

The Maritime Co-Operative Movement Today

By ALEXANDER LAIDLAW

THE Maritime Co-operative Movement is as varied as our Maritime people and their economy. It is made up of many types of mutual societies that began at different times and grew up under various conditions in these three provinces during the past eighty-five years. In the beginning, the co-operatives of the Maritimes were isolated protective agencies for vocational groups, mostly farmers; but in recent years they are developing into an integrated movement that is facing up to some of our basic economic problems. It is, moreover, one of the few unifying forces in these provinces, where lack of joint action on questions of common concern has been a serious handicap to progress. In some Maritime areas, Co-operation has already become the prevailing economic influence, and present indications are that it will grow to be a major factor in our economy in another generation. This article will attempt to assess the movement at its present stage of development.

While some important features of co-operatives in the Maritimes are "native," others are borrowed from different countries, chiefly Britain, the Scandinavian countries, and the United States. From Britain came the consumer co-operatives, with emphasis on Rochdale principles; and not long after the historic founding of the store in Toad Lane in 1844, a similar co-operative was started in Stellarton, Nova Scotia. This pioneer of Co-operation on this side of the Atlantic carried on for over fifty years. The British Canadian Society, founded in Sydney Mines in 1906, also proved that this type of organization could be successfully transplanted to the New World. This society, with eight branch stores and an annual business

volume of about \$2,000,000, is regarded as one of the outstanding consumer co-operatives in America. Marketing co-operatives were, in the beginning, largely inspired by the success of similar organizations of farmers in Denmark and Sweden; but in recent years in the Maritimes there has been a trend away from the Scandinavian type of "commodity" co-operative towards what may be termed the "community" co-operative, carrying on a wide variety of services for its members. The credit union comes from Quebec, via the United States; and here it may be noted that this is practically the only type of co-operative that is fairly uniform in set-up and methods of operation throughout this country.

Farmers' Co-operatives

Co-operative organization comes easily where there is vocational solidarity, and this is seen in the Maritimes as elsewhere. We might therefore consider some co-operatives that are associated with two of our primary industries, farming and fishing. Farmers have always struggled to market their products to advantage, for only in times of peak prosperity have the returns to agriculture actually covered all the costs of production. This has led groups of farmers all over the world to co-operative marketing. In the early days Maritime farmers started by setting up co-operative creameries, but because of the lack of experience and proper legislation, most of these pioneer attempts at co-operative ownership passed into the hands of individual operators. With better organization today the farmers are gradually regaining possession of these plants and building new ones. A notable example of successful co-operative ownership of this type is at Scotsburn, Pictou County. Here and at other centres in the Maritimes, a wide variety of services are being built around the co-operative creamery. At

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Fredericton, the Capital Co-operative has grown into a large community organization of this type, and in the past year had a business turnover of \$885,000 in dairy products, poultry and eggs, livestock marketing, and farm supplies. Brooklyn, Antigonish, Morell, Madawaska, and other farming areas have promising co-operative developments of this kind. As noted above, the trend in the Maritimes is now decidedly away from the type of co-operative that confines itself to a single specialized operation.

In marketing, Maritime farmers have built on the pool system based on grading and centralized selling. It has resulted in better returns to the producer, a more satisfactory product for the consumer, and a more hopeful outlook for the industry generally. This is seen, for example, in the marketing of dressed poultry in Nova Scotia. Twelve or so years ago the volume was small, the quality uncertain and generally poor, and the returns to the producer about the lowest in Canada. When co-operative pool marketing was begun in 1934, almost half the dressed poultry fell into the lower grades, and the reputation of the product on the market was bad. But by 1946, 95% of the dressed poultry marketed through co-ops in Nova Scotia fell into the top grades and could command top prices. The poultry industry is growing with co-operative marketing, and the story of improvement is repeated in the case of lamb, wool, and several other products. This development requires modern facilities for grading and processing, and the new plant of the ACA Co-operative at New Minas, King's County, which marketed poultry products valued at \$174,000 last year, is an example of the move on the part of farmers to own the business side of the agricultural industry. Maritime Co-operative Services, the central organization of many of the farmers' local co-operatives, is located at Moncton. In the Annapolis Valley, the United Fruit Companies have become a major factor in

the whole apple industry, and the new plant at Coldbrook opens up a bright vista of co-operative ownership for the farmers of this region. Marketing by farmers is the largest part of the Maritime Co-operative Movement; in 1945 it amounted to over \$12,000,000.

Fishermen's Co-operatives

Fishermen's co-operatives began more recently. They are rooted in the poverty and destitution of men who could not earn a decent livelihood in what should have developed into a great Maritime industry, and they are the most indigent of our co-operatives. They are a revolt against what may be regarded as about the only form of feudalism that ever took root seriously on this side of the Atlantic. What this feudalism did to the people of our fishing communities is common knowledge, but how it failed to build and develop one of the great natural resources of our country is not fully appreciated.

The organization of fishermen got under way about 1930. Local unions and marketing groups were joined together in the United Maritime Fishermen and a few years later this organization began to act as a co-operative selling and purchasing agency. It carries the products of the fishermen to the world market, and has become a major handler especially of lobsters, smelts, oysters, mackerel, and certain other fish.

The benefits of the Co-operative Movement may now be seen in scores of Maritime fishing communities, and we might point to one example in each province: Cheticamp, Lameque, and North Rustico. Here are fishing centres into which new freedom and hope have been injected, not only because Co-operation has greatly increased the returns of fishermen from their toil, but also because it has given them a working basis of courage and understanding from which they can go on to higher things.

The business volume of fishing co-operatives in the Maritimes now amounts to over \$3,000,000, of which about two-

thirds is routed through the United Maritime Fishermen. Here it should be pointed out that the benefits of co-operative marketing cannot be adequately measured from the earnings of organized fishermen alone. Only by taking into consideration the effect of "co-operative" prices on the whole market, can we make a fair estimate of the money which has been brought to fishermen through organization. For example, on one section of the Maritime shore, co-operative societies have about doubled the price paid for lobsters, and the benefit is enjoyed not only by members of co-operatives but by every fisherman who puts lobster traps in the water on that coast.

But marketing is only one phase of the co-operative program for fishermen. Credit unions, co-operative stores, and other forms of organization round out a plan of better living for these people of our fishing communities. In Gloucester County, New Brunswick, credit unions have accumulated savings of about one million dollars, largely in fishing centres that were scenes of general impoverishment ten years ago. And from success in co-operatives these people are going on with plans for better schools, better institutions, better social services, and better communities generally.

Credit Unions

Credit unions are a separate story in themselves but can be covered briefly. Like other co-operatives, they are rooted in necessity; and in this case the need was a source of credit for the great bulk of the people who had none. But the great disappointment in the credit unions of the Maritimes is that they have failed to develop amongst those by whom they were first organized—farmers. Instead, the great bulk of credit union savings are in urban centres and fishing villages.

At the end of September, 1946, there were 430 credit unions in the Maritimes, with about 80,500 members and savings amounting to \$7,250,000. Since the beginning in 1933, these credit unions

loaned over \$22,000,000 to members; and it is a great tribute to the integrity and ability of the people that this loan business was carried on with a loss of only about \$8,000, or less than 1/40 of 1%. Several credit unions in fishing centres of New Brunswick now have savings over \$100,000 each; the outstanding credit union in Prince Edward Island is at Tignish; and the largest in the Maritimes is at New Waterford, with savings of about \$300,000 and loans last year amounting to \$260,000. The New Waterford Credit Union has loaned about \$1,500,000 to its members.

In recent years, many credit unions of the Maritimes, through affiliation with others in America in the organization CUNA, are providing a new service for members—group life insurance. It gives security in two forms: loan protection and savings insurance. Within certain limits, on the death of a member the first form pays off any outstanding loan balance, and the second gives insurance benefit dollar for dollar with savings up to \$1000. At the present time Maritime credit unions carry protection amounting to about \$5,600,000 under these two plans. It is protection which most of the people never had before; it is paid for with money they never had before—the interest on their borrowed money.

Consumer Co-operatives

Along with these marketing and credit co-operatives, consumer co-operatives are growing both in number and size. In rural parts they are generally owned by the same groups who began with a marketing operation, and often the co-op store is organized as a department of a society providing several services for the members. Consumer co-operatives are the most difficult to operate, and their history in the Maritimes was marked with failure rather than success until the development of the last twenty years. The pioneer stores lacked an educational program for members, trained management, and a system of

auditing; but to-day a better organized and integrated movement, coupled with the Extension program of St. Francis Xavier University and other agencies, is attempting to remedy these three defects. These co-operatives still do only a small percentage of the total Maritime retail business, but their volume is increasing steadily. Government statistics placed their total sales at almost \$10,000,000 in 1945. Outside Cape Breton, as yet the consumer co-operative movement is largely rural.

At present Cape Breton Island has the greatest concentration of co-operatives in the Maritimes. Counting the business of the British—Canadian, about forty other local co-operatives under a regional wholesale, Cape Breton Co-operative Services, twelve marketing co-operatives, and credit union loans, the total business turnover was approximately \$7,000,000 last year. In addition, the industrial area of Cape Breton has several housing co-operatives that are pioneers in America in this social venture.

Adult Education

The Co-operative Movement in the Maritimes derives strength and stability from its connection with an adult education program. It is conscious of a social mission and an ultimate goal that cannot be measured in dollars. It is not surprising, therefore, to find that centres of successful co-operative activ-

ity are advancing in other ways, with more thought now given to better education, better social services, better community life generally. People who learn to co-operate on an economic level easily move up to a higher plane, and are less likely to dissipate their energies in petty jealousies and contentions when they attempt anything in the way of community endeavour. Of course, like true democracy, a co-operative economy with its resulting social benefits is difficult to realize, and achievement always lags behind the ideal which the movement has set for itself.

In conclusion, it should be noted that the Co-operative Movement here, as elsewhere in the world, was set in motion and developed by those who, in the beginning, were least qualified to carry on a program of economic reconstruction. Progress had to be made the hard way, often by trial and error. In general, the people have received only half-hearted, tongue-in-the-cheek encouragement from those whose support might have already made the movement the deciding force in rebuilding our Maritime economy. Whatever their role and development in the future, the co-operatives of the Maritimes to-day represent the protest of the people against all signs of exploitation or impoverishment that stand in contradiction to the vigor of a new land and the potential wealth of this country.

British Columbia Fisheries

By WILLIAM S. HOAR

CANADA holds an enviable position among fishing nations. On east and west she touches two of the four great fishing areas of the world. In addition,

about half of all the fresh water of the globe is within her boundaries. Of the nine provinces, British Columbia is, without doubt, the most fortunate in her fisheries, contributing about 40% of the total value of the Canadian products. In recent years the British Columbia production of fish has exceeded forty-four million dollars.

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