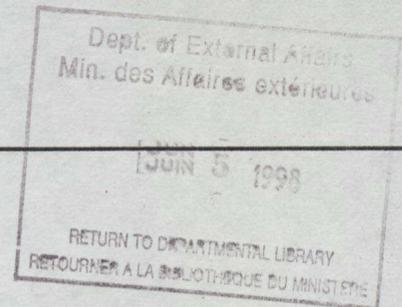




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# Reference Papers

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## CO-OPERATIVE BUSINESS IN CANADA

(Prepared with the help of the Economics Branch, Canada Department of Agriculture, and the Business Finance Division, Statistics Canada, Ottawa.)

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

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 in popularity. In addition, there are now many co-operative stores serving city families, especially in Western Canada.

Early history Agricultural organizations with some co-operative features existed in Canada from the days of the earliest settlers. Most of these were informal, such as barn-raising bees, exchanges of labour, etc., and were economic necessities in the pioneer way of life, where neighbours had to depend on each other to survive. The earliest formalized co-operatives as such did not make their appearance in Canada until the latter part of the nineteenth century.

Meanwhile, in England, weavers at Rochdale established in 1844 the basic principles for the co-operative form of business organization. These 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;

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