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CO-OPERATIVE BUSINESS IN CANADA

(Prepared in the Economics Division,
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The pioneers in most parts of Canada had to co-operate simply to survive. Much of this co-operation was informal, as in barn-raising bees, the exchange of labor, and assistance to neighbors 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 set by the annual meeting;
- (4) distribution of surplus on the basis of patronage.

The Beginnings

A co-operative store was opened by coal miners in Stellarton Nova Scotia in 1861 and at least nine more followed in other Nova Scotia communities before 1900. None of these survived after the First World War. The British Canadian Co-operative Society at Sydney Mines was organized in 1906; it is the oldest and one of the most successful co-operatives for the purchasing of consumer goods in Canada today.

In Quebec, development of the co-operative movement began with the formation of a farmers' mutual fire-insurance company in 1852. Co-operative insurance soon spread to the life-insurance field, the first fraternal society being formed in 1863. Mutual fire-insurance and fraternal societies continue to be important types of co-operative in Quebec, and have spread to other provinces.

Another early development in Quebec was the organization of La Caisse Populaire de Lévis by Alphonse Desjardins in 1900. This was the beginning of the co-operative credit and savings institutions that now play an important role in the Canadian economy. The first farmers' co-operative trading organization in this province was formed in 1915 and a fishermen's co-operative was organized in 1923.

A Canadian farmers' organization, the Dominion Grange, was granted a federal charter in 1877. It was formed from branches of the American Grange in Ontario and Quebec. At its peak, the Grande had 31,000 members, of whom