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CO-OPERATIVE BUSINESS IN CANADA

(Prepared in the Economics Branch, Canada Department of Agriculture, Ottawa)

This paper outlines the development of co-operatives in Canada and describes the various kinds now operating.

The growth of the co-operative movement in this country has been largely due to the farmer's struggle to improve his bargaining position. Because of this, the greatest development of co-operatives has been in rural areas, particularly in marketing farm products and purchasing farm supplies. Co-operatives also provide farmers with groceries, credit, electricity, insurance and many other consumer needs.

Co-operative activity among urban families has grown considerably in recent years. Credit unions and *caisses populaires* are now common in cities all across Canada and co-operative insurance and home-building are gaining popularity. In addition, there are now many co-operative stores serving city families, especially in Western Canada.

Early History

The pioneers in most parts of Canada had to co-operate a great deal just to survive. Much of this co-operation was informal, such as in barn-raising bees, exchange of labour, and assistance to neighbours in difficulties.

The pioneers developed business organizations that had some co-operative aspects. Meanwhile, in England, weavers at Rochdale and others were developing the basic principles for co-operative business. These principles include:

- (1) open membership (all who can benefit from the service may join);
- (2) democratic control (each member has only one vote);
- (3) limited return on capital at a modest rate;
- (4) distribution of surplus on the basis of patronage;
- (5) promotion of education.

A co-operative store was opened by coal miners in Stellarton, Nova Scotia, in 1861 and at least nine more followed in other communities in the province before 1900. None of these survived the First World War. The British