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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

Canadian Co-operative Society at Sydney Mines was organized in 1906; it is the oldest and one of the most successful co-operatives in 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 co-operative credit and savings institutions, which 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 Grange had 31,000 members, of whom 26,000 were in Ontario, where they operated a salt-manufacturing company for 38 years. The Grange also went into fire-insurance business for 22 years and in 1879 started a banking operation that lasted seven years. The Grange eventually united with another farmers' organization.

About 1890, the Patron of Industry organization came to Canada from Michigan; it handled binder twine for farmers on a co-operative basis.

Agriculture in the Prairie Provinces began to develop rapidly about 1890. This encouraged the early settlers to try to establish better marketing facilities. The beginnings of the co-operative movement in this section of Canada were made by organizations formed by these farmers.

The federal Department of Agriculture helped farmers in the Territories (now Saskatchewan and Alberta) to form co-operative creameries during the 1890s and early 1900s. These provided marketing facilities for cream in communities where there had not been any. Another early co-operative creamery was established in the Duncan area of Vancouver Island in 1896.

There was much dissatisfaction among the Prairie pioneers about the marketing of grain. In the early 1900s, the Territorial Grain Growers Association and the Manitoba Grain Growers Association were formed. While some progress was made in obtaining relief through regulatory legislation, these organizations soon decided that co-operative marketing was the real solution and the Grain Growers Grain Company was organized in 1906. Some farmer-owned local elevator companies had been formed before this date.

Province-wide co-operative elevator companies were well established in each of the three Prairie Provinces by 1913. The United Grain Growers Ltd. was formed in 1917 through amalgamation of two of these: the Grain Growers' Grain Company in Manitoba and the Alberta Farmers' Co-operative Elevator Company.

Although some of the early co-operatives survived and are still in existence, many of them either failed or evolved into joint-stock companies. They were handicapped by lack of appropriate legislation dealing with their incorporation and operation. Manitoba enacted the first provincial co-operative act in 1887 and Quebec followed in 1906. In 1908 a federal bill for incorporation of co-operatives passed the House of Commons only to be rejected by the Senate. In subsequent years, provincial co-operative legislation became general.

Meanwhile the need of some common association among co-operatives was felt. Thus, a small group of leaders met in Hamilton on March 6, 1909, to form the Co-operative Union of Canada, which became a co-ordinating and educational body.

Growth

The co-operative movement in Canada expanded rapidly during the first 15 years of this century. In addition to the co-operative grain elevator companies, numerous small purchasing and marketing co-operatives were formed. However, many of these could not cope with the rapid changes in price levels that occurred between 1916 and 1924 and failed during this period.

Meanwhile, the farmers of Western Canada, having already built a system of co-operative grain elevators and creameries, developed a keen interest in the pooling principle. Through this they could receive average annual prices for their produce rather than the prevailing market price on delivery date. Pooling was particularly attractive in the marketing of cereal grains, as farmers usually delivered most of their grain during the autumn, when prices were often lowest. By 1925, Prairie farmers organized three large grain pools, which handled about half the grain marketed in the Prairie Provinces. A number of other pools organized during the 1920s followed the pattern set by the grain pools.

The severe depression that began in 1929 gave rise to difficult problems for many marketing co-operatives. Prices of agricultural products held a downward trend for over three years and eventually stabilized at extremely low levels. This led to failure of a number of the weaker co-operatives and imperilled even strong ones. For example, Saskatchewan Co-operative Creameries Ltd. went bankrupt, but was later reorganized. The grain pools made payments at time of delivery that were expected to be substantially below the final price. In the 1929-30 crop year, prices fell so rapidly that these initial payments proved to be much higher than prices realized when the grain was sold. Government-guaranteed loans tided the three grain pools over the crisis.

It was now established that even large pooling co-operatives could not stabilize the prices of Canadian grain. The Canadian Wheat Board was formed to assist in this stabilization. It operates pools for marketing the grain of the Prairie Provinces. The Western grain co-operatives, as agents for the Canadian Wheat Board, assemble and store half the grain marketed in Canada.

Despite all the setbacks during the Depression, farmers continued to give their support to co-operatives, so that the basic strength of the movement was unimpaired. Indeed, the 1930s brought a revival of interest in co-operative purchasing. The grain-marketing co-operatives, especially the Saskatchewan Wheat Pool, assisted farmers in organizing new co-operatives. With lower prices for farm products, savings on the purchase of farm supplies became more important. For example, in the Prairie Provinces the mechanization of agriculture led to special interest in savings on the cost of petroleum. A small group of farmers organized Consumers Co-operative Refineries Ltd. in 1935 and built the first co-operative oil-refinery in the world. This was the beginning of an upsurge in co-operative purchasing in Canada, which continues to this day.

Both purchasing and marketing co-operatives have continued to grow since 1940, but the most spectacular gains have been in the service field. Before 1930, financial co-operatives (*caisses populaires* and credit unions) had been practically limited to Quebec, but during the Thirties special legislation facilitating the development of credit unions was enacted in a number of provinces. The numbers, membership and assets of credit unions and *caisses populaires* have since grown with great rapidity. Co-operative insurance in the life, medical and automobile fields also has developed greatly during the last 20 years. Rural electrification co-operatives, particularly in Alberta, have brought electric power to thousands of farm homes; and co-operative housing has taken great strides in Eastern and Western Canada.

Co-operatives in 1966

For the year 1966, the Department of Agriculture received reports on 2,538 co-operatives, excluding credit unions. They had a total membership of 1,625,300 and a total volume of business of \$1.95 billion. These co-operatives fall into the following classes: marketing and purchasing (1,420), fishermen's (83), service (663) and production (372). The marketing and purchasing co-operatives were served by eight co-operative wholesales.

In 1966 there were 4,871 credit unions with 3,953,200 members and \$2.9 billion in assets.

Marketing and Purchasing Co-operatives

The total volume of business of the 1,420 marketing and purchasing co-operatives amounted to \$1,874 million in 1966, the highest on record. This was an increase of \$99 million, or 5½ per cent, over the previous year; and a thirteenfold increase over 1932, the first year co-operative statistics were tabulated. However, the number of co-operatives has been steadily declining since the peak year of 1950, reflecting the trend of consolidation into larger units.

Marketing of farm products accounted for 66 per cent of the total volume of business in 1966, distribution of farm supplies and consumer goods (purchasing) 32 per cent, and service revenue and miscellaneous income, 2 per cent. The volume of purchasing business, through only half that of marketing,

has increased at a more rapid rate. Marketing business in 1966 was almost triple that in 1946, but purchasing volume increased more than sixfold in the same period.

The value of grains and seeds marketed by co-operatives in Canada is greater than that of any other commodity. Grains and seeds, and livestock and livestock products, are marketed chiefly in the Prairie Provinces. Dairy products are handled in all provinces except Newfoundland, with Ontario and Quebec together accounting for 52 per cent of the total in 1966.

Farm supplies accounted for the greater part of Canadian co-operative purchases of \$609 million in 1966. The co-operative purchasing of feed is particularly important in Ontario, Quebec and British Columbia. Petroleum products are the main commodities purchased co-operatively in the Prairie Provinces.

Co-operative purchasing of some consumer items, especially food, is also large. Even these items are sold mainly to rural people, though in Western Canada co-operative supermarkets serve large numbers of urban people. A number of these city co-operatives were organized by farmers and gradually gained urban support.

Some co-operatives, especially in the Eastern provinces, market a variety of agricultural products and also purchase farm supplies. These, and the purchasing co-operatives, are generally local organizations serving farmers near a trading centre.

A large part of the co-operative marketing in Canada is carried out by province-wide organizations. Each of these assembles, stores and sells a few closely-related commodities; some of them, including most dairy-product and poultry-marketing co-operatives, process as well. Most of the grain and livestock marketed through co-operatives is processed by other firms, though some co-operatives do their own. For example, the Saskatchewan Wheat Pool operates a flour mill, and much of the livestock marketed in Quebec is processed in the packing plants of La Coopérative Fédérée. There are co-operative abattoirs in Nova Scotia, Ontario and Manitoba. Likewise honey, oilseeds, maple syrup, fruits and vegetables are processed in some co-operative plants.

A few marketing and purchasing co-operatives operate on an interprovincial basis. The United Grain Growers Limited has elevators throughout Western Canada and terminals on the Great Lakes and in Vancouver. Canadian Co-operative Wheat Producers Limited represents the three provincial wheat-pools. Through it, the three member wheat-pools consider programs and policies common to each of them and to the many thousands of grain producers in the Prairie Provinces.

Canadian Co-operative Implements Limited is an independent, farmer-owned association with its head office in Winnipeg. It was set up in 1940 to manufacture and distribute farm machinery. Its membership extends over the Prairie Provinces and northwestern Ontario. Sales of machinery by the company in 1966 were \$20 million.

Canadian Co-operative Wool Growers Limited operates on a national basis. It has handled almost 70 per cent of the wool going through government-registered stations during the past ten years.

Co-operative wholesales -- Nearly all of the co-operatives that purchase farm supplies and consumer goods for their members are affiliated with one or more of the eight co-operative wholesales in Canada. The wholesales provide the affiliated co-operatives with a wide range of goods, but they do not supply all their requirements. Some of the wholesales are also central marketing agencies for farm products. The total assets of the eight wholesales and those of the Interprovincial Co-operatives Limited (a wholesaler for the wholesales) amounted to \$176 million in 1966. Sales of \$465 million were almost 2½ times those of 1956.

Over 87 per cent of the total business of the regional wholesales was reported by the three largest: La Coopérative Fédérée de Québec, United Co-operatives of Ontario and Federated Co-operatives Limited in the Prairie Provinces.

La Coopérative Fédérée, with a turnover exceeding \$150 million annually, is one of the mainstays of agriculture in Quebec. It operates a number of abattoirs, and through contract arrangements with poultry and hog producers has established an integrated program of production. It is a major supplier of agricultural feeds, fertilizers, petroleum products and some types of machinery.

In addition to distributing farm supplies, petroleum and equipment, United Co-operatives of Ontario manufactures feeds and fertilizers. It also markets livestock and grain. Formerly, UCO marketed dairy and poultry products, but most of this type of business was transferred to a new co-operative, the United Dairy and Poultry Co-operative Limited, organized in 1958. Nevertheless, UCO operates a poultry-processing plant and contracts with producers for its supply of broilers and turkeys.

In 1964, UCO embarked on a program of amalgamation with local co-operatives to provide co-operative members with the benefits and efficiencies of an integrated wholesale-retail system for the distribution of goods and services. In the first three years of the program, 44 local co-operatives merged with the wholesale.

Federated Co-operatives Limited provides consumer goods, petroleum products, fertilizers and other farm supplies to local co-operatives throughout Alberta, Saskatchewan, Manitoba and part of northwestern Ontario. This co-operative was originally formed by amalgamation of the Saskatchewan Co-operative Wholesale Society and Consumers Co-operative Refineries Ltd. It has spread from Saskatchewan to other provinces by amalgamation with the co-operative wholesales serving those areas.

The provincial and regional wholesales in 1940 formed Interprovincial Co-operatives Limited. This central agency co-ordinates the purchasing of certain food products, household appliances and farm supplies by consolidating

the buying. The co-operative operates a chemical plant in Manitoba, a food plant in British Columbia and a herbicide plant in Saskatchewan. It has control of the "Co-op" label, which is used on only high-standard co-operative products. There is an increasing volume of Co-op brand products sold every year.

Western Co-operative Fertilizers, organized on a partnership basis by Federated Co-operatives and the Alberta and Saskatchewan wheat-pools to supply the fertilizer needs of co-operative members in the Western provinces, was incorporated in February 1964. The plant, built on a 320-acre site near Calgary, Alberta, has an annual production capacity of 225,000 tons, with space for future expansion. The new plant was officially opened in October 1965 and went into full-scale production a few months later. Total output of the plant goes to the three partner-members for distribution to local co-operatives.

Several Canadian co-operatives are members of co-operatives in the United States. The business activities of these organizations include a milking-machine factory, fertilizer plants and other plants for farm supplies in the United States.

Financial structure -- Although the proportion of agricultural products sold through co-operatives has changed little in recent years, co-operative buying of farm supplies and consumer goods has continued to expand. This growth has accompanied a rapid increase in the total assets of the co-operative movement. In 1966 marketing and purchasing co-operatives had total assets of \$770 million, compared with \$464 million in 1956. In addition, the wholesales had assets of \$176 million in 1966, of which \$61 million were provided by their member co-operatives.

At least 48 per cent of the capital of marketing and purchasing co-operatives was provided by the members. Their equity in the total assets (\$770 million) was reported at \$370 million in 1966. However, the reported members' equity does not include money lent either directly or through co-operative agencies by members of one co-operative to other co-operatives; this sum may now be substantial. In recent years some co-operatives, especially the wholesales, have offered debentures and other securities for sale to the general public; but it is likely that most of these have been bought by co-operatives or their members.

Local marketing and purchasing co-operatives may get loans from credit unions, central credit societies, co-operative wholesales and co-operative insurance companies. In several provinces the surplus funds of both local and wholesale co-operatives are deposited with a central credit society.

Fishermen's Co-operatives

Fishermen's co-operatives operate in all provinces. In 1966 there were 83 such organizations, with 10,000 members. They sold \$27-million worth of fish and \$3-million worth of supplies. There are three federations of fishermen's co-operatives: United Maritime Fishermen, Quebec United Fishermen and Saskatchewan Co-operative Fisheries Limited.

In British Columbia all fishermen are eligible for membership in one large central co-operative, the Prince Rupert Fishermen's Co-operative Association. This association operates fish-processing plants in Prince Rupert and Vancouver, as well as a fishermen's supply business in Prince Rupert. British Columbia fishermen also have co-operative credit and insurance plans.

Service Co-operatives

These co-operatives provide insurance, electricity, housing and other services, including water, transportation, cold storage and seed-cleaning. Service co-operatives reporting for 1966 (excluding insurance co-operatives other than medical insurance co-operatives) numbered 663 and had a membership of 273,000, business revenue of \$32 million and assets of \$101 million.

Insurance -- Co-operative insurance companies are active in all provinces. They handle life, automobile, fire, hail, general casualty, fidelity and medical insurance.

At the time of their founding, some of the mutual insurance companies were similar to co-operatives in principle. However, statutory provisions governing life-insurance companies in Canada make it very difficult to maintain democratic policy-holder control in a large insurance firm. Some of the smaller mutuals, especially in the farm-life insurance field, operate like co-operatives.

About 50 medical insurance co-operatives were functioning in Canada in 1966. Originally, hospitalization was the chief benefit to the members. The entry of the federal and provincial governments into hospitalization insurance has changed the role of these co-operatives, but they continue to provide general medical insurance.

Electrification -- Rural electrification in Alberta, which private companies considered too costly to undertake, is financed largely through co-operatives. These electrification co-operatives organize the farmers of a community to obtain electric services for their farms. When the necessary membership is obtained by a new electrification co-operative, it contracts with a utility company serving the area to build and maintain power-lines and provide power. The power company bills the co-operative for construction at cost. The co-operative has access to long-term, government-guaranteed loans to pay for the power-line. Each member contracts with the co-operative to pay his share of the loan during its term. The co-operatives, organized within the past 20 years, provide electricity to more than 60,000 Alberta farms -- over 80 per cent of the farms in the province.

Housing -- Housing co-operatives have developed mainly in Newfoundland, Nova Scotia, Quebec, Ontario, Manitoba and Saskatchewan. The operation by university students of high-rise residences, such as the 18-storey Rochdale College in Toronto, is a new development in this field. Co-operative housing projects are eligible for loans under the National Housing Act. Credit unions, co-operative credit societies and co-operative insurance companies help finance some of these projects.

Production Co-operatives

Besides co-operative farms and wood-producers' co-operatives¹ this group of societies includes grazing, feeder, artificial-insemination and machinery co-operatives. In 1966 the volume of business amounted to \$15 million, for 372 production co-operatives with 33,000 members and \$10 million of assets.

Credit Unions

Credit unions and *caisses populaires* are co-operative societies organized among groups of people to accumulate savings and lend the money to members at reasonable rates of interest. The Rustico Farmer's Bank, chartered in Prince Edward Island in 1864, was a forerunner of these credit organizations.

Alphonse Desjardins organized the first *caisse populaire* at Lévis, Quebec, in 1900. He organized two others in the province before the Co-operative Syndicates Act, which provides the legal basis for this type of organization, was passed in 1906. By 1930 there were many *caisses populaires* in Quebec. Other provinces lacked legislation governing incorporation and supervision of *caisses populaires*, so that only a few were organized and most of these failed.

The *caisse populaire* idea spread to the United States. There it was modified to form credit unions, which met the needs of industrial workers. The *caisse populaire* used the parish, and the industrial credit union used the place of employment, as a basis of association for members.

Interest in credit unions increased during the depression of the 1930s. In Nova Scotia, the organization of credit unions was encouraged with considerable success by extension workers of St. Francis Xavier University. Management of industrial firms across Canada began to see the potential of credit unions in helping their employees. In a few years, appropriate legislation was adopted in all provinces and the organization of both industry and rural community credit unions was encouraged. The finance-co-operative movement entered a phase of rapid growth, which still continues. Credit unions and *caisses populaires* now have more members and more assets than all other types of co-operative added together. In 1966 there were 4,871 credit unions and *caisses populaires*, with 3,953,200 members and total assets of \$2.9 billion. The Province of Quebec, still leading, has a third of all the finance co-operatives in the country, half of the total membership and more than 50 per cent of the assets.

Central credit unions and *caisses populaires* have been formed in all provinces. These act as depositories for the surplus funds of their member locals, and lend money to their members and, in some cases, to other co-operative organizations. Membership of the centrals is composed chiefly of local credit unions and *caisses populaires*, but in some provinces the central includes co-operatives and is called a co-operative credit society. Altogether, there were 28 centrals in Canada in 1966. Some of these served a small region, others whole provinces. Their total assets were \$407 million, including investments of \$190 million and loans to members of \$126 million. Members' deposits totalled \$299 million and the centrals made loans of \$265 million to members during the year.

The Canadian Co-operative Credit Society, organized in 1953, operates on the national level as a central credit organization for the co-operative movement. Its members include both provincial co-operative credit societies, or central credit unions and *caisses populaires*, and co-operative wholesales.

There were two co-operative trust companies operating in Canada during 1966, the Quebec Trust Company, an affiliate of La Fédération des Caisses Populaires Desjardins, and the Co-operative Trust Company Limited in Saskatchewan. Their combined assets were approximately \$60 million. These trusts, on a co-operative basis, provide the same kinds of service generally offered by trust companies, such as administration of estates, corporate and other trusteeships, mortgage loans and guaranteed deposits. In late 1967, the Co-operative Trust of Saskatchewan was granted federal incorporation by the Canadian Parliament and, in 1968, extended its membership and services beyond the borders of Saskatchewan as the Co-operative Trust Company of Canada.

Landmark Credit Limited and Landmark Savings and Loan Association, two affiliated organizations, were incorporated in Ontario in 1962 and 1965 respectively to provide first and second mortgages to credit-union members. They had combined total assets of \$3 million at the end of 1966.

Supervision and Direction

Co-operative wholesales provide certain supervisory services to local associations. Some have qualified auditors doing continuous audit for local co-operatives and making regular reports to boards of directors. They also help local co-operatives with their income-tax returns. The business affairs of some local co-operatives are managed under the direction of the wholesale.

Nearly all Canadian co-operatives are incorporated under provincial authority. There is not yet any general federal co-operative legislation. However, a few co-operatives that operate in more than one province have been set up under the Canada Corporations Act, or special acts. There are ordinances governing organization of co-operatives in the Yukon and Northwest Territories.

The extent of supervision and guidance offered to co-operatives varies from province to province. In some, the only government service for most types of co-operative is to ensure that they are properly incorporated and that the correct legal procedures are followed in amalgamations and dissolutions. In others, the registrar of co-operative associations has a small staff, which assists co-operatives during organization and provides advisory services. The Saskatchewan government has a special department to deal with co-operative matters. Provision of inspection and advisory services are among the main functions of this department.

There is more supervision of credit unions and *caisses populaires* than of other co-operatives. In most provinces, each society is inspected by a government representative about once a year. In Ontario, Credit Union League fieldmen do about half this inspection work. The inspector checks to see that the credit union is complying with the act and bylaws; he also looks for unsound management practices and other flaws that may impair the financial soundness of the credit union.

Co-operatives in Canada are generally subject to the same taxes as other business firms. However, they do not have to pay federal income tax during their first three years of operation. Under the Income Tax Act, patronage dividends paid by a business firm (including co-operatives) may, subject to certain restrictions, be deducted in computing income for income-tax purposes. Credit unions are exempt from income tax.

Education and Promotion

Two important national co-operative bodies work together to improve co-operative organization, education and promotion. The Co-operative Union of Canada, which celebrated its fiftieth anniversary in 1959, concentrates its efforts in English-speaking areas. Le Conseil Canadien de la Coopération serves the co-operatives in the areas where the French language predominates. Both are members of the International Co-operative Alliance, with headquarters in London, England.

Membership in the Co-operative Union of Canada includes 30 co-operative societies and provincial co-operative unions, the Credit Union National Association, the Co-operative Wholesale Society of Great Britain and the Scottish Co-operative Wholesale Society.

A few Canadian universities offer courses on co-operatives and some conduct extension work in this field. The most extensive program is offered by St. Francis Xavier University in Antigonish, Nova Scotia. Since the early 1930s, this university has carried on extension work in the Maritime Provinces to organize and assist co-operatives. In more recent years a variety of courses have been developed to train people in co-operation. Some of these are short courses for directors and managers of existing co-operatives and credit unions; others are offered as an integral part of university work. In addition, special courses are offered for visitors from other countries who wish to learn about co-operatives in Canada. The Coady International Institute was set up at St. Francis Xavier University in 1960 to train students from abroad. The extension service of Memorial University in Newfoundland also sponsors short courses for co-operative members and foreign students.

To provide education and training in co-operative principles and methods for employees and directors, the Co-operative Institute was established in Saskatoon in 1955, under the sponsorship of the Co-operative Union of Saskatchewan. It has concentrated on short courses, often only one or two weeks long, for co-operative directors, managers and employees. In 1959 with support from co-operatives in the four Western provinces, the Co-operative Institute was reorganized as the Western Co-operative College. College buildings, including residences, were constructed in 1962 and additional residences were built in 1965, which altogether provide accommodations for 84 students. In Quebec, the insurance and finance co-operatives founded the Institut Coopératif Desjardins in 1963. The Institut specializes in social leadership and adult education for Quebec co-operators and foreign students. The large co-operatives also conduct educational programs to strengthen their own organizations and to stimulate interest in forming new co-operatives. The work of the Saskatchewan Wheat Pool in this field is especially important; it has operated a broad educational program for many years.

A number of the larger co-operatives either publish or sponsor the publication of periodicals. Six of the larger publications, one in French, are bi-monthly; others appear monthly in both languages. A digest of co-operative news and information of general interest is issued quarterly. One weekly newspaper of general interest and one farm magazine are also sponsored by large co-operatives.

Co-operative Development in the North

The Co-operative Development Program, which was started in the Canadian North in 1959, has met with the interest of the local people. On April 1, 1966, there were 22 co-operatives in operation in the Northwest Territories and northern Quebec. Another eight groups were in the formative stage.

Total sales of these co-operatives are now in excess of \$1 million, with some of the individual co-operatives at the \$100,000 level. Though Arctic co-operatives were heavily dependent on outside capital for their initial development, members' equity in total assets now exceeds outstanding debt by some \$300,000.

The social impact these co-operatives have made, in helping the people of the North to recognize more fully the importance of their role in their own affairs, has been at least as significant as the economic benefits achieved.

Apart from the Department of Indian Affairs and Northern Development, the governments of Quebec and the Northwest Territories are now providing assistance to a number of co-operative developments in northern Quebec and the Territories. The Co-operative Union of Canada and the Conseil de la Coopération du Québec are also participating in co-operative development in the North.

APPENDIX I

Growth of Marketing and Purchasing
Co-operatives in Canada, 1932-66

Crop year ended	Associations reporting	Marketing	Purchasing	Total business including other revenue ^{a/}
				thousand dollars
1932	795	134,611	10,665	145,303
1936	781	144,962	12,788	158,165
1937	1,024	157,031	16,363	173,927
1938	1,217	134,493	20,091	155,080
1939	1,332	180,747	20,400	201,659
1940	1,151	214,293	21,129	236,322
1941	1,395	215,030	24,895	242,158
1942	1,722	214,762	42,327	257,090
1943	1,650	295,499	55,689	352,785
1944	1,792	459,798	65,508	527,855
1945	1,824	500,481	81,360	585,650
1946	1,953	454,564	95,603	554,329
1947	2,095	578,638	127,001	712,583
1948	2,249	616,347	157,874	780,085
1949	2,378	783,293	191,804	982,232
1950	2,495	803,639	206,082	1,015,264
1951	2,348	769,264	209,985	988,459
1952	2,194	840,113	234,848	1,112,469
1953	2,221	874,698	245,629	1,147,590
1954	2,086	735,780	234,583	989,066
1955	1,949	704,047	228,446	941,377
1956	2,041	823,389	258,751	1,092,516
1957	2,022	817,601	283,730	1,116,002
1958	2,002	898,168	296,743	1,209,805
1959	1,982	963,330	332,943	1,315,167
1960	1,934	972,333	365,744	1,358,625
1961	1,914	1,019,819	391,761	1,430,197
1962	1,877	928,502	423,302	1,372,605
1963 ^{b/}	1,583	1,100,200	489,000	1,617,900
1964	1,546	1,234,000	522,800	1,780,600
1965	1,495	1,201,700	549,400	1,774,600
1966 ^{c/}	1,420	1,238,600	609,500	1,873,600

^{a/} Other revenue includes patronage rebates from co-operative wholesales,

^{b/} interest on investments, rental income, custom work, etc.

^{c/} Calendar year basis for 1963 and subsequent years.

^{d/} Preliminary.

APPENDIX II

Volume of Business of Marketing and
Purchasing Co-operatives in Canada, 1966^{a/}

<i>Farm products</i>	thousand dollars	
Dairy products	306,800	
Fruits and vegetables	42,500	
Grains and seeds	587,100	
Livestock and products	234,400	
Poultry and eggs	54,100	
All other	<u>13,700</u>	1,238,600
<i>Supplies</i>		
Food products	166,800	
Feed	142,300	
Fertilizer and spray material	39,800	
Hardware and machinery	79,900	
Petroleum	94,700	
All other	<u>86,000</u>	609,500
Total sales		1,848,100
Service revenue		14,700
Other income		<u>10,800</u>
Total volume of business		1,873,600

^{a/} Preliminary.

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APPENDIX III

Growth of Credit Unions and *Caisses*
Populaires in Canada, 1946-66

Year	Credit Unions and <i>caisses</i> <i>populaires</i>	Members	Members as a percentage of total population	Assets	Loans to members during year
				million dollars	
1946	2,422	688,739	5.6	188	53
1947	2,516	779,199	6.2	221	81
1948	2,608	850,608	6.6	254	90
1949 ^{a/}	2,819	940,427	6.9	282	100
1950	2,965	1,036,175	7.5	312	108
1951	3,121	1,137,931	8.1	359	125
1952	3,333	1,260,435	8.7	424	154
1953	3,606	1,434,270	9.7	489	203
1954	3,920	1,560,714	10.3	552	213
1955	4,100	1,731,328	11.1	653	260
1956	4,258	1,870,277	11.6	761	310
1957	4,349	2,059,835	12.4	846	345
1958	4,485	2,187,494	12.8	1,009	391
1959	4,570	2,360,047	13.5	1,158	473
1960	4,667	2,544,300	13.9	1,299	482
1961	4,682	2,740,251	14.9	1,509	579
1962	4,767	2,879,179	15.3	1,674	676
1963	4,809	3,123,735	16.6	1,920	771
1964	4,870	3,418,033	17.6	2,213	919
1965	4,939	3,677,291	18.6	2,542	1,078
1966 ^{b/}	4,871	3,953,200	19.5	2,923	1,132

^{a/} Newfoundland included in 1949 and subsequent years.

^{b/} Preliminary.

