the co-operative option, less strident and less well formulated than most of the others, did not ultimately fare well. All too often, the co-operative responses to the challenges of the day were perceived as being too gentle, slow, and modest, though often enough their more successful projects were co-opted by other more aggressive ideologies, from Marxism and Anarchism through agrarianism, Liberalism and even Conservatism. For many Canadians, however, they were promising and useful responses in a world beset by unsustainable competition and costly, demeaning, and debilitating struggles for dominance and control.

The varying interest in co-operatives taken by political parties during the inter-war years affected significantly their development. Agrarian militancy swept much of Canada after World War One. Nationally it produced the Progressive movement, which revolutionized the national political system in the elections of 1921 and 1925. The Progressives were certainly very sympathetic to the development of co-operatives but that sympathy did not translate into major national programmes for the movement's expansion. More significantly, the farmers' movement affected provincial governments. In Ontario and in the Prairie provinces, the farmers formed the governments at different times and under different names. In each case, they passed useful enabling legislation that made it easier to organize co-operatives, including consumer co-operatives.

In the 1930s, the formation of the left-wing Co-operative Commonwealth Federation (CCF) and the more right-wing Social Credit government signalled significant if different support for co-operative organisations. In 1935 Social Credit formed the government of Alberta and it was, in the early years of its time in power supportive of co-operatives, including their own version of co-operative stores. In 1944 the CCF formed the government in Saskatchewan and it was the most supportive provincial government in Canada for co-operative development, including co-operative stores. It formed a special department to encourage co-operatives of all kinds, though it might be argued its support for voluntary, community-based approaches to economic and social development

generally, such as that provided by co-operatives, generally lost out to government-led initiatives favoured by many in the party's leadership.

Amid all these changes, the consumer movement made progress, albeit unevenly. During World War One it gained a lot of respect, partly for the ways in which the relatively few and small co-ops in Canada responded, but even more so for the roles played by the large movements in Europe during the conflict. "Profiteering" was one of the great domestic issues of the time, its occurrence, real and imagined, a common source of scandal and public anger. It led groupings of consumers in several Canadian cities to embrace co-operative techniques, mostly informal buying clubs but also including the legal formation of consumer co-operatives. They sought to protect their purchasing power, minimally by providing a transparent way in which to understand what were the legitimate increases in the costs of goods that were purchased. About twenty stores emerged, many of them in larger communities. Their development as World War One dragged on, meant that the Co-operative Union of Canada, after several years of struggling to survive, was able to achieve some stability in 1918-19. As a result, George Keen became a paid employee, allowing him to devote more time to the development of the movement.

One of the tasks Keen undertook when he became a full-time employee of the CUC was the more systematic analysis of why consumer co-operatives succeeded or failed. Using monthly statistics submitted by the stores and drawing on what he saw in regular visits to many of them (made possible by a travel pass donated by a sympathetic railway company), Keen identified a number of classic causes for the failure of consumer co-ops. They included: poor record keeping; inconsistent and often insufficient mark-ups on the goods that were handled; a common tendency by store leaders facing serious difficulties to follow "a policy of drift" rather than face issues that should not be ignored; inadequate training for boards and managers; insufficient education of members in the importance of co-operative loyalty; a common reluctance to work effectively with other co-operatives; the attacks of opponents and competitors; the opposition of wholesalers; and a failure to engage women in the development of the stores. He had ample opportunity to assess such weaknesses and to test his theories because in the depression that swept much of Canada in the early 1920s many of the co-operatives formed during World War One failed.

Some pockets of permanence, however, did survive. One of them was in eastern Nova Scotia, where, among a dozen strong co-operative societies could be found the British Canadian Co-operative in Sydney Mines, then the largest consumer co-op in North America – and a replica in architecture, organisation, and outlook of some of the larger British co-ops. Other significant concentrations of stores could be found in western Canada, the largest grouping being in the ethnic diversity and rural struggles of Saskatchewan, but other clusters could be found in Manitoba, Alberta, and British Columbia as well. By the later twenties, each of these concentrations had developed significant and experienced leaders. They were ready, albeit with varying degrees of experience and specialisation, to undertake the formation of co-operative wholesales, a vitally important step in creating stable movements, a truism that had been well demonstrated in the history of the European movements. Consequently, though they varied considerably in structure and success, wholesales were formed in the later 1920s in Atlantic Canada, Saskatchewan, Manitoba, Alberta, and Québec, followed by wholesales

in British Columbia in the 1930s. As in the case of the United Farmers Co-op in Ontario, the wholesales in Québec and Atlantic Canada had mixed parentage, owing as much or more to the interests and support of farm co-operators than aroused urban consumers. In the other provinces, as was the norm in the development of wholesales in most other countries, the wholesales overwhelmingly met the needs of local co-op stores.

The importance of the development of wholesales cannot be overestimated in understanding the kind of stability the movement achieved, even during the adversities of the 1930s and the restrictions associated with World War Two. Wholesales provided direct economic benefits through the economies of scale in purchasing power that they offered. They provided opportunities for the exchange of information, a vitally important need during the early development of consumer co-ops. They provided, even as they struggled for stability themselves, to provide training opportunities for the elected leaders, managers and staff of local co-ops. They attempted, as demand developed, to enter into the special ordering of processed consumer goods, and in a few instances to undertake production of consumer goods individually or in collaboration with others. They sometimes undertook direct purchasing from farmer groups, co-op or otherwise. Given good financial results, they developed modest funding arrangements for their member co-operatives. They became effective lobbyists of governments, in Canada particularly at the provincial level. As their staffs grew and they accumulated experience, they became sources of managerial advice for their member co-operatives.

The Great Depression (1929-1939) provided the seedbed for much co-operative activity in Canada, including the formation of new consumer co-operatives. In retrospect, it assumes the proportions (ironically enough) of something like a kind of “golden age” for co-operative development. Its impact, though, was not limited to the years the Depression actually lasted; it extended through the two decades that followed – the memories of it stirring many co-operators who matured during it, especially for the creation of a national co-operative financial system and expanded agricultural co-operatives, but also for the expansion of the consumer movement as well.

In the Prairie region, the economic collapse of the Great Depression was made worse by the cruel coincidence of drought. The pictures of sand dunes blowing across what had been wheat farms, of people packing all they owned onto the back of trucks so they could migrate to other allegedly more prosperous places, of the unemployed riding the rails, and of the riots of “the On to Ottawa trek” by the army of the unemployed in 1935 are still seared into the national consciousness. They remain easily summoned pictures of the potential costs of economic collapse, uncontrolled greed, and the unfair distribution of the nation’s wealth.

There were many examples of co-operative responses to the difficulties of the Depression era. One that profoundly affected the development of consumer co-operation in western Canada occurred when a number of farmers in southern Saskatchewan used the networks provided by their consumer co-ops to address an important supply issue they were facing. It was the frequent shortages and rapidly rising costs of petroleum products for tractors and automobiles. They replicated earlier efforts by farmers in Ohio and created a co-operative to purchase and ultimately to refine petroleum. Their needs were relatively simple to meet – that is what helped make their project initially possible – but they quickly became more complicated leading to the development of a refinery that

ultimately made co-operatives important participants in the petroleum industry of western Canada.

Another development initially associated primarily with the Depression era was the increasing association with adult education. In Europe that kind of association could readily be found, for example, in the educational activities of the British movement in the nineteenth century, the impact of the Folk Schools directly and indirectly on the Danish and other movements, and the creation of the Co-operative College in the United Kingdom in 1919. The commitment to “education” ran deep in the writings of George Keen and it was echoed in the work of many co-operators from other lands active in local co-operatives in Canada. It could also be found within many of the enclaves of co-operative activism starting in the 1930s, for example, among some Mennonite co-operators in southern Manitoba and the organizers of the wheat pools, particularly in Saskatchewan.

Equally, the growing adult education circles within universities and colleges were increasingly interested in co-operatives. The adult education movement started to expand significantly in the early years of the twentieth century, and examples of its support for co-operatives can be found in several Canadian universities prior to and after World War One. Adult education became so important because the inadequacies of the Canadian educational system had become obvious to many during the war – the challenges of mobilizing large numbers of functionally illiterate people had been daunting. Similarly, in the 1920s as governments and local leaders ought to mobilize people within the pockets of poverty (some of them, as in parts of Atlantic Canada, quite large), it was readily apparent that more adults would have to become educated if significant economic progress was to be achieved. More would have to be better educated if co-operatives were to be established and to prosper.

One of the most important centres for the linking of adult education with co-operative development was at St. Francis Xavier University in Antigonish, Nova Scotia. Eastern Nova Scotia was facing many serious problems: rural areas generally were suffering from rural out migration and general social and economic decline; the coal mining districts of Cape Breton Island were dealing with the near collapse of the coal market; radical political groups, especially Marxists, were gaining increasing influence – a development that concerned many of the Roman Catholic leaders in the region. Even the fisheries, which had provided relatively secure (if often low) incomes for fishing communities for generations, were not what they had been. It was fertile ground for the development of co-operatives of many different types.

In 1929, following a Royal Commission investigating the Atlantic fisheries, several faculty members at St. Francis Xavier, many of them priests and nuns, became involved in the newly created Extension Department, organized originally to foster co-operatives in fishing communities. The approach they adopted was to organize meetings by people in communities so that they could identify and reflect on the social and economic issues that most concerned them. Then the University, through study clubs, would help them address those issues, most commonly through the creation of co-operatives. Generally, the Antigonish leaders most commonly advocated the formation of credit unions because they could be the source for funding other kinds of co-operatives. They also frequently supported the development of consumer co-operatives because they knew that a common problem in many of the small communities of Atlantic Canada was

the high cost of consumer goods. The result was the formation of over 50 consumer co-ops in Atlantic Canada between 1929 and 1950, an expansion that put the regional movement on a relatively stable basis. They joined an already strong agricultural movement, a burgeoning credit union movement, a struggling fishing movement, and a small co-operative housing movement that had developed in some of the mining communities.

The Antigonish Movement, as the initiative at St. Francis Xavier became known, spread across much of English Canada. It joined with emerging Extension Departments in other universities, for example, British Columbia, Alberta, Saskatchewan, Toronto, and Laval, in fostering community development generally, including in many instances the organisation of consumer co-operatives. Despite this widespread interest, however, the Antigonish Movement remained the main centre for co-operative activism in the 1930s and 1940s. It possessed a remarkable group of committed, idealistic yet remarkably practical men and women within and without the academy – several of them, in fact, coming from the emerging co-ops themselves. They prepared workshops and pamphlets, helped people form local co-ops, and assisted movements outside the Atlantic region. They provided intellectual depth based in part on Catholic Social Action thought that served the movement well, though in retrospect, perhaps it could have been more systematically organized and even more forcefully presented.

During World War Two, the consumer movement, which for the most part stood alone and independent in western Canada, was involved with differing sets of relationships with producer co-operatives in Ontario, Québec and Atlantic Canada. As in World War One, part of this growth can be explained by widespread revulsion among Canadians over wartime profiteering by manufacturers and retailers. Many aroused citizens joined co-operatives because of their greater transparency in operations and because their surpluses were largely returned to members in proportion to their purchases rather than being given to speculators. The resultant growth strained facilities at the local co-operative level and at the wholesale level, particularly because of wartime government restrictions on construction and expansion. Most construction during the war was devoted to the development of factories to supply the military needs on the war fronts. Facing this limitation, many consumer co-ops – at the primary and secondary levels – allocated some of their surpluses each year to reserves, to be used for expansion when the restrictions on construction were lifted. Those funds contributed significantly to the growth that occurred once the war was over.

Building in Different Directions, 1945-1980

In general, Canada responded well to the shift from a wartime to a peacetime economy following the conclusion of World War Two in 1945. Assertive and engaged governments, their actions sanctioned by the dominant economic theories of the time, became involved in directing economic development. Governments developed extensive programmes to smooth the transition of men and women from the armed forces into the economy. Pent-up demand from the scarcities of the war period fed the consumer binge that would become a hallmark of North American society for most of the decades that followed. Housing construction and manufacturing industries boomed.

The consumer co-op movement was a part of that widespread social and economic transformation. Stores in western Canada grew larger; several new societies were created. In 1955, the leadership of the wholesales in Saskatchewan and Manitoba, two particularly entrepreneurial and ambitious groups of co-operators, negotiated a merger of the two organisations, and Federated Co-operatives was formed. Seven years later, the Alberta wholesale joined Federated, followed by the British Columbia wholesale in 1970.

By the 1960s, there were over 400 consumer co-ops on the Prairies and in British Columbia. This growth created considerable demand for the training of elected leaders, members, managers and staff. As their number grew, co-op leaders, most of them from consumer co-ops, were responsible for the creation and development of what became the Co-operative College of Canada in Saskatoon. It was particularly effective in training directors and, initially, some staff from local co-operatives. It never did receive, however, the financial resources necessary to become a strong research institution, a necessary capacity for the development of information and resources necessary to meet the movement's changing needs. Moreover, it sought to train and educate people from all kinds of co-operatives, a valuable and important role, but one that made it difficult to meet the specific needs of particular kinds of co-operatives, not least consumer co-ops. It was also challenged to help provide the skill sets of board members of larger co-ops, people whose needs were different and more complicated than those of directors from small co-ops. Finally, as movements grew, larger co-ops, including consumer co-ops, and second tier organisations, such as Federated Co-operatives, developed their own training organisations for staffs and boards: the college found it difficult to question or ultimately to compete with these initiatives and with the training personnel that appeared across the movement. This was even more difficult when the College undertook to provide services for co-operatives across the country, an intimidating and complex task, given the size and regional complexities of Canada. The College was a noble experiment that lasted until 1986, when it was amalgamated with the Co-operative Union of Canada to form the Canadian Co-operative Association.

During the 1960s and 1970s, the co-operative wholesales across the country were generally prospering and growing, leading to dreams of creating even greater strength through economies of scale and the increased manufacturing and production of consumer goods. They expanded their head offices and warehousing operations to house the employees who were undertaking more work for the local co-ops as well as building the wholesale operations; purchased small coal mines and a flour mill; expanded hardware operations; developed feed plants; significantly expanded the oil refinery that had been begun in the 1930s; and expanded Interprovincial Co-operatives (which had been created in 1940 but had languished amid wartime restrictions) to process co-op label food and farm supply products.

In Atlantic Canada, there were determined efforts to draw together what had become a very diverse and complicated movement, scattered around the region in industrial centres, the countryside, mining communities, and fishing villages. For historical and geographic reasons as well as the way in which the region had developed economically, Atlantic Canada was deeply divided by local loyalties, unevenly distributed financial resources, religious tensions, and linguistic differences. A few leaders, most notably W.H. McEwen, a transplanted Albertan and manager of the

regional wholesale from 1932 to 1961, dreamed of bringing together all of these co-operative outposts into a single, strong organisation. In 1944, the wholesale for which he worked, Canadian Livestock Services (and which provided wholesaling services for a few consumer co-ops as well as agricultural co-ops), changed its name to Maritime Co-operative Services (MCS) in an effort to attract more support from consumer co-operatives. That decision followed a period when groupings of consumer co-ops in Cape Breton and other Nova Scotian regions had started to form their own small wholesales, each serving a small number of co-operative stores. McEwen's gesture, however, did not quickly garner the increased support McEwen hoped for and MCS remained for several years largely focussed on serving farmer co-ops for both marketing and farm supplies, a business that thrived meeting wartime food needs and, for a while, the expansion of the post-war consumer demand.

Similarly in Québec, Coop Fédérée remained essentially preoccupied with serving the needs of rural people. During the 1940s and 1950s, the province's agricultural industries expanded, many of them with the support of orderly marketing policies followed by both the provincial and federal governments. The dairy industry developed particularly rapidly under marketing board auspices that proved to be very supportive of co-operative development, and the livestock, poultry, and vegetables industries generally prospered as well. This kind of expansion, challenging because of the general difficulties confronting agriculture, the range of commodities involved, and the complexities of the political issues involved meant that Coop Fédérée remained solidly focussed on rural production issues; its modest traditional efforts to engage in consumer activities were not expanded.

A similar pattern can be discerned within the United Farmers' Co-operative in Ontario. It primarily served agricultural co-operatives and farm families, but began to serve urban people near their depots with some consumer and gardening goods. In 1948, it became the United Co-operatives of Ontario and began to explore the possibility of expanding its services further into some of the urban areas and small towns of Ontario. Bridging urban and rural Canada, however, was a major challenge, no less in Ontario than for the wholesale operating in the regions to the East of it. Like them, it had great difficulty expanding outside of its rural base.

One very important development within the Canadian consumer co-operative movement in this period, however, was the growth of co-operatives in the Canadian North, especially in the Arctic region among Inuit. This development began in 1959 with the opening of the first northern co-operatives. While the northern co-ops became best known in southern Canada for the art – notably sculpture and prints – that they collected, adjudicated and sold, they very quickly played important roles as stores in, by the mid-1970s, over seventy communities in the Northern regions. They became serious competition for consumer and supply companies in the North, notably the Hudson Bay Company and Frères, helping to keep as low as possible the costs of living in the region. The stores were also centres for economic activity. They were the conduits for the sale of most Inuit art, managed hotels, provided repair services for vehicles, organized tourist activities, operated restaurants, and housed government services (such as post offices and social service personnel). They became vital centres for much of the economic and social life of the northern communities. They also became one of the best examples in Canada (and elsewhere) of how Indigenous peoples could effectively use the co-operative model.

In the early 1970s, the Arctic co-operatives formed their own central institutions for training and business reasons, one to meet the needs of co-ops in northern Québec (La Fédération des coopératives du Nouveau-Québec), two others to meet the needs of people in the other northern regions. In 1981, the latter two organisations came together to form Arctic Co-operatives, which provided many services for the Arctic co-operatives outside Québec, including serving as a wholesaler for consumer goods.

Another impressive feature of the consumer movement in the 1960s and 1970s was the way in which local co-ops and the wholesales supported a wide variety of social programmes. Almost invariably, they supported educational activities of various kinds: the funding of scholarships, youth camps, a few (but not enough) courses within universities, and, on occasion, weekend seminars. They joined with other co-ops and other businesses in meeting needs of the elderly and of people with special physical or mental needs. Many of them became strong supporters of food banks, an increasingly permanent fixture in many communities across Canada. Several consumer co-op leaders participated in overseas development work through the Co-operative Union of Canada/Canadian Co-operative Association. Co-op Atlantic was particularly attuned to international development issues, both through participating in development projects and in integrating business relationships with developing co-ops overseas into its business activities. These kind of activities became ingrained in the culture of consumer co-operatives in the 1960s and 1970s; they continue to the present day.

Over all, however, and despite the successes that were evident in the South and the North, the Canadian consumer movement by the 1960s, paralleling experiences of movements in other countries, was beginning to confront a rapid set of changes within the consumer industries. The challenges could be found on both sides of the business – from the supply chain that brought food, fresh and processed, as well as other consumer goods, to the stores and from the ways in which grocery stores were being revolutionized. The truth was that, despite the successes of the regional co-operative wholesales, they could provide the retail societies with only a portion of their requirements. Local co-ops and the wholesales themselves were still largely dependent upon other larger wholesalers and other food processors in the private trade for most of the consumer goods – canned and packaged, fresh and processed – they needed. Increasingly, though the large suppliers in the private trade were growing rapidly in size but declining quickly in numbers because of mergers, acquisitions and failures – it was a highly competitive industry. The supply system was also becoming increasingly more international in scope, while the emerging chain stores, with their enormous purchasing power, were becoming ever more dominant, at least in the urban centres of Canada. Together, the wholesalers and the chains of the private trade reached out increasingly through contract farming to rural areas, sometimes even to large corporate farms that they owned; they expanded their sources of supply far beyond Canadian borders, reaching in to the agricultural heartlands of Florida and California, and ultimately into Mexico and South America. Moreover, they developed associated transportation companies to increasingly control the supply and distribution of food and other consumer goods, a practice that significantly affected the prices customers paid, particularly for food. The industry could be organized so that profits from the retail trade would remain low but the profits from shipping would grow substantially, a pattern that worked against co-op stores. Cheap food was becoming more and more a memory for a growing number of Canadians. The days when one can eat well

and spend no more than 25% of one's income on food applied to a decreasing number of Canadian families. It was the beginnings of a process that would reach alarming proportions over the following sixty years.

On the local retail front, chain stores featuring large supermarkets owned by for-profit companies became intimidating competitors for small family-run and most co-operative stores by the 1950s. These new kind of stores were characterized by self-service, large premises (they were often the key "anchors" in new shopping centres), a widening diversity of products (providing previously unheard of – and arguably unnecessary – levels of choice), extensive advertising, and the rapid turn over of commodities. Family-operated stores disappeared at a rapid rate in the face of this competition, except for those serving niche markets in small neighbourhoods or communities. Similarly, several co-operative stores in smaller and mid-sized communities, particularly in Atlantic Canada, disappeared as improved roads made it possible for people to travel longer distances to "do their shopping" – to go to the supermarkets, excursions that quickly became a fad.

A few co-ops in the larger urban centres of the western regions sought to keep pace with the marketing revolution brought about by the advent of supermarkets, but only a few were able to do so effectively. The basic challenge confronted by co-op stores in the bigger and growing centres was that, once engaged, supermarket development was relentless and expensive. It required a steady accumulation of financial resources through allocations to reserves that local co-ops, always under pressure to maximize their dividends, could not readily make. Nor was it easy for the wholesales to help in such development though they tried: they had their own needs for financing, they typically found it difficult to develop the capacity to advise local co-op leaders well on expansion, and they found the politics of deciding which co-ops should be helped always challenging.

The great exception to this pattern of urban decline and limitations was the Calgary co-operative. It was started in 1955 when a group of local co-operators decided to purchase a relatively unsuccessful store that had been operated in the city for some twenty years by the United Farmers of Alberta, a province-wide farm supply and petroleum co-operative. The change of ownership was immediately beneficial and the store grew rapidly. Within a few years it was embracing steady expansion, and within a dozen years it was serving half the city's population. It has been able to sustain that percentage ever since for a number of reasons. Perhaps the main one has been that, through inexpensive acquisition of land early in its history, it has been able to perpetuate expansion, reaching out to the new subdivisions and responding to the movement of people within the city and its environs. It blended its store operations with associated and financially rewarding gas bars and convenience stores. It developed strong community programmes, provided additional services (such as pharmacies and tourist services) and it encouraged the involvement of many volunteers in the stores, people engaged in community projects and willing to donate time to further the store's social impact.

Despite the success of Calgary's conventional co-operative – and other, less remarkable, successes in some larger centres – a number of Canadian co-operators, unhappy with the impact of North American consumerism during the 1960s, sought to use co-ops as ways to rebel against the increasingly dominant vogue of indulgent and wasteful consumerism. One of them was Ralph Staples, who served as President of the

Co-operative Union of Canada from 1945 to 1949 and, again, from 1953 to 1967. Staples was a man of very high and unbending principles – “a piece of granite found among the hard rocks of the Old Ontario countryside” as one person described him. He believed, as early as the 1960s, that the consumerism of the modern era, based so much on greed and ostentation, carried within it the seeds of its own destruction; he became convinced that it would ultimately prove to be unsustainable. He therefore developed a new approach to consumer co-operation, one that sold goods at very close to cost to members who funded the store’s operations by paying a weekly or monthly service. He argued for store with “no-frills”, retail outlets where members did much of the work (the bagging, pricing, and carrying of what they purchased), there was no advertising, and there was a limited selection of goods. It was virtually the opposite of the trends that were common in the mainstream grocery businesses at the time. These ideas led to the formation of a dozen “service-fee” co-operative stores in British Columbia, mostly on Vancouver Island during the late 1960s and early 1970s. The idea found even more receptive audiences in Atlantic Canada, where, at their height at the early 1980s there were over sixty such stores in the region.

In the same time frame, co-operative enthusiasts in Québec developed another set of stores under the name *Coop prix*. It brought together a number of existing co-operatives, old and new, and purchased a number of privately owned stores in hopes of developing the kind of purchasing power to lower the rising cost of living, particularly in Montréal. It made a vibrant beginning but was badly affected by the rising interest rates and by some dubious purchases of existing stores from the private trade. Rather sadly, the bright beginnings of *Coop prix* faded as financing and managerial problems accumulated and the project was reduced quickly to the pursuit of much smaller goals as several co-operatives encountered difficulty and a dozen were forced to close. In Québec, as elsewhere – and throughout consumer cooperative history in Canada – the movement had great difficulty in establishing a strong and resilient base in the major urban centres.

Yet another attempt in the 1970s to redefine how the co-operative model could be utilized to meet evolving consumer needs – and meet some of the most pressing needs of the time – was the relatively widespread development of organic food stores, most of them co-operatively owned. To some extent, they can be seen as the extension northward of a powerful movement in the United States. The people involved in this movement were protesting many aspects of the agro-food industry in North America and indeed around the world: the widespread use of chemicals in the production of crops and the “improvement” of livestock and poultry; the ignoring of local agricultural production and family farms; the exploitation of farm workers; and the hierarchical ways in which many stores (including, in their view, most conventional co-operatives) were managed. Many involved with the new stores were ardent advocates of democratic management practices.

In Canada, the largest concentration of co-op organic food stores was in British Columbia, where by the mid-1980s there were over 80 such stores scattered around the province. They organized their own wholesales, the largest of which was ironically labelled The Fed Up Co-op Wholesale, a not-so-subtle satirical jab at Federated Co-operatives. These stores attracted a significant number of activists who became particularly adept at developing worker co-ops – most of the organic food co-ops were organized on a worker not consumer co-op basis or on some form of joint governance between consumers and workers. They also relied on considerable volunteer labour from

their members, who typically, as a condition of membership, contributed one or two days each month to working in the store. Many of the stores flourished in a number of urban neighbourhoods and in smaller communities, though nearly all of them had disappeared within fifteen years, apparently in large part because members tired of the efforts they had to make to ensure their survival.

By 1980, therefore, there were substantial conventional co-operative movements, particularly in western and Atlantic Canada, with over 500 stores, mostly in smaller cities towns, and rural hamlets. There were restless efforts to define new ways to develop consumer co-operatives through new forms of co-operative organisations – *coop prix* and service fee, for example – and through highly localized efforts to create organic food co-ops operated on different managerial principles. In several parts of the country, the relationships with agro-food industries were challenging but filled with promise. The contours of the movement were not as clear as commonly perceived then or subsequently – but arguably that could become a great advantage if developed imaginatively.

Adjusting, Repositioning, 1980-2010

In common with many other countries Canada suffered from wildly fluctuating interest rates during the 1980s. The instability they created seriously affected the economic performance and expansion plans of consumer co-operatives. At the same time, the trend towards concentration with the agro-food industries increasingly limited their capacity to manoeuvre in the marketplace. The competition within the cities increased markedly as chain stores increased their share of the market and margins within the retail side of the business narrowed. In Atlantic Canada the consumer field became particularly crowded as existing chains expanded and new ones appeared. Co-op Atlantic was confronted with some difficult decisions over co-operatives that were increasingly unable to withstand the competition. Several stores were forced to close and converted into a chain store system (ValuFoods) while a series of convenience stores (Rite Stop) were opened.

In Ontario, increased financing costs and some poorly timed expansion in the 1980s led to financial crises for the United Co-operatives of Ontario. It culminated in its virtual bankruptcy in the 1990s. In 1994 Growmart, an American co-operative operating in nearby American states purchased its assets and added nearly forty co-operatives in Ontario to its extensive co-operative network. It was the first integrated transnational co-operative business linking the American and Canadian movements, though there had previously been joint ventures in the energy and fertilizer fields. The Ontario co-ops that joined Growmart have subsequently developed a significant business with urban consumers, providing them with a range of gardening, hardware and agronomy advice. Given the recent expansion of agriculture in urban neighbourhoods and in communities close to cities, this expanded service – both in traditional agricultural products and in consumer goods – is a more significant development than might immediately be recognized.

In western Canada, the co-operatives system benefited immensely, particularly from 1990 onward, by its involvement in the highly lucrative petroleum business. Federated Co-operatives expanded the capacity of its own refinery and negotiated reciprocal arrangements for supply with some of the major international refining

companies operating in western Canada. That meant that it could efficiently supply its member co-operatives all across western Canada with the petroleum products they wanted. Then it collaborated with the local co-ops in developing attractive, easily recognized and standardized gas bars across the western regions, many of them with attractive and profitable convenience stores. As a consequence, several co-operatives developed very significant petroleum businesses in their local markets.

In recent years, as within the Co-op Atlantic system, co-operatives in the territories served by Federated Co-operatives have declined in number through mergers and amalgamations. Doing so offers savings in administrative costs and sometimes in the “costs of democracy” that flow from the ways in which independent co-operative operate. This process is also related to the fact that the co-operatives of western Canada, are strongest in smaller communities where population decline and reduced markets make it difficult to sustain stores. Amalgamations can help, at the very least, to extend the life of small co-operatives that might otherwise have to close. As always, co-operatives are buffeted by social and economic changes beyond their control.

The traditions of searching for different ways in which consumer co-operatives can respond to the major changes of our times continues in other ways. There are still about 70 health or organic food co-ops in Canada. In recent years, co-operatives have played important roles in encouraging the production and consumption of local foods through farmers’ markets and coalitions, the featuring of local produce in the stores, the encouragement of local farm co-operatives, and the fostering of local connections. Many consumer co-operatives, particularly in Atlantic Canada, have consistently supported the development of Fair Trade networks – in Canada and with groups in other countries. There still remains a strong desire in the Canadian consumer co-operative to use collective purchasing power to effect significant change.

Another important dimension that gathered some momentum during the 1980s and continues to the present day was the appearance of more women in prominent positions. This issue had been simmering since the 1930s. Keen and others had observed the lack of engagement of women in the movement at that time and had promoted expanding their roles. They encouraged, but with limited success, more women to run for boards. They attributed their failure, accurately or not, to the reluctance of women, especially in working class communities, to assume strong public roles. They hoped to develop Women’s Guilds along the lines of the guilds in the United Kingdom, seeing them as ways to promote the movement but also as ways to raise key consumer issues. A few years after their initial efforts, several strong and resilient women nurtured in the women’s movements of the Prairies, started to assert themselves on the Prairies in the 1930s, and women’s guilds became important in some co-ops and the western movement generally in the 1950s and 1960s [*check dates*]. Like with their British counterpart, they challenged the movement about its basic directions and they helped build support for local stores. Though the guilds started to decline during the 1970s, shortly afterward, more women started to run for office in local co-ops and on the wholesale level as well. It was the beginnings of an increased activism that continues to the present day – though the impact of women is still far less than it ought to be. The leadership of much of the consumer movement remains essentially a man’s world.

The history of the co-operative consumer movement, therefore, has a long and somewhat tortuous history. It has been rooted in several of the fundamental issues and trends that help characterize Canada's national history. It has deep regional roots and has always had to wrestle with challenges of consensus and structure within the regions and, even more, on a national level. It has had a mixed but powerful set of relationships with other kinds of co-operatives.

In short, throughout its history – and continuing into today – it has always existed within an uncertain set of boundaries. On one hand, it might be said that it is defined by sets of institutions that essentially define it by creating effective stores with an array of supporting organisations. On the other, it includes groups of restless people seeking to reach beyond the comfort zone of effectively operated stores, important as they might be. They (and not without support in some of the institutions they sometimes criticize) continue the historic quest of the movement – the search for a powerful consumer theory of co-operation, one that restlessly searches for better and fairer ways to produce, process, and sell consumer goods.