

# The Cooperative Movement in Quebec

By GONZALVE POULAIN

THE economic position of the French Canadians in the Province of Quebec is a factor that must be kept constantly in mind to grasp the full import of social, economic and political problems in that province. The extensive, though recent, industrialization of Quebec, was, on the whole, detrimental to the French Canadian people who instead of deriving their share of benefit from it rather suffered from its social disadvantages through the establishment of an urban proletariat. Keen consciousness of the unfairness of the situation keeps the people in an economic inferiority complex and state of resentment that is particularly harmful to Canadian unity. This economic alienation of the land they wrested from the forest after heroic toils and on which more than 75 per cent of them still live, manifests itself in important sectors of economic life, such as personal and professional services, amusements, welfare work, the artistic, industrial and commercial professions, transport, wholesale and retail commerce, industry and finance.

Economic conquest has been for the last ten years the objective of all the social and nationalist movements in Quebec. The co-operative movement in Quebec belongs to the same trend.

The nationalist societies started by advocating a large-scale buy-among-ourselves campaign with *Achatez chez nous* as a slogan. Practically the movement could have free play only in retail commerce, as wholesale trade is under non-French Canadian control. Even in the retail trade the campaign gave poor results for the obvious reason that the buyer prefers quality, service and low prices to racial considerations. He considers he is receiving satisfaction when

his money brings him the goods he asks for and that suits his purpose.

Some sociologists have urged the Quebec provincial government to take over the basic industries of the province. The reason for their proposal is that they presume these state-controlled industries will be entrusted to a staff of managers and workers that will be mainly French Canadian. Such suggestions are always received very complacently by Quebec rulers who recently took over the water power resources in Témiscamingue to build a power plant. But public opinion in the Province looks with disfavour upon this increase of economic power for the state, fearing, and with good reason, it may be used for political and electoral purposes.

This spirit of economic reconquest is one of the main reasons for the increasing popularity of the co-operative movement among all classes of French Canadians. The factor is pointed out by M. François Albert Angers, who writes in *L'Actualité Economique* (Montreal):

"Co-operation is based on the consumer, and it is evident that it works in favour of the racial group that constitutes the majority.... Through co-operative economy the French Canadian group, which is 78 per cent of the population of Quebec, will necessarily come out best, and without injury or discrimination towards anyone."

This nationalist angle in considering co-operation shows it to be a highly effective means in bringing about that even distribution of riches which is undoubtedly one of the most difficult tasks of democracy.

It can be said that the co-operative idea is not new to Quebec. Its achievements could be pointed out to as far back as the pioneer period when practices like working in bees and using pasture

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land in common denoted the specifically co-operative outlook. But it was only in 1854 that a mutual fire insurance company was established at Huntingdon to give its members fuller protection against the enemy that until recent years ravaged towns and rural districts.

That rural districts were the first to be affected in Quebec by the co-operative idea is as might be expected. The rural element in that province was, until after 1900, the most important, and included the majority of the population. Quebec's problems then were rural problems, and it was among the rural population that speculators of every shade exploited the farmer's thriftiness and economic virtues in order to finance their first industrial establishments and deprive the *habitant* of the home crafts and industries that until then had assured him his independence and self-support.

The fact was recently observed by M. Henri Bois, Secretary of the *Coopérative Fédérée de Québec*:

"A survey of our agricultural situation will show that the farmer is becoming more and more a mere labourer on the farm. All that is left him is to tend the soil and the livestock. The fence around his farm marks the limits of more than his land. It has become for us a symbol of his situation in the domains of buying and selling, of processing his products and the materials he uses. Whether he is aware of it or not, the farmer has left to others the task of providing him with chemical fertilizer, feed, binder twine, and building material. And he has left to others the task of selling or manufacturing his produce. And these others had no other aim than profit-making,—profit-making that could be only at the expense of the farm producer. The explanation, it seems, was to be had in the great law of division of labour. The farmer specialized in producing, and should stick to his speciality. At the farm gate another man took his produce and sold it. And seed, fertilizer, farm implements, feed had to be deposited at the farm gate by a third party who was a specialist in his line, too."

The Quebec farmer found that as a

commercial procedure the arrangement was beyond his means, and he turned to the co-operative plan for a solution. Co-operation stepped in to give back to the farmer services provided by others but paid for solely by himself inasmuch as his produce went to cover their high cost.

The first co-operative law was voted by the Quebec legislature in 1906, and the first wholesale central organization for farm producers goes back to 1913 when the *Comptoir Coopératif* (Co-operative Counter) was established. Developments in farm co-operatives moved slowly until 1922. At that date the Quebec Department of Agriculture was able to amalgamate into one the various wholesale central organizations which then took the name of *La Coopérative Fédérée*. The new organization was helped financially by the government and remained under its wing until its complete political emancipation took place in 1929. From then on the *Coopérative Fédérée* made giant strides. Whereas in 1930 the business total was \$7,233,946.32 with 66 affiliated co-operative groups, the figures for 1939 were \$11,925,000.00 with 207 affiliated groups. The first half year of 1940 has already surpassed this peak. On June 30, 1940, the *Coopérative Fédérée* reported an increase of \$900,000.00 over the corresponding period of 1939. During the same period 27 new co-operative groups were affiliated to the central organization.

Though the *Coopérative Fédérée* has not yet rallied all the farmers' co-operatives of the province—which total 488 with 38,388 members according to official statistics—the rapid growth of that central organizations shows there is a healthy co-operative movement in the Province of Quebec.

The movement has, moreover, found one of its most powerful factors in the co-operative credit and loan institution known as *La Caisse Populaire Desjardins*.

The Desjardins Credit Union dates back to 1900, but its rapid development took place within the last few years. There were 98 Credit Unions for the period between 1908 and 1918. For the period 1918-28 there were 168 with

41,000 members. Between 1928 and 1938 their number more than doubled with 393 unions and 80,000 members. And in 1940 there are in the Province of Quebec 525 units of the *Caisse Populaire Desjardins* with 103,000 members.

The main purpose of the organization is to provide the farmer with the credit he now receives from provincial and federal loan services. A second objective is to finance other co-operative undertakings in the consumer and producer fields. An indication that these aims are being pursued actively lies in the fact that 78 per cent of all credit unions are rural.

The third objective assigned the *Caisses Populaires* by their founder, M. Alphonse Desjardins, was to fight against the usury prevalent in the cities, an aim that was apparently not heeded as only 18 per cent of the credit unions are in the cities.

The Antigonish Movement greatly influenced the co-operative organizing of fisheries in the Gaspé peninsula. At Ste. Anne de la Pocatière the government-financed *Ecole Supérieure des Pêcheries* started a social and economic Service for adult education throughout the Gaspé region. This organization means that there is now a regional centre for education in co-operation and it has already given results in setting up 10 fishing co-operatives with over 7,000 members.

City consumers' co-operatives are the slowest to expand in Quebec. There are only some fifty of them to date, with 7,000 members. A fair number of the most successful consumers' co-operatives are in the small towns of colonization areas like Lake Saint John, Témiscamingue, and Abitibi. Urban centres like Montreal and Quebec are almost entirely without consumers' co-operatives. The reasons for this partial failure are primarily commercial, and then educational.

In city districts like Montreal retail trade is highly organized. Competition has such a narrow margin that the retail price coincides with the fair price, leaving little room for excessive profits. Under such circumstances it is difficult for co-operatives without a highly perfected

technique to compete with chain stores for quality or prices.

The main hope, then, for the future of consumers' co-operatives in Quebec cities lies in popular education, hitherto greatly neglected, and in furthering aspirations towards economic democracy. As the more important labour organizations, those in Montreal for instance, free themselves from state influence and take their affairs into their own hands, it is not unlikely that they will turn to co-operation as a means of improving their situation. The economic inferiority complex mentioned earlier in this article would naturally be an important factor in developing city consumers' co-operatives. This explains the latest development in the Quebec movement: influential institutions in the province are finally endorsing the co-operative idea and spreading it among the population. For two years now Laval University in Quebec City has had a department for co-operation. *L'Action Nationale* in Montreal, with the help of university professors, organized lectures on the subject. The co-operative movement assumes national importance in the eyes of nationalist, social and cultural leaders in Quebec, and this is why it is due for greater extension in years to come.

This revaluation of the co-operative idea showed itself clearly at the Second Co-operative Convention, held in Quebec City, September 6, 7, and 8. The assembly called for closer union among the 140,000 Quebec co-operators. Well attended sessions marked an enthusiastic response. The themes discussed typified the movement's strength. Co-ordination of effort and education of members were the two central ideas. These two objectives are of particular importance in Quebec because of the complete independence of the various forms of co-operation and because of the future needs of the movement. The *Conseil Supérieur de la Coopération*, made up of members of the various co-operative groups, is the main instrument in bringing about this co-ordination. The Council issued a code of theory which has been un-animously accepted by co-operators, and

it publishes instructions in the magazine *Ensemble*, another educational organ of Quebec co-operators.

But however effective an instrument of co-ordination may be in itself, it can give full results only through education of its members. Of the nine resolutions adopted by the convention, six were on education for co-operation—a sign that Quebec realizes the importance of adult education and is aiming at the goal through co-operation.

It is as much as to say that Quebec is making use of co-operation to take stock of her democratic assets. The last twenty-five years have totally disillusioned observant citizens as to a democracy that rests solely upon election majorities and political machinery. In

the light of the long depression which has aggravated the problem of the family, the province realizes that democracy must be considered as a moral principle first if it is to produce a maximum of justice and welfare. Democratic peace is a goal that can be reached only down the path of long years given to family, professional, social and civic duties.

There seems no doubt but that co-operation is a reliable means towards that moral rejuvenation of the democratic principle. The moral reform it calls for develops the spirit of unselfishness, the social function of property, and that unceasing appeal to charity without which a nation cannot long live in happiness or peace.

## Family Allowances in Great Britain

By EVA M. HUBBACK

### The Economic Position of the Family

#### *Distribution of Income*

THE case for Family Allowances is based on the principle that the economic structure of society should include some direct provision for the needs of the rising generation. Economists tell us that the national income can be pictured as a continual stream of goods and services flowing through channels of wages, profits, interest and rent to those who, by work or ownership, have established a claim upon it. But this picture of distribution is incomplete as it accounts only for that half of the population which can fit itself into the productive system of the price economy. There remain outside married women working in their own homes, and their children. These can claim no spending power in their own right. They are provided for after a fashion out of the

share of the national income which goes to their husbands or fathers. This share, however, is no larger when it has to be redistributed among half a dozen people than when it is destined for a single one.

At 21 an unskilled labourer may be earning as high a wage as he will ever get. If unmarried he will have a margin above bare needs to spend on sport or hobbies. It is on this margin that we expect him to maintain a wife and family. After he marries the coming of each child means that life becomes more and more of a struggle and that there will be less food, less houseroom, fewer clothes, for the children already there.

It is on the wage-earning classes that the burden of child dependency falls most harshly, but even in middle-class homes, educational and other expenses of child-rearing are a heavy burden on the family budget. In all classes there is the same struggle to fit an expenditure, temporarily swollen by the obligations of parenthood, into an inelastic income. Whether, therefore, we are thinking of

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