

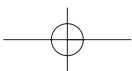
A Passion for Possibilities

Co-operatives
and Communities
in British Columbia

Joy Emmanuel, Editor



A Passion for Possibilities



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Co-operatives and Communities in British Columbia

Edited and with Conclusion
by Joy Emmanuel



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Acknowledgements

A Passion for Possibilities is the British Columbia Institute for Co-operative Studies' first effort at understanding the diverse role of co-operatives in its home province. This is an exciting but complex subject, in part because historians and other researchers have almost completely ignored the roles of co-operatives in the province's development, despite its rich history and current significance.

Financed largely from grants from the B.C. government in 2001, 2002 and 2003, as well as support from the University of Victoria and contributions from the Social Sciences and Humanities Research Council, this study explores co-operatives, past and present, in seven regions in the province. We are indebted to the leaders and members of co-operatives in those regions for their generous help, availability for interviews, and good advice. We hope they will find what we have produced accurate and helpful.

The Institute is indebted to Kathleen Gabelmann for her significant role in conceptualizing the project, for contributing her intimate knowledge of many of the regions considered here, for her work with the students who undertook much of the research, and for her contribution during the early editorial stages.

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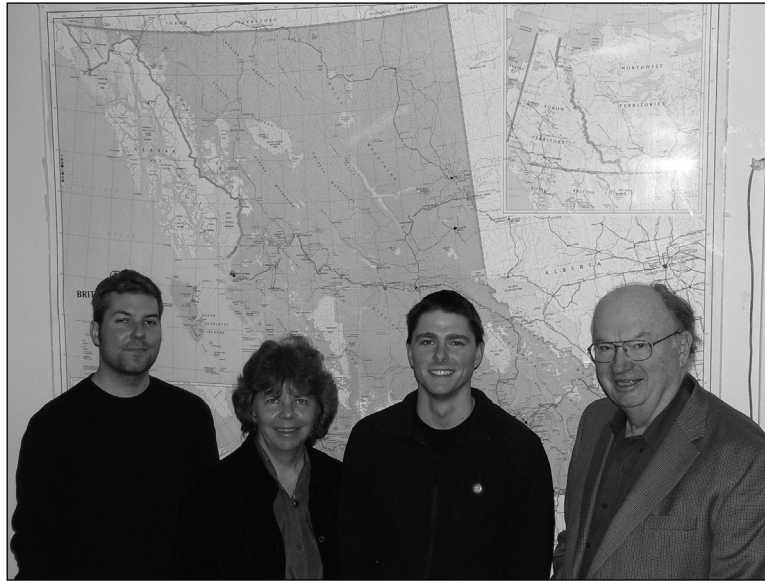
the work on Vancouver Island and assisted with updating and development of final drafts. Student researcher, Rob Rayner was also a support in the final months of writing, as was BCICS Technical Director, Robin Puga.

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Joy Emmanuel, however, is responsible for bringing this volume together in its current form, for the final editing and updating process, and for writing the introduction and concluding chapters. She has placed her stamp on the work assembled here.

We hope this study is the beginning of a goal we have set for ourselves for both the people of British Columbia and for researchers interested in the provincial movement: a steadily deepening understanding of the roles co-operatives have played – and can play – in the province’s development. It is a promising field that deserves to attract many researchers and community activists.

Ian MacPherson
Director, BCICS



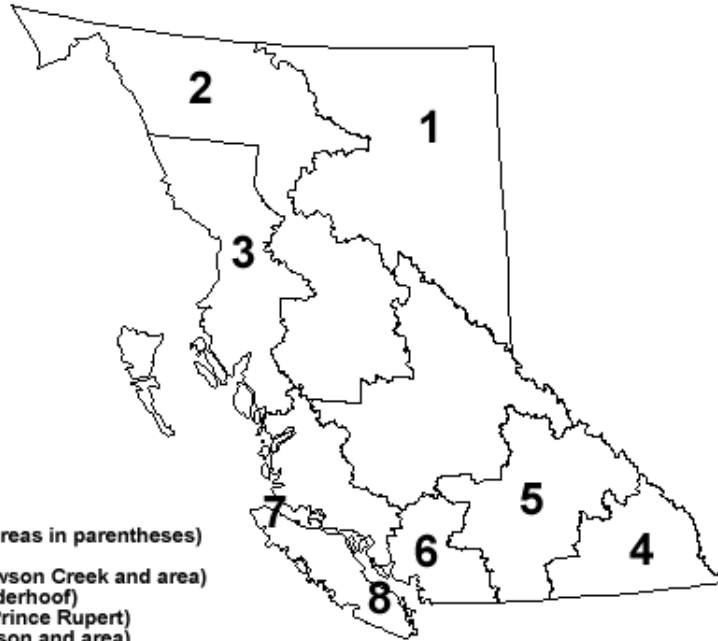
The BCICS project team in 2006. Left to right Eryk Martin, Joy Emmanuel, Rob Rayner, and Dr Ian MacPherson. (*Robin Puga*)

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Map One: Regions of British Columbia Studied



Regions (focus areas in parentheses)

1. Northeast (Dawson Creek and area)
2. Nechako (Vanderhoof)
3. North Coast (Prince Rupert)
4. Kootenay (Nelson and area)
5. Thompson/Okanagan (South Okanagan and Similkimeen)
6. Mainland Southwest (Commercial Drive, Vancouver)
7. Vancouver Island (Malcolm Island)
8. Vancouver Island (Cowichan Valley)

Introduction

For over a century, co-operatives and credit unions have been an intricate part of the fabric of many communities throughout the province of British Columbia. Their impact on the social and economic landscape of the province, however, has only been superficially explored. The movement is ignored in the history books, notably the standard text books on the province's history, and co-ops are rarely discussed in the media. It is also, very difficult to study co-operatives and credit unions seriously at any of the province's post-secondary institutions. Yet, as this book reveals, co-ops are flourishing around the province and they are continually being adapted to a wide array of circumstances as local residents respond to changing societal conditions and as they seek to maintain a measure of control over their destiny. *A Passion for Possibilities* arises from a desire to tell more of the story of this "quiet giant" nestled into the province's history and actively engaged in the contemporary life of British Columbians.

The advent of co-operatives in many cases predates the official founding of the communities in which they are located. In the first half of the 20th century, co-operatives helped form the economic backbone of the local economy in such areas as the Okanagan region in the south and Prince Rupert in the north. Early agricultural co-ops and fishing co-ops helped stabilize local economies and offered workers and their families a collective voice in bargaining a fair price for their goods in the market place. Small, microfinance arrangements grew into credit unions and offered financial support to members of the working and middle classes at a time when larger financial institutions were ignoring them. Consumer co-ops gave residents of rural communities and poorer urban districts the ability to provide the goods they needed at lower prices.

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As communities flourished, the number and type of co-ops continued to grow in many parts of the province. In the 1930s, B.C. was introduced to transportation co-ops in the Kootenays. By the 1950s, the first daycare co-op in the province was founded in the Cowichan Valley. As the lifestyles and needs of local residents changed, new co-ops were formed to address these changes. Many consumer co-ops took on a different look in the 60s and 70s as the natural food industry began to grow. Worker co-ops appeared as the demand for alternative expressions of economic activity flourished. Land and housing co-ops formed in many parts of the province, driven both by the back-to-the-land movement and the increasing need for affordable housing.

By the close of the twentieth century, the co-op model had been adapted to different niche sectors such as eco-tourism, the arts, communication, community forestry, and the environment. An increasing number of social co-ops also began to appear to address cuts in government services and the employment needs of marginalized groups. While the number and type of co-ops in the province has continued to grow, the path has not always been straightforward or easy. *A Passion for Possibilities* sets forth an historical and contemporary account of the inter-relationship of co-operatives and the communities where they were founded within eight communities of British Columbia.

Our Vision

This book arises from a study by researchers at the University of Victoria-based B.C. Institute for Co-operative Studies (BCICS) who collaborated with co-operators throughout B.C. to uncover the historical and multi-layered story of how co-operatives are intimately linked with the life of the communities where they are situated. Our intent has been to document the growth of the co-operative movement in B.C. and the many ways British Columbians have adapted the co-op model to meet their economic and social needs. *A Passion for Possibilities* offers insights into the relationship, both historical and contemporary, between co-operatives and the communities in which they are located. Within an historical context of social and economic

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developments, we have traced when co-operatives began to form in a given area, what types of co-ops were formed, and how they impacted the local and regional economy. In the process, we have identified some of the challenges they faced and the factors that contributed to their growth.

The book highlights community case studies in eight specific communities of British Columbia: Dawson Creek in the northeast corner of the province, Vanderhoof and surrounding area in central B.C., Prince Rupert in the northwest, Nelson and area in the Kootenays, the southern region of the Okanagan, the Commercial Drive area of Vancouver, Malcolm Island off the northern tip of Vancouver Island, and Cowichan Valley, also on Vancouver Island.

Three Generations of Co-operatives

In our research we found what might be viewed as three separate generations of co-operatives in B.C. The older co-ops began forming in the early 1900s and sustained a prolific period of growth till the end of the 1950s. This first generation of co-ops was primarily in four “traditional” sectors: agricultural co-ops, fishing co-ops, consumer co-ops, and credit unions in the financial sector. Many were started by union members, or were “closed shop” co-ops limited to members of a particular organisation. Many of the early credit unions were started in the basements of the founders’ homes or in minimal offices shared with other businesses.

In the 1960s and 70s, while the growth of agricultural and consumer co-ops slowed down, credit unions boomed and co-ops started to emerge in other sectors. A second generation of co-operatives emerged as people who were interested in alternative business models or held socialist-leaning ideals, formed co-ops. During this period, we start to see the development of social co-ops, housing co-ops, and a new breed of consumer food co-ops; at the same time mergers were common in the credit union sector.

In the late 1990s, several government funding programmes provided a boost for the launching of a third generation of co-operatives as co-ops grew up in new sectors and took on new forms.

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Funding in the agricultural sector contributed to new cattle breeding co-ops. In the environmental sector co-ops grew up in ecotourism, recycling, community forestry and value-added wood co-ops. The communication and arts sectors expanded with the growth of community radio and video co-ops, artisan marketing co-ops and B.C.'s first co-operative school for the arts were established. Shortly thereafter, government cuts in services in 2002-03 presented new challenges for many communities in B.C. As they struggled to meet new and deepening needs, we find there was an increase in the growth of social co-ops to address the needs of marginalized groups in society and of health care co-ops to care for the overall well being of the community.

Within *A Passion for Possibilities*, we use the term “traditional co-ops” to describe the early co-ops with their characteristic defining features of “one member, one vote,” decision making resting with members, equal member equity contribution, and distribution of surpluses based on use. In more recent years, as new forms of co-operatives emerged in B.C., some co-ops added to the “traditional” structures and adopted new ones to meet their needs. Some of the newer co-ops have adopted a multi-stakeholder approach in order to connect a plurality of different community groups; some are open to the idea of non-member investment shares as a way to raise start-up capital; and many have branched into new sectors of economic and social life. However, while the structures and activities of new co-ops may differ from those of the past, one thing that has not changed is the commitment to the idea of co-operating with other members in one’s community to respond to how macro scale changes are affecting their lives and to assert their hopes and visions for the future.

How This Project Evolved – Steps, Stages, and Methodology

We began our work in 2000, with the collection of historical records and current materials on all the incorporated co-operatives and credit unions in the province. This required a considerable amount of person hours as the data for co-operative societies had not yet been collected or aggregated into a single database.

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Using the information collected, we located the credit unions and co-operatives on a wall-size map of British Columbia. We used colour-coded markers to represent different sectors. Through this exercise, we were able to see the distribution of co-operatives and credit unions throughout the province, and where different sectors had been developed.



BCICS Student Researcher Katie Rollwagen posting sites of co-operatives in B.C.

Taking into account the eight development regions used by B.C. Government Statistics, we examined the co-op presence in the communities within each region in anticipation of choosing one community in each region. We were looking for six communities that had a strong co-op presence and two that had little or no co-op presence. We were interested in finding out why co-ops flourished in some communities but not in others. We were searching for a diverse representation of types of communities (e.g., urban and rural) and a

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range of co-operative sectors (e.g., consumer, forestry, and artisan). We were also looking for communities in which there were a number of recently incorporated co-ops. In the end, we chose seven of the eight regions of B.C. for our case study work. As part of undertaking the community case studies, we made plans to do in-depth case studies with a number of co-ops in each area. This would maximize the benefits of our field time by providing both depth and breadth to our insights into the current and past circumstances of local co-ops.

Once we had decided on the possible field sites, we began contacting co-operators in these communities to see if they were interested and able to take part in our study. Before we began contacting people, we prepared a letter of consent as required by the University of Victoria ethics guidelines and an introductory letter to send to those who showed interest in being involved in our study.

As we were deciding which communities to study, we also worked through the possible approaches to conducting our fieldwork. This involved a literature review of other studies of co-ops to see the different models used for doing this type of community-based research. We also held a two-day workshop for our researchers on field study techniques led by Karen Potts, a methodologies expert and instructor in the School of Social Work at the University of Victoria. This workshop examined various approaches in community research including interviews, surveys, focus groups, developing partnerships with communities, and the possible dilemmas encountered in doing this kind of research.

We created a thematically organized interview guide, a guide for focus groups, and an economic survey. These were to be used in all the communities in order to be able to produce some continuity in reporting results and outcomes.

Our fieldwork began in November of 2000. As a way to test and evaluate the effectiveness of our research methods, we began with two communities as pilot studies. This allowed us the opportunity to determine if our interviews and overall research strategy were providing us with the information we needed and if our methods were suitable and in tune with the community. In each community we conducted semi-structured interviews with individual co-op members and/or managers, and with groups of co-op members, we attended meetings and local events, we visited the premises of some of the co-

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ops and read local newspapers. In each of the eight communities, we collected reams of materials, including: meeting minutes, annual reports, business plans, feasibility surveys, brochures, historical documents, and photographs. We have retained those records our community partners agreed should be kept for further research by ourselves and others.

Along with the fieldwork, we began examining the various community and sector reports available on the B.C. Government's Statistics website, as well as other online data to give us background information on the economic profile of the community.

Slowly an in-depth picture of various co-ops and their communities began to emerge. We uncovered useful information about organisational changes and the lifecycles of co-ops as community organisations. Within some co-ops we were able to see how internal structural changes, such as volunteers becoming paid staff or securing a permanent location, affected the stability of the co-op. Structural changes were evident in the formalization and professionalization of systems, human resource policies, purchasing policies, as well as the use of auditors, lawyers, and relations with other community and co-op organisations.

Another important aspect of the research was our very strong commitment to the ethical considerations and obligations of doing research that is not intrusive, threatening, or laden with uneven power relations. Building relationships and a sense of trust with co-op members was essential for their participation in the study, and it is an integral component of the research methodology that is used at the Institute. In the Nelson area two co-ops had at first decided not to join the project. However, during the time the BCICS research team was in the area, they changed their position after learning more about the Institute and the methods being used by the research team. One of these co-ops had turned down requests for a research relationship with several other Canadian and American universities, as well as government and community organisations. We felt fortunate to receive permission from their co-op members to include them in this study. In the end, members of these two co-ops – and several others co-ops – informed us that they found it was actually beneficial for them to participate in the study.

In the field, we engaged in an emergent research approach where

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researchers learned from co-op members what was meaningful and significant to them. This allowed us to then formulate a picture of the history and life of each co-op and community by bringing together the “insider’s” perspective of the members with the “outsider’s” perceptions of ourselves as researchers. We could then embed all of this within the context of the historical records and contemporary reports on the social and economic milieu of each area. In developing the case studies we included both a local and regional economic and social analysis.

The major part of our field work was completed by the summer of 2004; however, additional site visits were made to Nelson, Malcolm Island, and the Cowichan Valley. Although efforts have been made to update the case studies since completing our field work and the final editing of this book, we primarily draw on material gathered during our field interviews when discussing recent co-op development.

What you will find in the Case Studies

Each of the eight case studies presented here begins with a brief introduction to the community by identifying: prominent features, primary industries and employers, recent significant social and economic developments, and, drawing on government statistics, an overview of the socio-economic status of local residents. We briefly review population growth, income level, age distribution, level of education, unemployment rates, ethnic diversity, and other social factors.

Next we examine the growth of co-operatives in each area by exploring the history of the community and the record of challenges and resilience of earlier generations of co-operatives. A section on recent co-operative development reviews the co-operative activity of the past two decades.

Each case study finishes with an examination of ways co-ops contribute to their local communities and describes the benefits that individual members attribute to their involvement in co-ops. An important contribution of this study has also been to identify factors that may contribute to the success or encumbrance for co-operative development in that area. The closing section offers a summary of co-

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operative development in that region and provides some observations on the potential for growth opportunities within various sectors.

Why is this Research Important?

The goal of this project has been to provide a description of co-operative activity in British Columbia, which we hope will lead to a better understanding of how co-operatives connect to their communities, and how people in the past and present have utilized co-operatives as a collective form of organisation to meet their individual and community needs.

It is our hope that this research will contribute to building the co-operative movement as co-operators gain a better understanding of the movement's rich history within the province and the vast bank of co-operative knowledge and insights that can be tapped within local communities.

On a practical level, this research may be helpful to those involved in co-operative and community development. It offers insights into the successes and challenges of contemporary co-ops and suggests potential for co-op growth within particular sectors. We hope that the resources developed through this study will be helpful for both established and new co-operatives as they reflect on their experiences. We hope they will see similarities and differences with the trials and triumphs of other co-ops. We anticipate that this book can provide valuable insights for anyone interested in understanding more about what makes co-operatives "tick" as people use the co-op model to address their concerns and visions for the future.

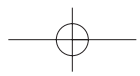
This research will be of interest to public policy makers as they consider new legislation affecting economic and social development in small communities around the province. *A Passion for Possibilities* may be a useful resource for lawyers, accountants, and others who assist co-ops, as it can provide these professionals with information to better understand the specific needs of their clients.

We strongly recommend this book to those interested in Co-operative Studies as a viable field of engagement and future employment. Students of history, business, management, community

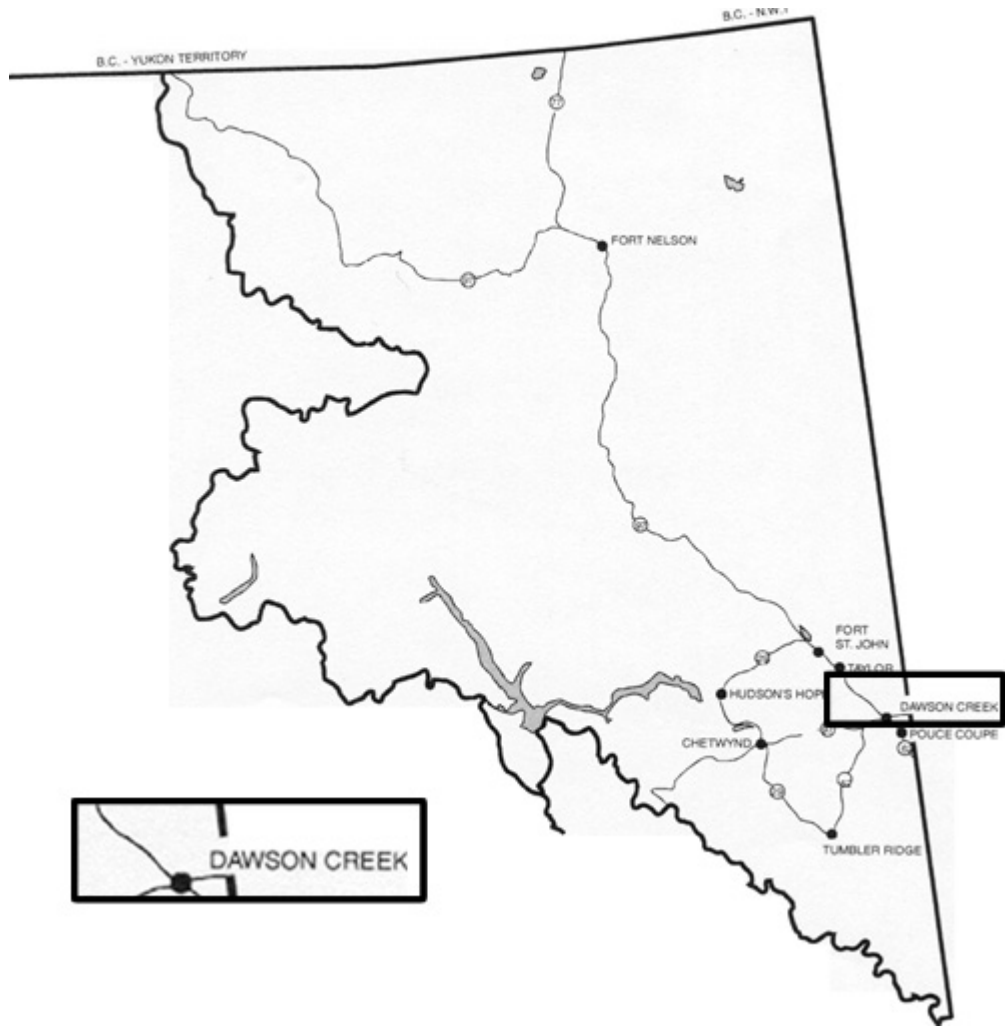
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development, and sociology will all find we have drawn on their disciplines in the process of doing this research.

This work has been exhilarating, exhausting, reassuring, and promising. In the process of doing it, we have accumulated mountains of data (or at least, many filing cabinets). This project has been invaluable for us as researchers interested in the development of Co-operative Studies. It has fired our passion for understanding how co-operatives can contribute to a more sustainable, just, and co-operative future. We hope you, the reader, will also find this account of co-operatives at work in their communities both worthwhile and inspiring.



Map Two: Northeast Region – Dawson Creek



Chapter One

Dawson Creek

The Peace River region is the largest of British Columbia's eight regions. Located in the northeast, the region covers 12.9% of the province's land area but is home to just 1.5% of its population.¹ Dawson Creek is located in the northeast flat lands, close to the Alberta border. The land to the south and west of the city is mountainous.

The Peace River economy is based on agriculture, forestry, tourism, and energy. Agriculture is particularly important in the area. Thirty-two percent of the province's Agricultural Land Reserve is found in the Peace River region and it produces approximately 90% of the grain grown in B.C.² The Dawson Creek economy benefits from all of the primary resource industries, providing it with a more diverse economy than many towns in rural British Columbia. Dawson Creek has a large service and retail sector as it is the centre for both city residents and surrounding communities. The three industries that employ the largest number of people in the city are health and social services, the retail trade, and the accommodation, food, and beverage service industry. With four major highways, two railways and an airport, Dawson Creek is an important transportation hub for the region. Because of the city's position as Mile Zero of the Alaska Highway, tourism also plays an important role in the local economy.³ According to B.C. census data, 11,394 people lived in the city of Dawson Creek in 2005, a slight increase of .7% from the previous year.⁴ In that same year, people aged 25 to 44 made up the largest age group (30.6%), while more than 11% of the population was 65 or older. For all age groups within the population of Dawson Creek and adjacent municipalities, the percentage of people who had not

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obtained a high school graduation certificate was higher than the provincial average; for those aged 20 to 34, this was by as much as 11.1% higher. While the percentage of people in each age group who held a trade certificate or diploma was higher than the provincial average, the reverse trend was true for people with a university education.⁵ In 2001 the unemployment rate in the area was 9.6%; this was slightly higher (1.8%) than the provincial average. The median family income for 2000 was \$53,155; this was within \$1,000 of the provincial average. Of the 365 people who identified themselves as being part of a non-native visible minority group, those of Filipino descent were the largest group, followed by Black, Chinese, South and Southeast Asian, and Latin Americans. A total of 2,090 people identified themselves as Aboriginal.

Community and Co-operative History

The Dawson Creek area is home to three Aboriginal peoples who lived in the area long before the beginning of the fur trade: the Athapaskan, Sekanni, and Algonkian Cree. In 1879, Dr. George Mercer Dawson, a renowned scientist, poet, traveller, and lecturer from Nova Scotia, was the first Euro-Canadian to pass through the area that is now Dawson Creek. His notes about the agricultural possibilities of the region encouraged later settlers to move to the area.⁶

The first recorded settlers from outside the region were Napoleon Tomas, an Iroquois-Métis man, and his family; they arrived in 1891.⁷ A handful of other settlers, who came from various parts of North America and Western Europe, followed over the next few decades to take advantage of the region's rich agricultural land. In the early years of settlement, homesteaders could purchase a quarter section (160 acres) for \$10 on the condition that they resided there for at least six months of each year for three years and cleared the land.

The first co-ops in the region were founded even before the town of Dawson Creek. The Rolla Co-op Union Store formed in 1910 and operated until 1920. During this same period, which was before the railroad, farmers had to sell their grain in Spirit River, Alberta, forty miles away. Often they waited until mid-December when the trails

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were solid and frost covered and thus better able to support the farmer’s loads. Co-operative barns and bunkhouses were pitched along the trail where the men would spend the night.

Until 1931, the arduous Edson Trail was one of the few supply routes into the Peace region, so the delivery of mail and supplies was both sporadic and expensive. When the war broke out in 1914, a group came on foot from Edson, Alberta, to tell the homesteaders the news because they knew the mail would not arrive for another week! Hauling goods into the region cost five to seven cents per pound, and flour was \$15 per hundred pound bag. These prices, which were exorbitant for the time, made it difficult for the settlers to survive. “Prices got so high,” recalls homesteader, Silvio Ravelli, “we could not afford to buy anything.”⁸



Kilkerran Branch Store, circa 1930s or 1940s (*South Peace Historical Society*). From the 1920s to the 1940s, the Dawson Co-op Union operated three stores in and outside of Dawson Creek for the convenience of those who lived far from town. Kilkerran was located about 10 miles from Dawson Creek.

In an effort to make goods more affordable, Ravelli and a group of other homesteaders formed the Dawson Co-operative Union. The co-op was organized on April 9, 1921 at a Dawson United Farmers

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meeting, with the first meeting of the co-op taking place four days later at a local school.⁹ Ravelli had worked in a miners' co-op in Alberta, and fellow founder Ed Hauger worked in consumer co-operatives in the United States and Norway.¹⁰ Within the first two months the co-op had raised \$875 in shares and this money was then applied to the purchase of the new storefront. Because many early settlers lived far from Dawson Creek and travel was difficult, branches of the co-op opened in three locations: Kilkerran, Dawson Creek, and Sunset Prairie. These stores provided reasonably priced goods, communications services, and a meeting place for homesteaders. The opening of the co-operative, as well as a few other stores and hotels in the area helped establish Dawson Creek as a dominant business centre serving the region. According to long-time area resident Mabel Armitage:

These stores played a very important role in the 1930s, as transportation was mainly by horse drawn vehicles. These stores also provided a post office and telephone service. Most people were within 2-7 miles of the rural stores, as compared to 20 miles to Dawson Creek. These stores helped to keep the co-op spirit alive.

The arrival of the railroad in 1931 confirmed Dawson Creek as the service centre for the Peace River region.¹¹ The railway actually stopped 1.5 miles away from what was to become known as the "Old Town." The Co-op store was moved on rollers and pulled by horses to the new town site. It took two and a half weeks! The store remained open for business while rolling towards the new town.

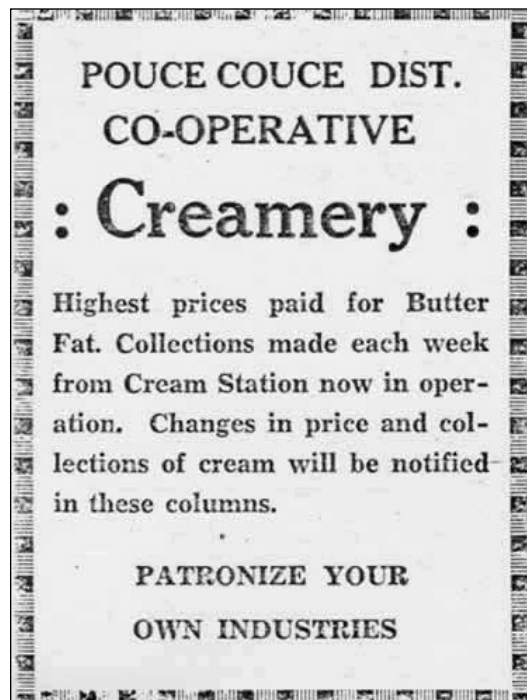
In 1936, when Dawson Creek was incorporated, its population had risen to approximately 500 people. More co-operatives were formed and operated in the area during the 1930s and 40s, including the Pouce Coupe Creamery, Sunrise Valley Farm Co-operative, and the Peace River Farmers' Co-operative.

In 1939, a group of Sudetenland refugees moved to Tomslake, a small community 20 kilometres south of Dawson Creek. They had fled their homes in Czechoslovakia because they had been working against the Nazis and feared for their lives when Britain ceded part of the country to Germany. In Tomslake, they started the Tate Creek Co-operative, partly in response to the paternalistic way they had been

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treated by the Canadian Colonization Association and to replace the local store run by this agency. As Andrew Amstatter, one of the Sudeten refugees, explains:

We were not like other groups settled by the Canada Colonization Association who had been farmers in Europe. Neither were we labourers permitted into Canada to work on specific jobs, nor were we welcomed as immigrants. We were political refugees who had been accepted as immigrants on the condition that we would become farmers. A fund had been established to cover the cost of our resettlement and we believed it was being wasted. We were not allowed to see our individual accounts and did not know whether items, for which we were charged, were items we had received. We resented being treated in this manner.¹²



Advertisement for the Pouce Couce Co-op Creamery, May 6, 1930
(*Peace River Block News*)

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As local farms developed, the co-op also took on the role of marketing livestock, cream, and eggs.¹³ The co-op operated until the mid-1960s.

In general the 1940s were a time of growth for Dawson Creek. The city underwent rapid change in 1942 when U.S. troops and civilian contractors used the town as a base for the construction of the Alaska Highway. The population rose from about 500 to 3,000 over a very short period.¹⁴ But despite the town's sudden growth, the after-effects of the Great Depression still affected Dawson Creek residents. Chartered banks, for example, would only provide credit under stringent conditions and many banks had pulled out of B.C.'s rural communities during the Depression. So, like elsewhere in the province during the early 1940s, communities began forming credit unions.



Gunnar Mortensen shows off the credit union's first office and equipment, circa 1943. Like other emerging credit unions, Lakeview had only minimal supplies and a tiny office. (*Lakeview Credit Union*)

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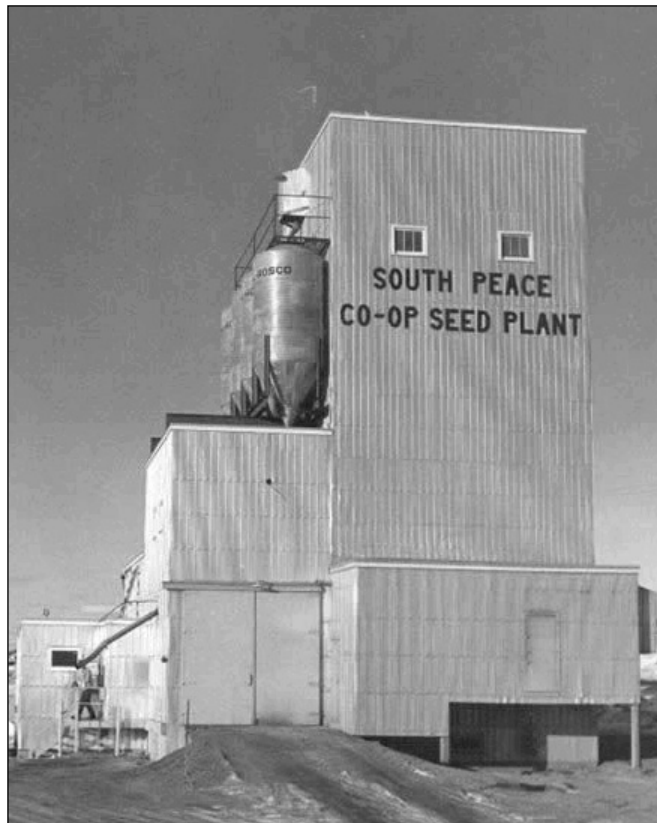
The Lakeview Credit Union (LVCU) formed as a response to an inability of local farmers to secure access to capital. Incorporating in 1943, its founding members learned about credit unions through field workers from the extension departments of the University of British Columbia and the University of Alberta, as well as through co-operative literature such as – *Poor Man's Prayer* by George Boyle and *Credit Unions* by Roy Bergengren.¹⁵ Like the Dawson Co-operative Union the development of the credit union was undertaken by farmers. In 1941 co-op developers from the Department of Extension at UBC addressed a meeting of a local Farmer's Institute, which helped to spread the work amongst the rural population.¹⁶ As a grass roots organization the LVCU had modest beginnings. At its first meeting in Lakeview School House in July of 1943, the credit union had a starting capital of \$6, which represented the \$0.50 share purchases of the 12 founding members. It conducted business in a room of the Dawson Co-op Union building until 1954 when it moved into its own building.

After World War II, Dawson Creek became an important regional shipping and transportation centre. In 1954, a new highway and rail service line were developed that linked Dawson Creek to the lower mainland and the interior of the province; a factor that no doubt contributed to the large population growth as the number of residents in the city tripled between 1951 and 1961.¹⁷ The region was also experiencing spin-off growth from increased industrial development, a trend that was common in many parts of British Columbia in the 1950s. In 1953 western Canada's largest propane gas plant was constructed in the region, which resulted in increased government jobs in Dawson Creek.¹⁸

The post-war economic growth was also felt in the co-operative sector. During this time the Dawson Co-operative Union expanded its goods to include petroleum, hardware, and retail items such as clothing. A handful of new co-operatives formed during this period. The South Peace Grain Cleaners Co-operative formed in 1963 to provide farmers' with a cleaning facility to remove wild oats and seed from their grain.¹⁹ As there are not very many grain cleaning co-ops in B.C. and there are over 45 such co-ops in Alberta, the Dawson Creek co-op became a member of the Association of Alberta Co-op Seed Cleaning Plants.²⁰ The South Peace Feeder Co-operative incorporated in 1973

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to support cattle farmers, particularly by helping them secure loans. In 1976, the Dawson Co-operative Union underwent a large expansion and built the Co-op Mall, which became home for the co-op's cafeteria and its hardware, food, and clothing departments, as well as other local businesses.



South Peace Co-op original seed plant constructed in the 60s, circa 1960s. (*South Peace Historical Society*)

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*Table One: Past and Present Co-operatives in Dawson Creek Area**

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
ROLLA CO-OPERATIVE UNION STORE	1910 - 1920	Defunct	Consumer
DAWSON CO-OPERATIVE UNION	1921	Active: 10,000 members (in 2000)	Consumer
POUCE COUPE CREAMERY	1920s	Defunct	Agricultural
SUNRISE VALLEY FARM CO-OPERATIVE	1940s	Defunct	Agricultural
PEACE RIVER FARMERS CO-OPERATIVE	1940s	Defunct	Agricultural
TATE CREEK CO-OPERATIVE	1940s - mid-1960s	Defunct	Agricultural
LAKEVIEW CREDIT UNION	1943	Active: 13,139 members (in 2000)	Financial
SOUTH PEACE GRAIN CLEANERS CO-OPERATIVE	1963	Active: 200 members (approximately)	Service
SOUTH PEACE FEEDER CO-OPERATIVE	1973	Active: 300 members (approximately)	Agricultural
HANDY CRAFTERS CORNER	1985 - 2001	Defunct (6 members)	Marketing
SOUTH PEACE BRED HEIFER CO-OPERATIVE ASSOCIATION	1998	Active: 300 members (approximately)	Agricultural
ADVANTAGE WORKERS CO-OPERATIVE	2000	Active: up to 25 members	Worker
PRO PEACE WORKERS CO-OPERATIVE	2000 - 2001	Defunct (5 member co-ops)	Worker
PEACE ENERGY CO-OPERATIVE	2003	Active: over 180 members	Energy

*Information may be missing from some tables. In these cases, the information was not available or could not be located.

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Recent Co-operative Development

The last wave of co-operatives to form in Dawson Creek was between 1985 and 2003. The Handy Crafters Corner Co-operative was founded in 1985 in the basement of a local church. Handy Crafters was established by a group of women to provide local crafters with a venue to sell their goods.²¹ Prior to the formation of the co-op, the crafters found that they wasted time travelling around from place to place, setting up, packing, taking down, and repacking their wares. Centralizing their operations in a storefront was seen as a beneficial development for all concerned. As experienced members of other local co-ops and the credit union, there was a shared agreement that, as members of the store, they would all have an equal say in the decision making process.²² In 1991 Handy Crafters moved to the Co-op Mall until its formal disbandment in 2001.



Exterior of Craft Co-op's storefront in the Dawson Co-op Mall, Dawson Creek, 2001. (BCICS Collections)

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BCICS Researcher Laura Sjolie visiting South Peace Grain Cleaners Co-op, 2003.

The South Peace Bred Heifer Co-operative Association formed in 1998 with the help of the South Peace Feeder Co-op. The Heifer Co-op was formed as a separate legal entity in order to access the B.C. provincial loan guarantee fund.

Two new co-ops were formed in the area during 2000. Advantage Workers Co-operative was incorporated to meet the training and employment needs of individuals who experience barriers to employment. It received help from DevCo. (a workers' co-operative of co-op developers) after discussions with the federal and provincial governments were unsuccessful. Prior to incorporating, the co-op members worked for three years at developing their structure and legal identity – all the while providing work opportunities for the co-op's future members. Advantage has been successful in providing part-time employment that meets the particular needs of its members, offering jobs to as many as 25 individuals at a time.

The Pro Peace Workers Co-operative was incorporated to promote the formation of co-operatives in the region, assist in co-operative development, promote the Peace Region, and provide a link between co-operatives and the community. The co-op's formation was a result of a programme delivered by the Kiwanis Enterprise Centre that was

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funded by the Ministry of Community Development, Co-operatives, and Volunteers. However, the co-op closed at the end of 2001 because members felt they did not have enough control over the project.

The newest co-operative to develop in Dawson Creek is the Peace Energy Co-operative. It was incorporated in 2003 largely because of the work of two local Dawson Creek businessmen, both of whom were interested in renewable forms of energy and energy conservation.²³ Since the 1950s the energy sector has been important in the Peace region, but based on the extraction of non-renewable resources by large multi-national corporations. Peace Energy Co-op plans to develop wind, solar, and geo-thermal energy services, which are renewable and, since they are developed through the co-op, managed by members of the community. In 2004, the co-op secured the right to begin plans for the development of a wind park on Bear Mountain near Dawson Creek, an area designated by B.C. Hydro as one of the most viable places for the harvesting of wind power in the province. In August 2005, the co-op installed wind monitors on the site, which will enable them to better understand the potential output of the area. Even though the co-op is in its early stages, it has managed to attract over 180 members, all of whom pay a one time \$200 dollar membership fee, as well as a \$20 monthly fee.²⁴

There are also two businesses that have considered incorporating as co-operatives. The Show Case is a retail outlet shared by six local entrepreneurs who sell a wide variety of goods. While the arrangement between the entrepreneurs is unstructured, one member suggested that if the group were successful, it would look at incorporation as a co-operative. Dawson Creek Food Share was organized by a coalition of several community groups, including Advantage Workers Co-op. The group has market gardens for community members, a good food box which prioritizes selling local produce locally, and a freezer meal club that brings people together to cook nutritious affordable meals. It has been actively trying to establish a federally inspected community kitchen, which might be incorporated as a co-operative. Such a kitchen would be an invaluable asset to the community, as many Dawson Creek residents are frustrated with the local food system; they grow many crops locally yet it is very difficult to get good, nutritious, affordable food.

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Analysis of Co-op Development

The co-operatives studied in Dawson Creek all grew out of various community needs. Many were developed by farmers to address financial and other problems, while others were organized to help area residents find employment and secure affordable goods and services.

Benefits to Members: Local co-operatives have enhanced the lives of their members. For instance, Handy Crafters provided its members with an important social network. The co-op served as a gathering place, providing a supportive environment that was particularly helpful to three of the members who had recently been widowed. Advantage Workers Co-operative provides a strong example of how co-operatives can empower their members through meaningful work, usable skills, a supportive group of people, and involvement in the community. Members participate in projects that might not make money, yet they take part because they think it is worthwhile to contribute to the community. Participants make friends, become active, and feel good about their contribution. The co-op also helps its members become more confident in interpersonal relations, in part because it gives them a chance to develop these skills, and also because it educates others in the community about people with disabilities. One member noted, “Before we had no confidence in finding a job, but now we do.”²⁵ The South Peace Feeder Co-operative also helped to create a feeling of community among members. One member recalls: “When I got hurt, [other members] took it upon themselves to have a party for me and they went to the business people in town and asked them for donations. ... They had a dance and a potluck supper. I think when it was said and done they had [collected] \$12,000.”²⁶

Benefits to the Community: Co-operatives in the Peace region also benefit the community. Many residents are involved in the Dawson Co-operative Union, which always considers the impact of its business decisions on the community. The cafeteria in its Co-op Mall has become an important meeting place for the community. Members of Advantage Workers Co-operative have become visibly active in all aspects of community life. In 2000, they collectively logged more than

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1,000 hours of volunteer time. The co-op is also a member of the Dawson Creek Community Garden Network, which provides food to residents without garden space; they also have a freezer meal club and a good food box. Handy Crafters also played a role in the community through donations to charitable organizations and contributions to community events. The South Peace Grain Cleaners Co-operative paid \$58,000 in dividends to member farmers in 2000 to ensure the farmers could support themselves, and to circulate money within the community. Lakeview Credit Union contributes to the community in a number of ways. It provides youth accounts and training to its employees, who are local community members. It also donates money to local organizations such as the Girl Guides and 4H, provides several bursaries, and helps send students to Camp Rainbow (a co-operative youth summer camp) each year. Through its financial programmes, the credit union has helped the community deal with unpredictable economic changes in the agricultural sector.

Obstacles and Opportunities: Co-ops in the Peace River region have encountered a number of challenges and obstacles. Many co-ops are dealing with increasing competition. Some also suffer from economic difficulties and a decrease in volunteerism. In some cases, co-ops may rely too heavily on one manager. They also suffer from a lack of mutual support from other co-operatives in the region. Some problems may be amplified by this lack of interaction among co-operatives in the area. However, some of the challenges have also created opportunities for further co-operation.

Despite their strong community involvement, co-ops in the Peace River region have had to contend with stiff competition from non-co-op service suppliers both within and outside of their community. Sales at Handy Crafters decreased, in part because of competition from other stores that sell crafts. The members of both the South Peace Feeder Co-op and the South Peace Grain Cleaning Co-op have had trouble competing with big businesses. The Dawson Co-operative Union has also suffered from competition with Zellers (which competes with the co-op for the dry goods market), the IGA, and the recently rebuilt Safeway. Also, many residents will drive 1.5 hours to Grande Prairie, Alberta, to shop at discount stores where they do not

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have to pay provincial sales tax. A strong programme that educates people about the importance of co-operatives to their community might help to decrease the amount of competition that co-ops face from big businesses.

Some of the co-operatives could also enhance their chances of survival by training successors to their current managers. Three of the co-operatives, (South Peace Grain Cleaners, South Peace Feeder, and South Peace Bred Heifer), rely very heavily on their management. The success of these co-ops is largely due to very good managers who have been with two of the co-ops for 30 to 40 years; however, little has been done to train new leadership within the co-op.

New co-operatives in Dawson Creek could also use more financial and educational support. Community Futures Development Corporation and the Kiwanis Enterprise Centre, which have offices in Dawson Creek, both have mandates to promote economic development in the region. However, they have not responded adequately to the increased demand for co-operative development assistance. This problem is due, in part, to the fact that many members of their staff do not understand that co-operatives are indeed businesses and thus fall under their mandate. They also lack knowledge and skill regarding co-op development and education.

The co-operatives could be working together to deal with these issues, but co-operation among co-operatives is minimal in some respects. One exception to this is the high level of co-operation and co-ordination found between the South Peace Feeder and Bred Heifers co-ops. While legally two separate entities, the co-ops have a common membership base. Farmers in the region are usually members of both co-ops, and the members of one board of directors are often members of the other, including the supervisor and secretary. However, it should be noted that co-operation extends beyond the immediate community of Dawson Creek to include relations with other cattle oriented co-operatives in the province such as the North Peace Feeder and Bred Heifer Co-operatives. The Dawson Creek cattle co-ops have also worked in collaboration with the B.C. Cattlemen's Association and with other groups of farmers who were interested in the co-operative development undertaken by South Peace farmers.²⁷

One long-time member of the Lakeview Credit Union's board of directors suggested that Dawson Creek co-ops do not work together

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because many of their members do not fully understand the co-operative model. Some of the co-ops in Dawson Creek have a business relationship with each other, but they have been slow to see that they could help each other and the co-op movement if they worked together. For example, the Dawson Co-op Union donates \$30,000 each year to support community events. This money, if combined with the charitable donations of Lakeview, Advantage (volunteer hours) and (the recent) Handy Crafters, could be used as a significant investment in co-op development, assistance, and support in Dawson Creek. Also, a co-op education programme could be helpful if all co-operatives supported it.

While co-operative development in the area lacks an overall structure of co-ordination, Dawson Creek residents are increasingly looking for co-operative solutions to their problems. The members of Advantage Workers, having learned more about the co-operative model, are actively spreading the word about co-ops in their community. Advantage is considering the co-operative model for the delivery of health care, the provision of housing, and the development of home care support. Advantage members have also been helping similar groups interested in similar work in other towns by sharing information and advice. In the summer of 2001, four founding members travelled to Prince George to share their experiences with a similar group. Access to government programmes has been another source of support for co-op development in the region. The South Peace Grain Cleaners Co-op, South Peace Feeder Co-op, and South Peace Bred Heifer Co-op have all benefited from financial support through specific provincial government programmes.

Conclusion

As in other regions of B.C., Dawson Creek's co-operatives incorporated to meet the social and economic needs of members of the community and surrounding area. Many were not formed primarily for profit; in fact, some are not concerned with profit at all but in meeting other needs of their members.

Some of the co-operatives established many years ago continue

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to thrive. Dawson Creek's oldest co-op, the Dawson Co-operative Union, made \$28.6 million in sales in 2001 and is the nineteenth largest retail co-op out of 300 retail co-ops in Western Canada. The Lakeview Credit Union constructed a new building in 1999, and opened a branch in Tumbler Ridge after the Royal Bank pulled out of that town in 2000. The South Peace Grain Cleaners Co-operative has also expanded considerably since its creation. Early in the co-op's development the trucks required to haul the seed became so huge that they could not fit through the plant's doors so the co-op constructed a new plant in 1987. The South Peace Feeder Co-operative has three annual auction sales and a Summer Grass Pasture programme to help out young farmers with a small land base, and continues to provide loans to cattle farmers. Since 1990, it has been able to take advantage of the provincial government's Feeder Association Loan Guarantee Programme (FALG). So far, no member had defaulted on a loan.

There appears to be a strong interest in co-operative development in the Dawson Creek area. As the growth of the Peace Energy Co-op indicates, there is also a base of community support for co-operative development. However, there is a need for co-operative collaboration and support if co-ops are going to thrive, or perhaps, even survive in this remote part of the province. There is also a need for education about co-ops in the area. While there is no clearly definable co-operative movement in the Peace River region, the seeds for one exist and, if supported and encouraged, seem likely to grow.

Map Three: Nechako Region – Vanderhoof



Chapter Two

Vanderhoof

The town of Vanderhoof was incorporated in 1926; by 2005 the town had a population of 4,727.¹ Vanderhoof, which means “on the farm” in Dutch is located in the fertile Nechako Valley – the geographical centre of British Columbia. Vanderhoof is 97 kilometres west of Prince George and 129 kilometres east of Burns Lake. Vanderhoof is located in the Bulkley-Nechako Regional District, which encompasses the Nechako Valley. The Valley is considered to be the agricultural core of the province, especially for raising livestock. Other communities in the Nechako Valley include: Fort St. James, Fraser Lake, Burns Lake, the Carrier-Cheslatta First Nations and the Nadleh Whut’en First Nations.

Over the past few decades, the primary areas of employment in Vanderhoof have been manufacturing, the retail sector, educational services, and primary industries. The two main industries in the area are forestry and agriculture. Forestry is easily the largest economic sector with operations in logging, several pulp and paper mills, and spin-off businesses related to the maintenance of forestry industries. In 2000, 46 businesses in the community were involved in wood harvesting and silviculture forestry jobs made up 34% of employment income in the area.² In 2005, an economic community profile of Vanderhoof noted that the region’s gross revenue from the forest industry was \$650 million dollars.³ However, the stability of forestry jobs depends on international wood product prices and the implementation of new technology.⁴ When prices are low, people are unemployed; when technology improves, the workforce also shrinks. As a result, governments are encouraging the development of value-

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added products to diversify the forestry sector and create jobs.⁵ In 2004, a B.C. government report stated that by the newly created *Forest Vulnerability Index*, Vanderhoof ranked very high as a vulnerable community in the province.⁶ This ranking means that the economy has a low level of economic diversification due to its high reliance upon the forest industry as its economic base.

Agriculture is the second most important sector in the region. The Nechako Valley is the second largest forage producing region in B.C. with over 50,000 hectares under cultivation. Vanderhoof was in fact the first agricultural settlement in the province.⁷ Much of the region's agricultural production is based on the cultivation of approximately 35,000 acres of alfalfa, 25,000 acres of tame hay mix, and 18,000 acres of grain. Added to this is also 52,000 acres of tame pasture, which supports roughly 40,000 head of cattle. Other agricultural enterprises include sheep and pig farming as well as specialty producers of buffalo and ostrich. Horticulture is also of growing importance. In 2005, the agricultural sector contributed 11% of local employment and \$23 million dollars worth of annual gross farms receipts.⁸

Foresters and farmers often compete for land in the Nechako area, and the two groups have developed several land integration strategies. The rocky, pine-covered ridges surrounding the river valley contain arable areas suitable for hay, grain production, and cattle-grazing pasture. Foresters and farmers have to balance forest management practices with a desire to expand agricultural lands. Integrated land management planning will continue to be important as the area's population grows and demands on the land base increase.⁹

Tourism is increasingly becoming an important contributor to the local economy. Most of this tourism is aimed towards taking advantage of Vanderhoof's natural environment and visitors are offered the choice of a number of outdoor recreational activities, such as hunting, fishing, hiking, archaeological experiences, and wilderness recreation activities. The Nechako Valley receives an average of 250,000 visitors a year; so the potential for growth in this area is of keen interest to the community.¹⁰

The demographics of the community reveal a young population with 70.5% of residents under the age of 44 compared to the provincial rate of 61.4%. In 2001, the largest age group in Vanderhoof was 25

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to 44 year olds (30.1%) followed by those under the age of 14 (24.1%). The median age of the Vanderhoof population overall was 31.5 years.¹¹ Of people 19 to 64 years of age in the community, 4.7% relied on income assistance or employment insurance in 2005; this was 1% higher than the provincial average.¹² For all age categories, a higher percentage of Vanderhoof residents had their high school diploma than the provincial average; but the percentage of residents with a university degree was below the provincial average.¹³ The average family income in Vanderhoof in 2000 was \$60,179, which was well above the provincial average of \$54,840. Census data indicates that 130 people in Vanderhoof identified themselves as being South Asian in origin, 35 claimed Japanese origin, while 230 residents identified themselves as Aboriginal.¹⁴ Most recent immigrants to the town originated from the United States, the United Kingdom, and India.¹⁵

Community and Co-operative History

For thousands of years, the Nechako region has been the home of the Dakelh-ne, which means “people who travel on the water.”¹⁶ “Carrier” is another name for the First Nations people of this region. Carrier was a name given them by their Sekani neighbours who called them “the ones who pack,” this was a reference to earlier times when everything was carried in boats or on their backs.¹⁷ However, as Cheryl Coull puts it quite nicely, “attaching a single name, or drawing a boundary, offers only a crude definition of a people known for their fluidity.”¹⁸ Present day Vanderhoof is located within the central Dekelh-ne territories, just west of the village site of Chinlac, which, up until 300 years ago, was an important Dekelh-ne centre for over 2000 years. Over 2,200 food caches and 13 log house sites have been counted here. The history of the Dekelh people was inseparable from the salmon that travel the Nechako and Fraser Rivers, where up to 25% of the Fraser River’s Chinook and Sockeye stocks spawn.¹⁹

In the early nineteenth century, European fur traders began exploring the area, returning east with their furs. In 1858, the Fraser River gold rush brought prospectors to the north from Victoria and the United States and overland from Upper Canada. Within a year

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between “10,000 and 20,000 prospectors moved through the area in search for gold.”²⁰ More people passed through on their way to search for gold in Barkerville, Omineca, and the Klondike. Upon their return, some settled in the Nechako Valley.

By the early twentieth century, eastern politicians were determined to settle the West. Offers of cheap land lured immigrants from eastern Canada, the United States, England, Scotland, and Scandinavia. Even more settlers arrived in the area after the Grand Truck Pacific railway (GTP) was completed in 1914. With the completion of the railroad there was great interest in acquiring land. The GTP enlisted one of their employees, Mr. Herbert Vanderhoof, to layout the town site. The town that now bears his name, began to grow and was incorporated as a village in 1926.²¹

Many of the new settlers became farmers. The rolling topography of the Valley allowed settlers to grow grain and raise cattle, although, fur trading still remained profitable.²² In addition companies began logging in the Nechako area in the early twentieth century, and the first sawmill opened in Vanderhoof in 1915.²³

It was within the agricultural sector, rather than in the capital intensive and highly competitive forest industry, that the first co-operative association appeared in Vanderhoof. The Nechako Valley Co-operative Creamery was founded in 1921.²⁴ While the creamery produced dairy products such as cream, butter, and ice cream, it also worked to purchase or lease land for the purpose of cultivation and farming. In 1923, the co-op reported 366 shares of \$10.00 each. The creamery operated until the mid-1920s when financial hardship resulted in the co-op going bankrupt in 1926; however, the co-op did not formally dissolve until 1932.

The 1920s also saw the development of a consumer co-operative in Vanderhoof, the Nechako Valley Co-operative Exchange, which was formally incorporated in 1924. According to records its members sought to develop a multi-purpose, “mercantile business” that would “buy, sell, manufacture and deal in goods, farm produce, livestock of all kinds, stores, consumable articles...both wholesale and retail and transact agency business.”²⁵ However, the Co-operative Exchange also ran into difficulties and closed in 1928. The particular reason for the collapse of these two early co-ops is unknown but, whatever the reason no more co-operatives were formally incorporated in the town

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until 1944 when the Vanderhoof Co-operative Association emerged.

Although many men left during the Second World War to fight in Europe, the conflict also brought prosperity to the area as lumber prices increased and the logging industry expanded.²⁶ In 1942, farmers formed an egg pooling station to supply eggs to the 60,000 American soldiers situated 627 kilometres west in Prince Rupert. In 1944, a small group of these farmers formed the Vanderhoof Co-operative Association, a producers' organisation that quickly became a consumer co-op, selling groceries and farm supplies to area residents.

In 1944, a group of these local residents who were unable to borrow money from the chartered banks organized the Nechako Valley Credit Union, which incorporated in 1950.²⁷ Like many other co-operative financial institutions of the time, Nechako Credit Union started with modest beginnings. During the early years of the 1950s the credit union's surplus was held in a tin cash box and a member who had been approved for a loan would often be asked if they could wait until the previous loan had been paid back so the credit union would have enough capital to loan out.²⁸

Both the Vanderhoof Co-operative Association and the Nechako Valley Credit Union continued to grow through the 1950s. A few other co-operatives made a brief appearance during these years, including the Nechako Co-operative Financial Union (1952) and the Braeside Co-operative Farm Association (1953), both of which were defunct by 1960. Vanderhoof would see no new co-operative associations develop in its community for thirty years.

The construction of the Kenny Dam in the Nechako River brought many new people into the area to work in the 1950s. In 1965, a molybdenum mine near Fraser Lake, 60 kilometres west of Vanderhoof, became an important economic presence in the region. In the 1970s, provincial and federal governments increased the availability of land and immigrants from many parts of the world came to the Valley to farm. It was also during this time that the Nechako area began to expand its role in beef, forage, and grain production. Presently hay and grain are exported from the Valley every year and some farmers have begun to produce value-added commodities, such as free-range chickens, organic vegetables, and specialty herbs.²⁹

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Table Two: Past and Present Co-operatives in Vanderhoof Area

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
NECHAKO VALLEY CO-OPERATIVE CREAMERY ASSOCIATION	1921 - 1932	Defunct	Agriculture
NECHAKO VALLEY CO-OPERATIVE EXCHANGE	1924 - 1928	Defunct	Consumer
VANDERHOOF CO-OPERATIVE ASSN. (merged in 2002 with Houston Co-operative Assn. to form Vanderhoof and District Co-operative Assn.)	1944 to present	Active: Over 8,700 members (2000)	Consumer
NECHAKO VALLEY CREDIT UNION (merged with other area CU to form North Country CU; re-named Integris Credit Union in 2005.)	1950 to present	Active but merged: 6,900 members (2000)	Financial
NECHAKO CO-OPERATIVE FINANCIAL UNION	1952 - 1956	Defunct	Financial
BRAESIDE CO-OPERATIVE FARM ASSOCIATION	1953 - 1960	Defunct	Agricultural
CENTRAL INTERIOR FEEDERS CO-OPERATIVE ASSOCIATION	1992	Active: 180 members (2000)	Service
TOUCH WOOD INDUSTRIES CO-OPERATIVE	1998	Defunct: 40 members (approximately)	Value-added
FRASER NECHAKO BRED HEIFER CO-OPERATIVE ASSOCIATION	1999	Active: 70 members	Agricultural
B.C. HEARTLAND FOODS CO-OPERATIVE	Failed to incorporate	Defunct: 60 members	Service Value Added

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Recent Co-operative Development

In 2004, there were four active co-operatives in the Vanderhoof area. The Nechako Valley Credit Union (now Integris Credit Union) and Vanderhoof Co-operative Association are well established, and have survived despite many economic ups and downs in the region. The recently formed Central Interior Feeders Co-operative Associations and the Fraser Nechako Bred Heifer Co-operative Association were formed in the 1990s to take advantage of a government funding programme. There have also been attempts to form two other co-operatives in Vanderhoof area. The B.C. Heartland Foods Co-operative and Touch Wood Industries Co-operative. Both fledgling organisations had worthy objectives; but, both failed to develop, due, in part, to a lack of community knowledge and experience with the co-operative model. As residents in the area hold more than 12,000 co-op memberships and hundreds of Vanderhoof residents benefit indirectly from co-operative activity, it is surprising that there has been little new sustained co-op activity in the community.

Among the town's financially successful co-ops, Vanderhoof Co-operative Association is a large and well-established consumer co-operative, and it is a member of western Canada's Federated Co-operatives Ltd.³⁰

The Nechako Valley Credit Union held \$70 million in assets in 2001. While several chartered banks pulled their branches out of Vanderhoof during economic downturns, the credit union has maintained a continuous presence in the community. Indeed, in recent years it nearly doubled its business. The credit union attributes this success to increased community awareness of the "credit union difference." In 2004 Nechako Credit Union merged to form North Country Credit Union, which then changed its name in 2005 to Integris Credit Union.

The Central Interior Feeders Co-operative Association and Fraser Nechako Bred Heifer Co-operative formed in the 1990s to take advantage of a provincial government initiative called the B.C. Feeder Association Loan Guarantee Programme (FALG). The Central Interior Feeders Co-operative Association (CIFCA) was incorporated in 1992, while the Fraser Nechako Bred Heifer Co-operative

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(FNBHC) was formed in 1999. The FALG programme was initiated in 1990 to address issues of falling prices, rising costs, and a decreasing number of farmers. FALG “makes livestock financing more broadly available by encouraging the formation of local livestock feeding co-operatives and by providing a partial loan guarantee to private sector lenders.”³¹ Low-interest loans allow farmers to keep their cattle longer and avoid selling underweight animals at lower cost to raise needed funds. The value of the animals increases and farmers have more marketing options. FALG was modelled after a similar programme initiated by the Alberta government more than sixty years ago.³² The CIFCA is able to offer loans to farmers with feeder cattle, while the FNBHC provides funds for farmers with breeding cattle. Although funding programmes were in place to support the start of the co-ops, nevertheless, learning to operate as a co-operative has provided its own challenges.



Touch Wood Co-operative

Community members interested in starting a value-added manufacturing business that would keep forestry dollars in the community and provide jobs for local young people founded the Touch

Vanderhoof

Wood Industries Co-operative in 1998. The B.C. Heartland Foods Co-operative was also interested in value-added manufacturing, and intended to build a food processing facility where members could create and sell their food products. Both organizations sought to promote secondary industry in Vanderhoof, so that primary agricultural and forest products would not have to be shipped outside the region to be processed; however, neither initiative was successful.

Benefits and Challenges to Co-operative Development

Members of the co-operatives studied identified several obstacles to, and opportunities for, co-operative development in their region. Obstacles include: competition from private business, not fully understanding the co-operative model, a lack of mutual co-operation, and excess bureaucracy. As well as citing many benefits to individual members and the community, local co-ops members noted several factors that contribute to the success of local co-ops. These include offering new services and exploring new co-operative forms.

Benefits to Members: Members of the Feeder and Bred Heifer co-operatives expressed mixed feelings about their involvement in the organisations and raised concerns about the FALG programme itself. Members receive economic security from their participation in the Central Interior Feeders Co-operative Association and the Fraser Nechako Bred Heifer Co-operative. Both co-operatives provided members secure loans, allowing farmers to keep their cattle on the farm longer and sell them for a better price (in the case of CIFCA), or to buy new cattle (in the case of FNBHC). The arrangement allowed more people to remain in the agriculture industry and offered encouragement to those people, particularly young people, thinking about choosing a career in this sector. It also facilitated social networking and information sharing. New farmers, especially, have benefited from the knowledge of experienced farmers who, according to one member, “have been in agriculture for years, who are there and can answer your questions and help you.”³³ Both organisations are non-profits, interested in preserving and promoting economic stability in their communities.

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Benefits to Community: The Vanderhoof Co-operative Association (VCA) considers itself the “community-builder store” in Vanderhoof, according to one local member who felt the co-op had developed alongside the town, expanding to fulfil consumers’ needs. VCA provides funds to local 4H clubs, school sports teams, and sponsors a Chamber of Commerce Business of Excellence Award. VCA also annually funds two youth to attend Camp Rainbow, the B.C. Co-operative Association’s youth summer camp. The co-op spends approximately \$50,000 annually on sponsorships and local donations.³⁴

The Nechako Valley Credit Union also plays an active part in the community. Several directors are managers at local lumber mills, and over the years the credit union has been sensitive to fluctuations in the forest industry. During an economic slump in the late 1980s, the credit union lowered interest rates for laid-off workers. “We have to live in the community,” said one General Manager, “and live with the ups and downs in the forest industry.... We can respond quickly; the other banks in the area cannot.”³⁵

Obstacles: Members of the Feeder and Bred Heifer co-operatives raised concerns about the FALG programme itself. CIFCA and FNBHC members believed the development of their co-ops has been hindered by the amount of bureaucracy required under the FALG programme and saw several areas where FALG could be improved. For example, the programme requires monthly audits that can be onerous and time consuming. Co-op members nevertheless consider these reports valuable and necessary, but they feel the co-op should be compensated because, as one member put it, “we’re having to pay our secretary to do their [the government’s] work.”³⁶ In 2001 the two co-ops had different auditing methods and some members felt streamlining this process would save time and money, and increase communication between the FALG co-ops.

Annual audits are time-consuming and costly. As the co-ops grow, more auditing work will be required from the secretary-treasurers and supervisors; however, unless growth is extraordinary, there will still be insufficient work or money to justify employing them on a full-time basis. One member, frustrated by changing programme

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regulations and excessive reporting, said, “Government is like big brother watching over our shoulders.”³⁷ While they recognize the importance of auditing, the boards of CIFCA and FNBHC argue that the co-operatives would be more likely to survive if the government did not force them to spend so much time and money reporting their activities.

Members of the co-op associations also wanted more support from government and financial institutions. Although the FALG programme is accessible and supportive of active members, some people felt, “bankers don’t have the necessary experience to understand the needs of ranchers.”³⁸ They wish the regulating institutions would show more confidence in the co-operatives.

In recent years agriculture has not been as prosperous as it was in the 1970s; contributing factors include: rising fuel and feed costs, stagnant commodity prices, and an array of market and consumption issues resulting from the bovine spongiform encephalopathy (BSE) crisis. The British Columbian Cattlemen’s Association reports that since the BSE outbreak “the total economic contribution of Canada’s beef industry has dropped from \$30 billion CDN, to \$23.7 billion CDN.”³⁹ In an area with a high dependency of the local economy on the cattle industry (including two of its four co-ops) these developments can have serious influence within the community and for agricultural co-ops. New farmers are also having difficulty accessing sufficient capital. As well, there are no cattle abattoirs in the province⁴⁰ so cattle must be shipped to Alberta or Washington State to be slaughtered. The area’s demographics are also changing, as aging baby boomers contemplate retirement, and young people leave farms to pursue other careers.

Co-ops also face competition from private businesses in Vanderhoof. The Vanderhoof Co-operative Association lost sales when Extra Foods opened a grocery store in town.⁴¹ The credit union must also compete with the chartered banks in the area. Touch Wood Industries had difficulty marketing its value-added wood products to stores such as Costco because it could not compete with their cheaper suppliers, and the co-op lacked a salesperson to help it break into the marketplace.⁴²

Another obstacle to co-operative development has been the fact that some members lack an understanding of the co-operative model.

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Because the established co-operatives have more corporate structures, some residents may not realize these organisations are co-operatives or understand how they differ from other grocery stores or banks. The Central Interior Feeders Co-operative Association and Fraser Nechako Bred Heifer Co-operative exist primarily because the FALG programme requires farmers to belong to co-operative associations to receive programme loans. Few CIFCA members volunteer their time to help the co-op operate, and one director said many members “want to get their money in the most fast, convenient, economical way that they can and that’s all their interested in.”⁴³

There also appears to be limited co-operation among co-operatives in Vanderhoof. Although the credit union and consumer co-operative financially supported the Touch Wood Industries Co-operative, there was little skill sharing or informal consulting between the organisations. Some Touch Wood members felt other Vanderhoof co-ops played little part in their development.⁴⁴ While the credit union has strong ties to the broader community, some members of Touch Wood wished the credit union could do more to provide mentorship for emerging co-ops. Some CIFCA and FNBHC members said they felt isolated from the larger co-operative community and argued they receive little benefit from membership in groups such as the Canadian Co-operative Association.⁴⁵ Nevertheless, many farmers belong to both co-operatives, and the CIFCA provided assistance to the FNBHC when it was incorporating in 1999.⁴⁶

Success Factors: Vanderhoof’s established co-operatives have continued to grow by providing services that fit their members’ needs. For instance, VCA expanded its petroleum services and offered home fuel delivery.⁴⁷ Nechako Valley Credit Union partnered with other credit unions in northern British Columbia to create Northline Financial Services Agency, which has enabled the credit union to offer financial planning services to members while remaining a small, community-focused organisation.⁴⁸

The instability of resource industries has provided some impetus for local residents to explore taking up the co-operative model to address their needs while at the same time diversifying the economy. Residents have attempted to use co-operatives to create value-added

Vanderhoof

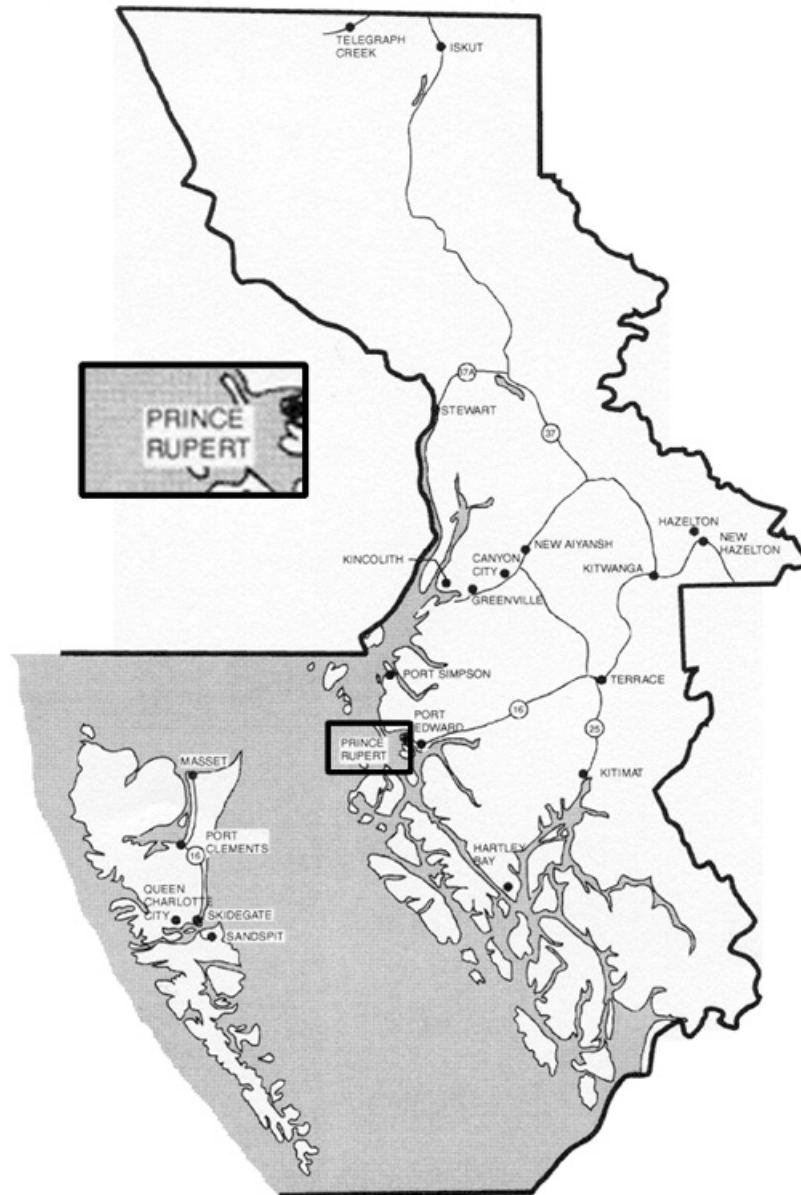
local products and stimulate the local economy. Touch Wood Industries and B.C. Heartland Foods co-ops were attempts at community economic development which, given more support, may have flourished.

Conclusion

Co-operative development in Vanderhoof has been limited. The town's population is relatively small, and residents have traditionally been employed in the forestry and agriculture industries. Thus far, there has been little incentive to branch out into other forms of business. However, changes in the provincial and the local economy are forcing residents to consider modifying their approach to economic sustainability. To date new co-operatives have played a limited role in a diversified economy in the Vanderhoof area.

While Vanderhoof Co-operative Association and Integris Credit Union continue to thrive, new co-operatives in Vanderhoof face an up-hill battle, with few co-op models or mentors to follow, and little co-operative education in the community. Touch Wood Industries and B.C. Heartland Foods co-operatives encountered the "wait and see" phenomenon – the general tendency of people not to get involved in a new venture until there has been an observed level of success. More information about co-operatives is needed in Vanderhoof. Co-op developers could also assist in the development of new co-operatives. The failure of co-ops, such as Touchwood and B.C. Heartland Foods, has only illuminated the need for increased co-operative support in the Nechako region.

Map Four: North Coast Region – Prince Rupert



Chapter Three

Prince Rupert

Prince Rupert is a port city located on British Columbia's north coast. Prince Rupert was named after the first governor of the Hudson's Bay Company. It was incorporated in 1910, and in 2005 hosted a population of 14,974.¹ Prince Rupert covers an area of 8,722 hectares, and is located 1,502 kilometres northwest of Vancouver and 724 kilometres west of Prince George. The city was built on Kaien Island, next to the deepest, natural ice-free harbour in North America. Prince Rupert is the second largest port in British Columbia. As a port city, it has an ideal situation with its deep, ice-free harbour, and its location as the terminus of the Alaskan Marine Highway, the Canadian National Railway, and on the B.C. Ferries' northern route. It is also the nearest port to Asia on the North American west coast.

In 2001, the average age of Prince Rupert residents was 34.8 years; this was slightly younger than the medium age for the province overall at 38.4 years. For all age groups between 20 and 64 years the percentage of people with less than a high school certificate was higher in Prince Rupert than the provincial average; this ranged from 17% higher for the youngest age group to 5% for the middle adult age group. A similar pattern of lower levels of education was found with post secondary education; Prince Rupert residents had lower rates than provincial averages for completion of a college diploma or a university degree. When we look at the percentage of residents aged 35 to 64 who had a trade certificate or diploma the pattern is reversed; for the provincial average, 14.3% of the population had a trade certificate, whereas in Prince Rupert it was 21.7%. In 2001, the leading employment sectors in Prince Rupert were: services (35.5%), manufacturing (20.9%), retail (13.4%), government (9.4%), and transportation (9.1%). The

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most prominent visible minority groups in the city, as identified in the 2001 national Census, included: South Asian, Southeast Asian, Filipino, and Chinese. In 2001, approximately 29% of residents identified themselves as Aboriginal.

Like many communities in B.C. with a strong resource based economy, Prince Rupert residents went through a challenging period between the early 1990s and 2005. The decline in salmon fishing affected employment at local fish plants; more than 700 processing employees on the north coast lost their jobs between 1995 and 1997.² Area residents experienced the closure of the local pulp mill, the burning of a local fish plant, a blockade of the Alaska ferry as part of salmon fishing protests, and a steep decline in the local population. The following statistics illustrate this social and economic downswing: between 1996 and 2001, the city's population decreased 12.4%; unemployment in 2001, stood at 15.4%, significantly higher than the provincial rate of 8.5%;³ and in 2000, the total percentage of residents aged 19 to 64 receiving social assistance or employment insurance was 16.5% - this was more than double the provincial rate of 7.7%.

Although the future looked grim for well over a decade, the continued efforts of local and provincial officials is slowly making a difference in turning the economic forecast around. In the last two years there have been major announcements of new developments, including: expansion of the port facilities to accommodate a wealth of international trade opportunities, a proposal to build a natural gas receipt and trans-shipment terminal, new owners for the local pulp mill, and construction of a large retail development. Tourism is also a growing industry in Prince Rupert. Close to 500,000 visitors pass through the city each year. With expansion of cruise ship activity and growth in tourism, the city's goal is to have visitors extend the length of their stay.⁴ The city and the North Coast region actively promote First Nations heritage and archaeology sites, as well as new rail and road tours. By 2001, the population stabilized, and has stayed around 15,000 over the last five years. The median household income for 2000 was \$60,536; this was higher than the provincial average of \$54,840. By 2005, the total percentage of residents receiving social assistance or employment insurance had fallen to 7.4%; however, it is important to point out that the provincial rate also fell to 3.7%.

*Prince Rupert***Community and Co-operative History**

The north coast of British Columbia has been home to the Tsimshian, Haida, Nisga'a, Gitksan and Haisla peoples for over 5,000 years. Each group has a distinct language and culture. At one point, Prince Rupert harbour contained more than 55 Tsimshian villages. However, when missionaries and fur traders arrived in the area in the nineteenth century, many First Nations groups abandoned these villages. Some moved north, to Fort Simpson, where they could trade with the Hudson's Bay Company at its post.⁵ Few villages remained by 1906, when the Grand Trunk Pacific Railway (GTP) purchased Kaien Island and began building the railroad east from the coast. The company hired architects to plan the layout of the town site. Prince Rupert was incorporated in 1910, when the 4,000 residents elected the first municipal government.

On April 5, 1914, the first transcontinental railway arrived in Prince Rupert. However, the hoped for railway boom never materialized. Many young settlers left to fight in the First World War, and the post-war depression forced the GTP to amalgamate with Canadian Northern Railways to form Canadian National Railways in 1919. The Jasper-Prince Rupert route became a branch line of the transcontinental railway.⁶

Beginning with First Nations people, fishing had always been a crucial element of the north coast economy. By the late 1880s, canning companies had established several canneries on the north coast, often employing First Nations people. After 1912, when Prince Rupert was declared a public port, the marketing of salmon, halibut, and herring became a major part of the city's economy. European immigrants, especially from Scandinavia, arrived, eager to participate in the area's fisheries. However, companies paid fishers poorly for their catch, claiming the cost of shipping fish south to processing plants was high. In 1931, a group of fishers in the area formed the Prince Rupert Fishermen's Co-operative Association (PRFCA) and began pooling their catch to sell directly to southern buyers.⁷ These formal co-operative fishing efforts in Prince Rupert were part of an expanding provincial movement; Malcolm Island fishers incorporated a fishing co-op in 1929 and Kyuquot fishers on the west coast of Vancouver

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Island formed a fishing co-op in 1931. In 1938, representatives of the North Island Trollers' Co-operative Association (NITCA) met with PRFCA officials to explore the possibility of a merger. Recognizing the benefits of a united entity, the two co-ops merged in December of 1939.

According to one long-time member of PRFCA, initially most co-op members who worked on the salmon trollers were European-Canadians.⁸ Many of the Japanese fishers on the north coast were gill-netters and were dependent on big companies for their licenses; they were therefore unable to join the co-operative. When the newly formed co-operative confronted government officials about the exploitation of the Japanese fishers by the big companies, the Japanese fishers returned the favour by investing in the new co-op even though they could not join.⁹ First Nations also faced impediments, as the Indian Act prevented most First Nations fishers from becoming co-operative members. The Indian Act prevented Native people from owning property (such as a boat), or taking out a bank loan; this meant that First Nations fishers had to depend on private fishing companies for their fishing gear. For fishers of European descent, cooperatively fishing and marketing were significant factors in allowing them democratic control of their own business.

During the Second World War, Prince Rupert was fortified with gun emplacements and after the Japanese attack on Pearl Harbour in 1941, the United States stationed troops in the city. Before the end of the war, thousands of tons of freight and bombs as well as over 150,000 people moved through Prince Rupert en-route to Alaska and the South Pacific.¹⁰ The city benefited from this increased economic activity. The fishing co-op also gained unexpected markets when it was approached by the Deep Sea Fishermen's Union and asked to process and market halibut livers to meet the wartime demand for supplements rich in Vitamin A.¹¹

On the northwest coast, as in most parts of B.C., many credit unions formed during the war years. The Extension Department at the University of British Columbia sent field workers north to help people, particularly fishers, organize financial co-operatives. By 1945, there were several credit unions on the Queen Charlotte Islands, as well as the Prince Rupert Fishermen's Credit Union (incorporated in 1940) and the Kaien Consumers' Credit Union (1945) in Prince

Prince Rupert

Rupert. The Fishermen's Credit Union allowed members to buy fishing equipment and provided financing for the operations of PRFCA. Prior to the establishment of credit unions, individual fishers were unable to acquire capital loans from banks as the latter were not receptive to making loans to lower, or even middle class, individuals. As the UBC Department of Extension reports reveal, this lack of credit forced co-op fishers to secure financial loans for their co-op in order to supply them with their year's worth of gear and supplies.¹² Forming credit unions provided community controlled economic institutions, relieved the economic strain that these services had placed on the fishing co-ops, and diversified the co-operative experience within the community.

Long time fishermen and historian A.V. Hill observed: "... fishermen formed co-ops to protect their livelihood but hadn't thought of going into the financial business to protect their co-op."¹³ By 1945, B.C. fishermen up and down the coast had built a \$1 million dollar credit union system. The following quotation from field reports illustrates the importance of credit unions to the fishermen:

Don't forget that credit unions are part of the Co-operative Movement. Remember that, especially among fishermen, there must be a strong credit union organization underlying co-operative development. Only a debt-free fishermen can be a good co-operative fishermen. If a fishermen must burrow let him 'borrow from himself' through a credit union.¹⁴

The development of credit unions in Prince Rupert area, as in many other fishing communities, was often begun with study sessions run by field workers from the UBC Department of Extension. This was an extremely effective educational process that had been brought to B.C. via co-operative developers within the Antigonish Movement in the Maritimes.¹⁵ Twenty four of these study groups were conducted by UBC in Prince Rupert during the winters of 1938-39. One UBC report states: "In these newly formed study clubs the fishermen are not only becoming acquainted with the technical details of operating a co-operative, but are also gaining an understanding of the fundamental and basic philosophy of the whole co-operative movement."¹⁶

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The Prince Rupert Fishermen's Credit Union shared an office with the co-operative fishing supply store, located in Cow Bay. Photo circa 1950s. (*Northern Savings Credit Union*)



Co-op members at an annual general meeting of the Prince Rupert Fishermen's Co-operative Association, 1959. (*Northern Savings Credit Union*)

Prince Rupert



Co-op boats docked outside the plant in Prince Rupert. *(Northern Savings Credit Union)*



The credit union participated in the construction of the co-op centre, which housed several credit unions and Kaien Consumers' Co-operative, a consumer co-op offering all the products of a department store. Photo circa 1960s. *(Northern Savings Credit Union)*

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The UBC reports continually noted the active nature of Prince Rupert co-operators; for example in their strong participation in the provincial wing of the Co-operative Union of Canada,¹⁷ as well as in their financial contributions to the Department of Extension for the creation of a UBC outlet for co-operative education in Prince Rupert.¹⁸ Between 1944 and 1945, the Prince Rupert Fishermen's Co-operative Association joined with the co-op fishers from Massett, Kyuquot, the United Fishermen's Co-operative Association, and the B.C. Cod Fishermen's Association to form the Fishermen's Co-operative Federation.¹⁹

By 1966, there were over nine co-operatively owned, fish collecting stations north of Bella Bella and two, co-operatively owned fish processing facilities. One local resident expressed the view that PRFCA was "probably the biggest economic booster in town for the time that it existed."²⁰

Inspired by the fishers, other members of the community formed the Kaien Consumers' Co-operative in 1947 to cater to the non-fishing population, selling groceries, furniture, and eventually gasoline.²¹ By the 1950s, many Prince Rupert families worked at a co-op, shopped at a co-op, and banked at a co-op. In 1957, the major Prince Rupert co-ops (PRFCA, PRF Credit Union, the Kaien Consumers' Co-operative, and the Kaien Credit Union) embarked on a joint venture of building a Co-op Centre in downtown Prince Rupert. The centre would eventually house the two credit unions, a fish supply store, and a full department store.

While fishing remained an important aspect of Prince Rupert's economy, after the Second World War forestry began to emerge as another important industry. In 1949, a pulp mill was constructed on Watson Island, and the city's population expanded as forestry workers moved to the area to work. Between the mill and the co-op (which was quickly becoming the largest fish processor on Canada's west coast), Prince Rupert's economic future seemed bright. However, like many communities throughout B.C., the resource dependent city experienced major periods of growth in the 1960s and 1970s – accompanied by its own challenges – and then economic downturn in the 1980s and 1990s.

Unable to compete with the large chain grocery stores moving into Prince Rupert, the Kaien Consumers' Co-operative declared

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bankruptcy in 1969. Committed members of the co-operative community re-grouped and made another effort to start a second consumer co-op under the name of Northern Co-operative Association. The new co-op opened in 1971, but it too struggled to compete with the large chain grocery outlets and finally closed in 1990.



The purchase of the Callistratus was one of many risky financial decisions PRFCA made in the 1980s. The "factory trawler" was supposed to make money for the co-op, but when markets collapsed, it became a large liability. Photo circa 1980s. (*Northern Savings Credit Union*)

The recession of the 1980s lowered fish prices and raised interest rates. The fishing industry went into sharp decline along the north coast in the early 1990s. According to the Prince Rupert Economic Development Commission, "fleet management reforms, sector allocation issues, interception issues, world-wide price competition from farmed salmon, and climate and environmental conditions result[ed] in reduced fish populations."²² In an effort to keep abreast of industry changes, PRFCA members spent much of their contingency funds on unsuccessful expansion projects, which then left them with few resources to help weather future economic storms. In 1989, members voted in favour of selling the co-operative to J. S. McMillan. This company assumed control of the co-operative's assets in 1994. One long time co-op member attributes the downfall of the fishermen's co-op

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to changes in the fishing license system. He also felt the younger generation, which had not suffered through the same hardships as their predecessors, had spent the co-operative's contingency fund on misguided investments.²³ In 1987, the Fishermen's Credit Union merged with the Kaien Consumers' Credit Union.

During the 1990s, the area's forestry industry also experienced an economic downturn resulting in extensive employee layoffs.²⁴ Until 2001, North Coast Timber (a value added forest processor owned by West Fraser Mills Ltd.), and the pulp mill Skeena Cellulose Incorporated (SCI), dominated Prince Rupert's pulp and forestry industry. Skeena Cellulose shut down in June 2001 and North Coast Timber followed, closing its doors in October 2001. SCI was Prince Rupert's largest private sector employer, and its closure directly affected over 700 jobs and, indirectly, another 1,000 jobs.²⁵

Prince Rupert seems to be coming through this dark period. In 2005 there were announcements for the construction of a container port and new facilities making Prince Rupert the main port on the North America trade route with China. New owners were found for the pulp mill. Developments are underway for new cruise ship facilities and expansion of heavy industries. In 2006 the National Post declared Prince Rupert to be one of the top two boom towns in the country.

Prince Rupert

Table Three: Past and Present Co-operatives in Prince Rupert

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
PRINCE RUPERT FISHERMEN'S CO-OPERATIVE ASSN. (PRFCA)	1931 - 1994	Defunct	Fishing
PRINCE RUPERT FISHERMEN'S CREDIT UNION (closed bond)	1940 - 1987	Merged: 1987 with Kaien Consumers' Credit Union	Financial
KAIEN CONSUMERS' CREDIT UNION (renamed 1994 - Northern Savings Credit Union)	1945 to present	Active	Financial
KAIEN CONSUMERS' CO-OPERATIVE	1947 - 1969	Defunct	Consumer
NORTHERN CO-OPERATIVE ASSN.	1971 - 1990	Defunct	Consumer
KAIEN ISLAND HOUSING CO-OP	1982 - still registered	Defunct	Housing
SKEENA WILD SEAFOOD CO-OPERATIVE	1999 - ?		Fishing

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Co-operative Development over the Decades

The pattern of co-operative development in this region reflects a strong local co-op movement prior to 1970 followed by a slow decline in co-operative enterprise. The Prince Rupert region was selected for study to try and understand why this area, once rich in co-operatives, has lost many of its most important co-operative ventures. Boasting the largest fishing operation in B.C. for over sixty years, the Prince Rupert Fishermen's Co-op dominated the area and made a strong contribution provincially to co-operative fishing endeavours. Consumer co-ops were a mainstay of the Prince Rupert economy until the economic downturn of the 1980s. However, in contrast to the co-operative development that occurred during the economic depression of the 1930s, with the exception of Northern Savings Credit Union, co-ops of this region have not been able to thrive.

Northern Savings Credit Union was the product of the merger of Kaien Consumers' Credit Union and Prince Rupert Fishermen's Credit Union in 1987. In 1994, when the organization opened branches in nearby Terrace and the Queen Charlotte Islands, it changed its name to Northern Savings Credit Union. In July 2006 the Terrace and District Credit Union merged with Northern Savings. The credit union remains the primary co-operative enterprise in the Prince Rupert area, with over 17,000 members and approximately \$317 million in assets.²⁶

The Kaien Island Housing Co-operative (which declined to participate in this study) was also located in Prince Rupert. It owned 61 townhouses and apartments, and provided housing subsidies to members. However, things have not been going well for the co-op. According to a representative of the B.C. Housing Co-op Federation, Canada Mortgage and Housing (CMHC) began a formal review of the housing co-op in 1995. In 2007, the Registrar of Companies will discuss the process of dissolving the co-op with current members.

Northern Savings Credit Union is the only remaining, long term co-operative enterprises in the city. In 1999, one new co-operative venture began in the area. Skeena Wild Seafood Co-operative incorporated as a workers' co-op, when a group of local fishers once again broached the co-operative path as a means to generate a livelihood

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while protecting the long term interests of the salmon stock through using conservation based, fishing methods. Their efforts earned them the financial support of Eco-Trust Canada; unfortunately, little information is available on this co-op.

Benefits, Success Factors, and Challenges to Co-operative Development

Community Benefits: Kaien Housing Co-operative helped members of the community who need subsidized housing, allowing people with low incomes to have decent, affordable housing. Northern Savings Credit Union has a larger, more corporate structure, but remains dedicated to assisting Prince Rupert and its outlying communities. In 2001, the credit union actively searched for a buyer for Skeena Cellulose. Northern Savings joined with the city to commit up to \$20 million dollars to the mill as an incentive to investors. It also contributed funds to a day-care that was in financial difficulty to keep it running through to the end of the year. The credit union has a scholarship and bursary programme for students, and supports local youth sports teams. According to one official at the bank, Northern Savings would like to “put some real money” behind a project “that has long-term value for the community.”²⁷ The credit union is a significant employer in Prince Rupert. In 2001, it had 124 employees – more than twice the number of all other financial institutions in the city combined.²⁸

Success Factors: Northern Savings faces little competition from other credit unions in the area. Unlike credit unions in the Lower Mainland of the province, where there is greater competition for the same market, most northern communities are serviced by a single credit union. For Northern Savings the main challenge is competition from non-traditional financial institutions such as ING Bank and Loblaws. Northern Savings participates actively in provincial co-operative federations such as B.C. Central Credit Union. Northern Savings is also part of the Credit Union Technical and Administrative Service Company (CUTASC), a group of credit unions that is developing a

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shared banking system to increase services while keeping technology costs low.

Challenges: For several decades, people in Prince Rupert could conduct much of their daily business at one of the city's co-operatives. Currently, however, it seems that few citizens are aware of co-operatives. Although dedicated to supporting small business in the city, the Prince Rupert Economic Development Corporation (PREDC) did not mention co-operatives as an alternative business option in its 2001 Development Strategy.²⁹ In the plan, however, PREDC did commit to examining the value-added tourism and aquaculture industries. Several co-operatives have formed in these sectors in recent years in other parts of the province, yet PREDC did not mention co-operatives as a method of exploring these growing industries.

Credit union members and staff are also generally uninformed about their connection to the co-operative movement. A credit union representative noted that member and staff education on co-ops was weak.³⁰ The credit union relies heavily on word-of-mouth advertising and has many family memberships. Young people are more likely to borrow money from the same financial institution as their parents and several families have been using the credit union for generations. Many know the credit union is a community-oriented business, but are unaware of the history and principles of the co-operative movement.

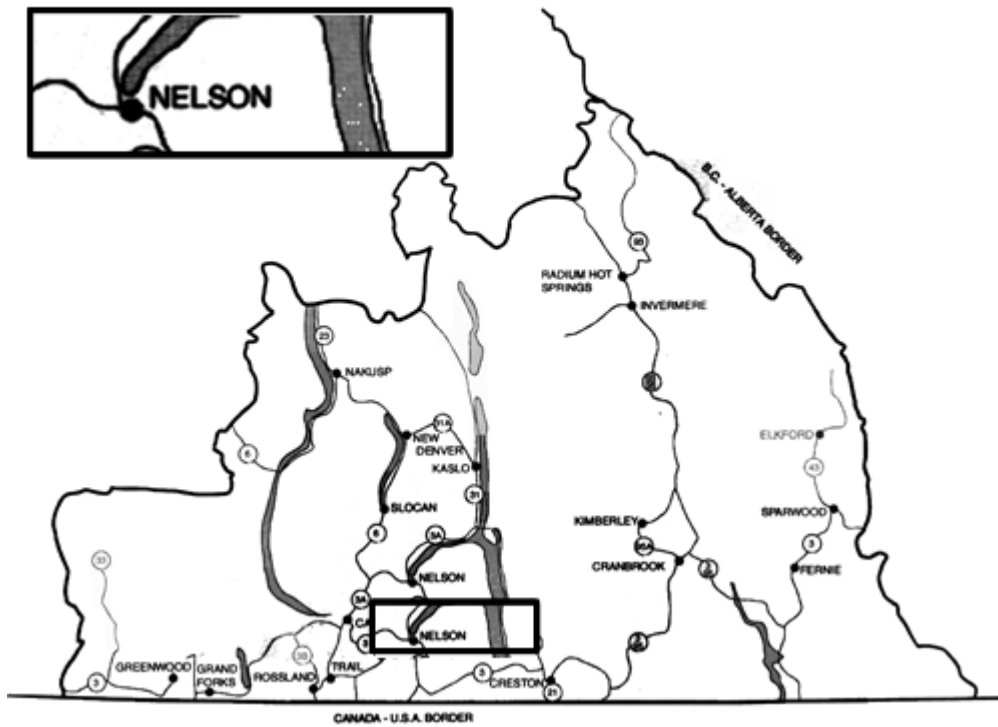
Conclusion

Prince Rupert's long co-operative history seems at odds with the city's current dearth of co-operative activity. Living in an isolated northern area, early residents used co-operation to meet their employment, consumer, and financial needs. Co-operation became, essentially, a way of life. However, when all but one of Prince Rupert's co-operatives failed (after fifty years of operation), some locals became skeptical about the ability of co-operatives to "succeed" in their community. Although the faltering economy of the North Coast region could have presented favourable conditions for the development of community-

Prince Rupert

based, co-operative enterprise – as was the case in the past – the question remains whether the present generation of Prince Rupert residents will take up the co-op model once again.

Map Five: Kootenay Region – Nelson



Chapter Four

Nelson

Surrounded by the Selkirk and Purcell Mountains on the south shore of Kootenay Lake, Nelson is a small community of 9,797 residents,¹ with a trading area of more than 50,000 people. Nelson is located in the heart of the area known as the West Kootenay and is 663 kilometres east of Vancouver and 41 kilometres northeast of Castlegar, where the closest airport services are located.

In 2001, the area's population was made up largely of baby boomers and their families who moved to the Kootenay region primarily from across Canada and the United States in the 1960s and early 1970s.² The Kootenays have also become a popular area for retirees. By the 2001 census data, First Nations people represented 5.4% of the population in the Kootenay area and visible minorities groups made up another 2.1% of residents. The largest visible minority groups in the region, in the order of size of the group, were: South Asian, Chinese, Japanese, Filipino, Black, and Latin American. However, most new immigrants come from Europe, the United Kingdom, and the United States.³

In 2001, the sectors employing the highest percentage of people were: retail (14.3%), health care and social assistance (13.1%), accommodation and food services (10.1%), and educational services (9.4%), followed by government services, construction, and manufacturing.⁴ Jobs with higher pay and benefits have been increasingly difficult to find due to restructuring and downsizing in both the public and private sectors.⁵ Logging and forestry have been an important component of the regional economy; however, mill closures during the 1980s, and again in the late 1990s, led to layoffs and a diminished role for the industry. Due to the region's mountainous terrain, commercial agri-

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culture is limited in the immediate vicinity of Nelson but it has been important in the development of the broader region.

According to 2000 census data, the median family income for all households in Nelson was \$52,488; this was below the provincial average by \$2,300. The community's unemployment rate for 2001 was less than a percentage point above the provincial average of 8.5%.⁶ The percentage of Nelson residents receiving some form of social assistance was higher for both 2001 and 2005 than the provincial rate; however, during this period there was a decrease in the overall gap. In 2001, the social assistance rate for Nelson residents was 4.9 percentage points higher than the provincial average of 7.7%⁷; by 2005 it was only 1.7 percentage points higher than the provincial rate.⁸

Tourism is an important industry in Nelson. The area's numerous nordic ski trails and downhill ski resorts attract winter sports enthusiasts, while Nelson's historic buildings and artisan community draw tourists year round. Arts and culture initiatives inject \$8 to \$10 million annually into the economy, even with limited government support.⁹ Since the early 1990s, the fastest growing sector of the Nelson economy has been small to medium sized businesses.

Community and Co-operative History

The land upon which Nelson was established was once the site of a First Nations Ktunaxa village. As Cheryl Coull points out, "Ktunaxa boundaries are irrefutable... The 3000 metre walls of four parallel ranges – the Rockies and Purcells, the Selkirks and Monashees – rise suddenly from plains and plateaus, creating a mountain enclave that flourished unto itself for thousands upon thousands of years."¹⁰ Fur traders passed through the region in the early nineteenth century, but the area remained largely unpopulated by non-native newcomers until late in that century. In September 1876 the discovery of gold at Forty-Nine Creek, nine miles west of present-day Nelson, brought prospectors north from the United States. Although the gold rush was short-lived, prospectors and investors were soon touting the area's mineral wealth and planning railroad links to the Kootenays. Over the next two decades silver and copper mines were built and more people

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settled in the area.¹¹ Settlers arrived in Nelson mainly from Europe and the United States: there were miners from Scotland and Ireland, railway employees from Scandinavia and Italy, as well as China, and lumber labourers from the United States and England.¹² Although many were transient workers, some decided to make Nelson their home, and in 1897, the town was formally incorporated.

Despite the difficulties of farming in such mountainous terrain, land speculators and real estate agents claimed the Kootenays were “perfect in all respects for fruit farming.”¹³ Their exaggerated and romanticized claims drew immigrants from the Prairies, the United States, and Britain after the turn of the century. In 1908, a community of Doukhobors arrived and began settling south of Nelson, in the community of Brilliant.¹⁴ The Doukhobors were pacifists and vegetarians who lived and farmed communally.¹⁵ They grew fruit, and built a jam and preserving factory, along with a grain elevator, retail store, and packing sheds on the shores of the Columbia River.¹⁶ This intentional community became the area’s first unincorporated settler co-operative.

Orchardists in the area grew tree fruits and berries for local and prairie markets. Marketing the produce was always difficult, as shippers, warehousemen, and brokers each took a bite of the farmers’ proceeds. Many local farmers became members of the British Columbia Fruit Growers’ Association, and experimented with cooperating in marketing their produce as early as 1907.¹⁷ By 1914 a formal co-operative venture was launched when the Co-operative Fruit Growers Association of Wynndel was formed. In the 1920s, several other groups of Kootenay area farmers formed marketing co-operatives, the Harrop Co-op Packers’ Union, the Kootenay Valley Co-op Milk Producers’ Association, the Burton Co-op Growers, and the Creston Co-operative Exchange are examples.¹⁸ In some cases, such as the Creston Exchange, these co-ops formed because there was no other fruit packing facilities in the areas; growers adopted the co-op model and began to build the local agricultural infrastructure. The Creston co-op thrived for over twenty-five years. Unfortunately, by the end of the Second World War disease, bad weather, and high transportation costs had forced most farmers to retire or find other occupations although many still grew fruit for their families and local markets.¹⁹

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Label used by Co-operative Fruit Growers' Association of Wynndel to market soft fruits, in this case, strawberries, circa 1920s. (*Creston and District Historical Museum Society*)



Logo for Creston Co-operative Exchange, circa 1950s. (*Creston and District Historical Museum Society Archives*)

Mining employed many people as the region developed. During the depression of the 1930s, smelter workers in Rossland, Fruitvale, and Castlegar formed transportation co-operatives to help themselves get to work safely and cheaply – often through arduous mountain passes.²⁰ Membership grew quickly (by 1947 Rossland Co-op had grown to 1000 members) and soon the co-ops were strong organiza-

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tions capable of lobbying local governments to improve the roads.²¹ Similar co-ops were formed in the 1940s and 1950s in Cranbrook, Marysville, Trail, and Genelle. Transportation co-ops were unique to the Kootenays and the first of their kind in British Columbia. By 1950, Fruitvale Transportation Co-operative had 350 members, four 30-passenger buses, one 38-passenger bus, and 4 station wagons. The Fruitvale Co-op survives to the present day; however, the primary focus has shifted to providing a gas bar and convenience store for members.²²



Co-op vans parked outside the smelter in Trail, 1960. *Cominco Magazine* notes that members drove the vans. Often "one shift brings the vehicles to work and the departing shift takes them home again." (*Cominco Magazine*, November 1960, 8.)

Little information is available on the earliest consumer co-operatives in the Kootenays. Organizations such as the Harrop and District Co-op Association (1923), the Kootenay Consumers Co-op Exchange (1939), and the Castlegar Co-op Retail Society (1946), thrived for a period of time but may have gone into decline as transportation routes improved and more people travelled to major centres, such as Nelson, for staple goods. In 1957, Doukhobors in the Slocan area start-

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ed the Slocan Valley Co-op to supply groceries and farm products to Doukhobor farmers and families in the remote areas of the Valley. The co-op has gone through many changes but it continues to be active today and is now more fully integrated in the wider Slocan Valley community. Consumer co-operatives continued to flourish in the region and in 1961 the Creston Valley Co-operative Association opened the Creston Co-op Supermarket.



Rossland Transportation Co-op bus, circa 1940s. (*Rossland Historical Museum*)

In the 1950s, another religious group chose to settle in the Kootenays; several Quakers families from the United States, whose peaceful philosophy clashed with the militaristic ideology of the Cold War era, brought their belief in community and social justice to Argenta, a community on the north end of Kootenay Lake.²³ The new arrivals founded the Delta Co-operative, which was a cross between a workers' co-operative and an intentional community. Members shared a "common purse" for about a decade. As work opportunities were few and far between and the co-op members realized that seventeen of their twenty-three members had some experience in the classroom, the co-op evolved into the Argenta Friends School. The

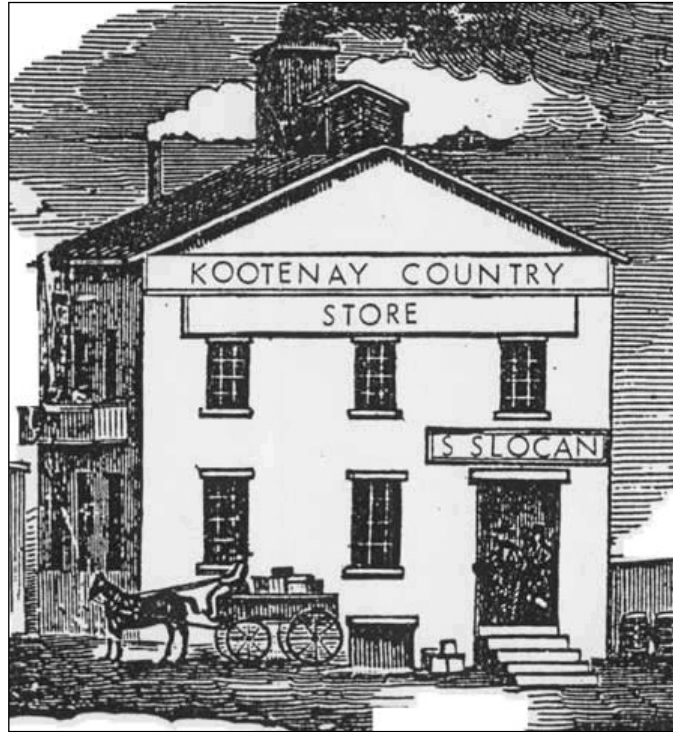
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school became well known for its open, self-directed approach to education for students in grades eleven and twelve; they taught principles of consensus-based decision-making and family-centered community living.²⁴

Credit unions began to be founded in the Nelson area beginning in the 1950s. Across the province in the immediate post-war years, small credit unions formed around occupational and community bonds; helping middle and lower income citizens to save and borrow money. In 1949, the Kootenay Valley Co-op Dairy sponsored a meeting to discuss the development of credit unions. By 1950 three credit unions had been formed in the area: Nelson Railway Employees Credit Union, Provincial Government Employees Credit Union, and Nelson Savings Credit Union. Just over a decade later the Railway and Provincial Government credit unions merged with Nelson Savings. In 1965, the name was changed to Nelson and District Credit Union. This Credit Union has flourished in the Nelson area and, in 2005, had over 11,000 members with more than \$131 million in assets.

People continued to move to Nelson for diverse reasons. Draft dodgers travelled north into the Kootenays during the Vietnam War, seeking a new life, and solace in the area. Participants in the “back to the land” movement of the 1970s moved to the Nelson area to adopt a simpler way of life away from bustling cities. Many were interested in communal and environmental philosophies and began forming food-buying co-operatives, allowing members to purchase large quantities of whole foods at discounted prices. About a dozen food-buying co-ops started-up in the early 1970s, and over the decades, a number of land co-ops and intentional communities also formed. One of the most successful co-op businesses in Nelson grew out of the newly formed food buying groups. Originally incorporated in the Slocan Valley under the name Vallican-Winlaw Food Co-operative in 1975, it became the Kootenay Country Store Co-operative in 1980. The store operated in the Slocan area until 1986 when it was moved to Nelson. It began with less than 400 members in the early 1970s. Today the Kootenay Co-op store is a thriving enterprise with over 7,000 members and over \$6 million in sales.²⁵

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Drawing of the South Slocan store, appearing in the Kootenay Co-op Newsletter, 1981. The first storefront was located in South Slocan, about 15 km. from Nelson. Kootenay Co-op remained here from 1975 to 1985. (*Kootenay Co-op*)

In the early 1980s, the area's many artisans also decided to market their creations collectively; they formed Craft Connections Co-operative in 1983. Two other co-operatives formed in Nelson in the early 1990s. Founding members of Links Housing Co-operative wanted to offer high-quality housing to those excluded from the private housing market. The Kootenay School of the Arts became a co-operative in 1996. The co-operative model allowed a small craft and design school to expand and offer two- and three-year diploma programmes to its students.

The mining and forestry industries operating around Nelson often fluctuated with periods of prosperity and decline throughout the twentieth century, many residents had to be willing to sacrifice eco-

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conomic stability to live in the area. Amid sporadic mill closures and irregular commodity prices, Nelson's economy has been forced to diversify, now relying more on the manufacture of automotive electric systems, bicycle headlights, clothing, food, wood products, skidders, and artisan crafts.²⁶ The town's entrepreneurial spirit is strong and creativity is a fervent component of the area's culture. Recently, Nelson's small and medium-sized businesses have been experiencing the largest growth, and "new business licenses for the city dramatically increased from approximately ten in 1992 to over 1100 in 2006."²⁷ HRDC has identified value-added wood, environmental services, wellness and self-development services, tourism, arts and crafts, and film and video technology as the most likely areas where growth will occur in the twenty-first century.²⁸

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Table Four: Past and Present Co-operatives in Nelson and Area

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
CO-OPERATIVE FRUIT GROWERS' ASSN. OF WYNDEL	1914	Defunct	Agriculture
CRESTON VALLEY CO-OPERATIVE ASSOCIATION	1921-still operating in 1960s		Marketing
HARROP CO-OP PACKERS' UNION	Began in 1920s	Defunct	Agricultural Marketing
KOOTENAY VALLEY CO-OP MILK PRODUCERS' ASSN.	Began in 1920s to 1968	Defunct	Dairy Marketing
BURTON CO-OP GROWERS	Began in 1920s to 1943	Defunct	Agricultural Marketing
HARROP AND DISTRICT CO-OP ASSOCIATION	1923 - 1945	Defunct	Consumer
CRESTON CO-OPERATIVE FRUIT EXCHANGE	1924 -still operating in 1956	Defunct	Agricultural
ROSSLAND TRANSPORTATION CO-OPERATIVE	1933 -still operating in 1947		Transportation
FRUITVALE TRANSPORTATION CO-OP (member of Federated Co-operatives Ltd.)	1935 - still active in 2003	Active in 2003 as a gas bar and convenience store	Transportation
CASTLEGAR TRANSPORTATION CO-OP	1938		Transportation
KOOTENAY CONSUMERS' CO-OP EXCHANGE (ASSN.)	1939 - 1941	Defunct	Consumer
CRESTON CO-OPERATIVE SEED ASSOCIATION	1941 - 1946	Defunct	Agricultural
CASTLEGAR CO-OP RETAIL SOCIETY	1946 - 1962	Defunct	Consumer
DELTA WORKER CO-OP	1954 - 1983	Defunct	Worker
SLOCAN VALLEY CO-OP	1957 to present	Active	Consumer
NELSON RAILWAY EMPLOYEES CREDIT UNION (merged with Nelson Savings Credit Union)	1950 - merged in early 1960s	Active as Nelson and District Credit Union	Financial
PROVINCIAL GOVERNMENT EMPLOYEES CREDIT UNION (merged with Nelson Savings Credit Union)	1950 - merged in early 1960s	Active as Nelson and District Credit Union	Financial

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Table Four continued

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
NELSON SAVINGS CREDIT UNION (Merged with other Nelson CU in early '60s. Changed name to Nelson & District Credit Union in 1965.)	1950 -	Active as Nelson and District Credit Union with over 11,000 members in 2005.	Financial
CRESTON CO-OP SUPERMARKET	1961		Consumer
KOOTENAY CO-OPERATIVE LAND SETTLEMENT SOCIETY (ARGENTA)	1972	Active: 12 (living onsite); 20 (waiting for housing)	Land/Housing
KOOTENAY COUNTRY STORE CO-OP (originally Villican-Winslow Food Co-operative)	1975	Active: More than 4,000 members	Consumer
CRAFT CONNECTIONS CO-OP	1983	Active: 15 artists, 60 consignees	Marketing
LINKS HOUSING CO-OP	1991	Active: 31 (units)	Housing
MAA LAND CO-OPERATIVE	1994	Still active in 2001	Land
KOOTENAY SCHOOL OF THE ARTS CO-OP (Merged with Selkirk College in 2006)	1996 - 2004	236 members in 2001; currently not active as a co-op	Education
KOOTENAY CO-OP RADIO	1998	Active : 492 members in 2001	Service (non-profit)
WORK OPPORTUNITIES RESOURCE CO-OP (WORC)	1999 - 2003	Defunct: 28 members	Social
HARROP PROCTER COMMUNITY FOREST CO-OP	1999	Active: 80 members in 2005	Multi-stakeholder forestry
SHAVI SHAVI FOLK ART CO-OP	1999 - ?	Defunct: 40 members	Service (non-profit)
KOOTENAY FILM AND VIDEO CO-OP	2000 - 2006	Defunct: 44 (2001)	Service
KOOTENAY BAKERY CAFÉ CO-OP	2001	Active: 7 (2001)	Worker
NELSON CAR SHARE CO-OP	2001	Active: 7 (2001)	Service
LAUGHING COYOTE LAND CO-OP	2001	4 members (2001)	Land
COMMUNITY FIRST HEALTH CO-OP	2003	Active: 1400 members, 2006	Health

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Recent Co-operative Development

The current co-operative profile in Nelson area is, with a few exceptions, primarily comprised of small, niche co-ops formed after 1990. The town experienced an increase in co-operative development in the late 1990s, when various provincial government ministries charged with business and community economic development offered financial grants to groups interested in co-operative organization. The Central Kootenay Community Futures Development Corporation also made funds available to emerging co-operatives. Between 1998 and 2003, nine new co-operatives formed in the Nelson area; at least five received funding through the province's Co-op Advantage Programme.²⁹ Today, co-operatives in Nelson operate in the consumer, service, housing, land, worker, education, producer, marketing, health, social, and financial sectors. It would appear that Nelson area residents continued to see co-operatives as viable alternatives to private businesses.

An excellent example of the recent surge of innovative, co-operative spirit found in Nelson is the formation of the Community First Health Co-op. Like other B.C. communities, Nelson residents faced serious challenges in the health care system starting in 2002. This was evident in the closer of locally provided health care services, and by a growing sense of alienation from the decision making processes related to the administration of health care.³⁰ In response to government cuts in services, citizens in Nelson and the surrounding area formed an organization called Save Our Services (SOS), which began developing a number of community based solutions.³¹ One of the outcomes was the founding of the "Community Initiatives, Alternative Funding Committee" which aimed to establish, according to one co-op member, "creative and proactive approaches to the provision of health care services in the community."³² While the most obvious goal of any health care provider is to administer health and wellness, an equally important goal to members of the Alternative Funding Committee was that these services be organized by the community in order to fit specific needs of its members.³³

In August 2002 the Nelson and Area Health Co-op Planning Committee was formed with financial and technical support coming

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from the Canadian Co-operative Association (CCA), the B.C. Co-op Association, the Nelson and District Credit Union, and Community Futures.³⁴ From these early meetings it became clear that the mandate of the co-op was broad and would go “beyond the provision of health services,” reaching “deeply into the fundamental determinants of health.”³⁵ In particular, the co-op wanted to focus on delivering health services to seniors, become an effective model for delivering health to a predominantly rural population, and in both cases focus upon the primary determinants of health.³⁶

In February 2003 Community First Health Co-op officially incorporated. Over the next few years the board worked diligently on fund raising, a membership drive, developing the co-op structure, and locating a building. The co-op adopted a multi-stakeholder model where members might be users of the health services, providers of the services, or corporate members. In the spring of 2006 it had 1400 members and was in position to purchase a large building in Nelson. It is now moving ahead with the next phase of occupancy and development of the community wellness centre.

Harrop-Procter Community Co-op is another example of a grassroots community effort to maintain a standard of well-being controlled by local residents rather than outside forces. The co-op is an eco-based, community forest co-op located on the West Arm of Kootenay Lake, approximately 40 kilometres northeast of Nelson. The parent organization for the co-op, Harrop-Procter Watershed Protection Society, dates back to the mid-1970s when citizens of the communities of Harrop and Procter joined forces to protect their local watershed from clear cutting and preserve the peaceful beauty of the rural area. They formed a community forest co-op in 1999 in hopes of gaining the right to manage, log, and develop the local forests in a way that would stimulate a sustainable, local economy while at the same time protect the integrity of the watershed. After prolonged lobbying and negotiations with the provincial Ministry of Forest, the co-op was granted a five year license and commenced further development of the co-op and forest management plan. Co-op members and the board have worked steadfastly toward their vision of developing ecologically sound forestry practices. In January of 2006, their efforts were rewarded when the provincial government granted them a twenty-five year license to proceed with long term management plans.

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The picturesque village of Procter sits on the south shore of Kootenay Lake, east of the city of Nelson. The mountains in the background are part of the Harrop-Procter Community Forest, a project managed by the Harrop-Procter Community Forest Co-operative. (HPCC, 2001)

The Kootenay School of the Arts Co-operative (KSA) is one more example of a recent co-operative venture that was an innovative and integral part of the community and one of the few examples of a post-secondary educational co-operative endeavour. The school was originally founded in 1958 under the name of Nelson School of Fine Arts. First allied with Notre Dame University of Nelson, and afterwards with David Thompson University College (both now defunct), the school closed in 1988 when the provincial government shut down the university college and made plans to move the college's library to the University of Victoria. Residents were outraged. They saw Nelson as a university town and felt the educational institutions had become "part of the community's intellectual and cultural identity."³⁸ Area residents protested, and managed to keep the library collection in Nelson. Two years later, committed residents also managed to reopen the school – as the Kootenay School for the Arts. It was run mainly by volunteers, working out of various community spaces including church halls, artists' studios, and the city hall building. As the school grew, the community reasserted its support; the City donated

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\$300,000 for building expansion and renovations in 1995. Between 1996 and 2004 the School operated as a co-op and served over 200 members in its final year as a co-operative institution. When the provincial government cut the funding for the co-op, the board was forced to look at other alternatives. In July 2004 representatives of the co-op began discussions with Selkirk College; the Ministry of Advanced Education agreed to explore the feasibility of KSA joining the College. The merger was completed in July 2006.



Member of Harrop-Procter Forestry Co-op, 2001. Water protection is the driving force behind Harrop-Procter Community Co-op's management and operation. Here a co-op member encourages considerate use of hiking trails, which cross creeks and drinking water sources. (HPCC)

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Benefits and Challenges in Recent Co-op Development

Benefits to Members: Nelson's co-operatives have enabled their members to realize both personal and collective goals. For example, the aspiring film and video enthusiasts who formed the Kootenay Film and Video Co-op lacked access to equipment and resources. Although the co-op is no longer functioning, it remains an example of a co-op where members decided to pool their funds to help each other achieve their creative goals. Likewise, the aim of Work Opportunities Resource Co-operative (WORC) was to assist people in the community with mental and physical disabilities to develop their own businesses, thus ensuring their financial autonomy and employment security.

Benefits to Community: Nelson's co-operatives affect the community in many ways. Co-operatives in the area comprise a significant share of the local economy. Nelson area residents hold more than 17,000 co-op memberships, and it is safe to say co-operatives in Nelson have an indirect economic and social impact on thousands more people. Kootenay Savings Credit Union is another co-operative in the region, with nearly 40,000 members; it significantly affects the area's economy. It has branches in thirteen communities to the north, south, and east of Nelson.

Many of the co-operatives provide economic security by employing and training local people. Kootenay Country Store Co-operative "leads the community in retail wages, working conditions and staff benefits."³⁸ In 2006 the co-op store employed over 50 local residents, while Nelson and District Credit Union employs another 80 people. Both the Co-op Store and the Credit Union make substantial financial contributions to support community activities, this includes sponsoring local sports teams and cultural events, and donating to local charities and community organizations.³⁹ The credit union, as discussed above, also played an important role in the development of the Community First Health Co-operative both at the Board level and in financial contributions.⁴⁰

The Kootenay School of Arts Co-operative served the community in several ways. Economically, the arts courses drew students and teachers from across Canada and abroad to the Nelson area, where

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they lived and shopped. Students were also taught business skills, allowing them to become a productive part of the local economy upon graduation. Socially, the school kept Nelson connected to the wider artistic and cultural community.

Nelson residents share a genuine appreciation for the Kootenay area and the diverse lifestyles it offers. Many are motivated to preserve their community – economically, socially, and environmentally. For example, Kootenay Co-op Radio's founding members wanted to create a public, independent, and local radio station to broadcast the voices of Nelson.⁴¹ One important goal to members of Kootenay Film and Video Co-operative was to impart knowledge and provide resources to others who wanted to make films and live in the Kootenays, but were unable to do so because of financial constraints. Members of the Car Share co-op first organized around a common desire to reduce their fossil-fuel consumption; which had the additional benefit of providing reliable and affordable transportation.⁴² As a result of the efforts such as the Community First Health Co-op and Harrop-Procter Forestry Co-op, the community is able to have greater control over local services and resources. For people in Nelson this means greater access to health care facilities, in the Harrop-Procter area residents have maintained high standards of water quality and community friendly, forest management practices as well as preserving the beauty of the land around them. Few co-operatives were formed solely with self-interest in mind; most co-op members consider the community at large and would like to contribute to it in some way.

Challenges: Some of the obstacles to co-operative development that local co-operators identified included: a desire for a greater degree of co-operation among co-operatives, a need to share skills and resources, limited access to information and training, a dearth of practical business sense among fledgling organizations, and difficulties reconciling diverse development visions.

Some Nelson co-ops have suffered from a lack of mentoring initiatives that could have enhanced their access to information about starting a new co-op. Several co-operators said they wished there had been more mutual support. Co-operative knowledge and skills are

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certainly present in the wider community, but more networking is required for these to be disseminated effectively. Many said better access to co-op information and training would have helped them through the early days of incorporation.

A few of Nelson's emerging co-ops did receive assistance from established co-ops or co-op developers (such as DevCo, a workers' co-op of co-operative developers). For example, Kootenay Co-op Radio obtained information and advice from the radio co-op in Vancouver. In recognizing the benefits of mutual co-operation, several current co-ops have included in their mandate a desire to strengthen relationships with other co-operatives. Members of Kootenay Co-op Radio said they plan to create a guide to show other communities in the province how to start their own radio stations.⁴⁴ In 2001, the Kootenay School of the Arts was exploring a partnership with Harrop Procter Community Co-op (HPCC), in which the Art School would buy eco-certified lumber from HPCC.⁴⁵ As well as fostering ties with other co-ops, members of Kootenay Co-op Radio said the co-op must improve its connections with Nelson's citizens; one member claimed there are large sections of the community that "aren't even aware of our existence."⁴⁵ One KSA member suggested co-operatives in Nelson should try to develop a community that is open to progressive alternatives, that recognizes that the "spirit of co-operation, community, and co-ops is certainly part of the general culture here."⁴⁶

Some co-operators identified idealism as a challenge to co-op development. Co-ops have suffered as members grapple with connecting the theory behind the co-operative model with the challenges of running a complex organization; for example, obtaining consensus among members and balancing the "vision" that inspired the creation of the co-op, with the realities of running a business. While it was operating, some members of Shavi Shavi Folk Art Co-operative found it more challenging than anticipated to rely on community support to sustain its vision of a completely volunteer-operated fair trade store. Diverse viewpoints also made it difficult for some co-ops to meet the needs of all members. Directors at the Kootenay Country Store Co-operative struggled to balance their desire to stock fresh and organic foods with the manager's ideas of marketing and the members' wishes for lower grocery bills. One board member said the co-op has been asking itself: "Are we just another grocery store or are we leading the

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pack here? What can we do better?”⁴⁷

Members of Harrop-Procter Community Forest Co-op quickly realized the need to define management, especially with two subsidiaries, and develop a method of accountability. While the co-op relies heavily on volunteers, they have had to look closely at defining the roles and responsibilities of management, staff, volunteers, and the board. This has helped to satisfy some lenders and to some extent clarify lines of decision making within the co-op.

Some of the larger co-operatives have been dealing with challenges related to the size of their membership. With more than 5,000 members, Kootenay Country Store Co-operative has found it difficult to keep members involved in their organization in a meaningful way beyond that of customer. In its early days, the co-op relied on volunteer labour which corresponded with strong levels of member participation. When the practice of volunteer labour ended, no policies or strategies to encourage member involvement were implemented. When this surfaced as a problem, the board encouraged a number of changes including: monthly member discounts, member appreciation days, and the patronage dividend. These measures helped to reinvigorate member commitment and loyalty to the store. Recently, however, some co-op members complained of high prices at the co-op and formed buying clubs to purchase goods in bulk from Vancouver; a move that removed business from the co-operative and the community. “Our emphasis shouldn’t necessarily be ‘Let’s look for a bigger store’,” one board member claimed, “but we should go back to the principles... in our mission statement, which is providing good food at reasonable prices to our members.... We somehow have moved away from that.”⁴⁸

The Kootenay School of the Arts professed having a similar problem engaging student members in the operation of their co-operative school. In the spring of 2001, students were establishing an association, which would allow them to be more organized and participate more fully in the Round Table that governed the school.⁴⁹ The school was also having other troubles governing the co-op. Some directors were questioning the relevance of the school’s co-operative structure. They disliked lengthy meetings and felt the process provided them with little personal benefit.⁵⁰

The artist’s co-op Craft Connection, also had to make changes in

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the early 1990s when membership grew. Consignment rates changed and staff requirements increased to deal with higher levels of stock. The “growing pains” associated with expansion were keenly felt.

In the case of Links Housing co-op, after a series of problems such as becoming a leaky building (also known as “building envelope failure”) member participation and morale were very low. The board found that the following factors helped to encourage member participation: clearly defined tasks, member education, financial benefits (such as an overall reduction in housing costs), encouragement, and providing food at work parties.



Landscaping at the Links Housing co-op, 2001. (*Links Housing Co-operative*)

The new co-operatives in Nelson are now moving past the formative stage. They are realizing the importance of mutual co-operation, support, and encouragement between co-operatives in the area - especially since changes in the provincial government in May 2001 led to severe cutbacks to social and community funding, withdrawal of public services and jobs that assisted co-operative development, and the abolition of the Ministry of Community Development, Co-operatives, and Volunteers. The withdrawal of gov-

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ernment funds from the Kootenay Schools for the Arts in 2001 led to its merger with Selkirk College. Although it is no longer a co-op, as a co-op it did contribute significantly to supporting artistic endeavours, maintaining the library for the community, and providing advanced education for local residents. Since many Nelson co-ops received government funding during their start-up phase, it will be interesting to see if these new organizations are able to carry on through the development stages without future financial support.



On the deck of the "Big House," at MAA Land Co-operative, March 2001. From left to right: BCICS researcher Laura Sjolie, Co-op member Jessie Manley, co-op member Jo Hetherington, and BCICS researcher Colleen Shepherd. (BCICS)

Many of Nelson's co-ops have been formed in cutting-edge areas or niche markets, potentially offering a rich context for further co-op development. However, because these co-ops have been formed in "new" areas, the necessary research, legal aspects, and useful legislation simply does not exist. Harrop-Procter is one of the first community forest co-operatives in B.C. and has been recognized for its innovation worldwide. Yet, some members feel their extended negotiations with the Ministry of Forests were prolonged because they are a community

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co-operative rather than a private corporation. Further research needs to be done to understand how a community forest co-op will work in the long-term and learn what possible legislative changes need to be made. On a similar note, further research is also required to develop an understanding of the relationship between the co-op model and increasing work opportunities for those with employment barriers. WORC was formed to address the employment needs of people with disabilities. The co-op model was adopted to ensure members had an increased voice in a work place organization and a collective voice in their community. It was felt that a co-op could help members navigate and address regulatory impediments. Future research in this area could help to facilitate the necessary legislative changes and address legal concerns.

Why the Co-op Model?

While the established co-operatives are in the more traditional producer, consumer, and financial sectors, new co-operatives in the Nelson area appear to be serving niche markets, such as communication, transportation, and health sectors. New co-operatives provide (or provided) services to emerging industries, such as film, the Arts, radio, and fair trade. Several of the new co-ops have adopted innovative co-operative structures, such as the multi-stakeholder model, to meet their needs.

Some of the recently formed co-ops had not intended to incorporate as co-operatives but were swayed by the availability of provincial funding. Other groups chose the co-operative model because it allowed them to control their own organization and incorporate their values – such as community and environmental protection – into their businesses (i.e., Harrop-Procter Community Forestry Co-op). A motivating factor for founding members of several Nelson co-ops was the belief that they could better meet their needs by working collectively. Mutual responsibility, commitment, and rewards were also given as reasons for forming a co-operative.

Because of their strong community spirit, many co-op members cited the autonomous and democratic nature of co-operation as a

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major advantage of the co-operative model. Nelson's counter-culture atmosphere, created by the diverse people who have migrated to the area, has fostered a desire for justice and egalitarianism. According to one Car Share Co-op member, people in Nelson, "want to be autonomous; they want to be independent."⁵¹ Residents' desire to sustain their community and be self-sufficient has translated into an opportunity for co-operative development in the Nelson area, as many groups choose the co-op model to meet their collective, community goals.

In a proposal to the Ministry of Community Development, Co-operatives, and Volunteers in 2000, Kootenay Bakery Café Co-op outlined a plan to eventually develop a separate co-op marketing business that would compliment the work of the original co-op and fall under the guidelines of a "New Generation Co-operative."⁵² This new type of co-op promotes a reciprocal and beneficial relationship between producers and suppliers; it would benefit both local producers and the larger centres the bakery and others wished to supply as part of their market. By establishing a "closed membership structure", producers would have a ready market for their goods and suppliers would know they have access to a high volume of organic food products. This new co-op model is attractive because it can help local producers increase their profits by offering them the opportunity to process their produce at a collectively owned facility and it also has the potential to provide "a unified Kootenay area product line and label." The Kootenay Bakery may develop the New Generation model to fit their needs in the future. By adapting the co-operative model to their needs, local co-operators help ensure their organizations remain viable and reflect community values.

More established co-ops are also changing with the times. Kootenay Country Store Co-op has experienced several organizational changes in its over thirty years of operation. The co-op recently adopted the "Carver Model" of co-op governance. This model clearly outlines the responsibilities of members, directors, and managers, limiting the role of managers to management and the role of the board to providing guiding vision and values.⁵³ Using the model has helped facilitate day-to-day operations at the co-op, as one member said, "defining both the board's role as well as [the manager's] role has been an invaluable process."⁵⁴ Kootenay Country Store Co-op remains a

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viable and growing business because of its ability to adapt to change.

In the past two decades, Nelson has experienced fluctuations in resource industries and in services, and residents have sought innovative ways to diversify the local economy and sustain their way of life. The changes in the economic climate appear to be a contributing factor to recent co-operative development. This is not surprising since co-operatives are often formed in times of crisis to fulfil important services lacking in a community. As Nelson residents are accustomed to finding creative solutions to their problems, and are willing to experiment with different business models, the co-operative model has been a good fit for this community.

Conclusion

The West Kootenay region of B.C. has enjoyed nearly a century of co-operative endeavours. The broad array of co-ops formed reflects the diversity of the individuals, their interests, and the economic situations of the area. During the first half of the century, co-operative development was characterized by traditional co-ops in agricultural marketing, credit unions, and the retail sector. Unique to this region was the formation of the first transportation co-ops in B.C. during the 1930s. With the onset of the counter-culture in the 1970s came the types of housing, land, and food co-ops that have come to form the image of what co-ops represent today in popular culture. In the past few years, the city of Nelson and surrounding areas have witnessed a burst of co-op development. The carry-over of the counter-culture movement still resonates in the co-operative philosophies. The kinds of co-ops formed are reflective of new niche markets and cultural responses to changes in today's society.

In the spring of 2006, the B.C. Co-operative Association (BCCA), sponsored a forum in Nelson on social co-ops. The goal of the forum was to discuss co-operative development in the area of social care. Employment, child care, community driven tourism, and employment for people with disabilities were all areas that participants suggested were ripe for future co-operative development.⁵⁵

An important outcome of the forum was the acknowledgement

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by participants that relations amongst those parties interested in social co-ops could be improved. Published minutes from the forum record the view that, “we need to create a network of co-ops in the area; BCCA may be able to support this work but the creation of such a network must come from within the community.”⁵⁶

Will Nelson’s co-operatives continue to grow in a time of diminished government funding? Can co-operatives help sustain this community buffeted as it is by economic change? Since this research began in 2001, the Shavi Shavi Co-operative, the Kootenay School of the Arts, WORC, and Kootenay Film and Video Co-op have dissolved; however, several other new co-ops have so far been successful, including the car share and radio co-op as well as new social co-operatives like Community First Health Co-op. Members say their co-ops will survive due to Nelson’s community spirit. According to one member of Craft Connection Co-operative, “Nelson has thrived and gotten through the hard times by its small businesses and its entrepreneurial merit.” It would appear that Nelson area residents continue to see co-operatives as a viable alternative to private business.

Map Six: The Thompson/Okanagan Region



Chapter Five

The Southern and Central Okanagan Region

The Okanagan region is situated in the south central part of B.C. and is bordered on the south by the American border, on the east by the Kootenay region, on the west by the Lower Mainland and on the north by the Thompson region. The area includes B.C.'s only desert and boasts some of the warmest months and shortest winters in the province. This study will include the communities of the Okanagan Valley from Kelowna in the north to Osoyoos in the south and some of the western communities such as Keremeos and Princeton.

In 2005, the combined population of the Central Okanagan Regional District¹ and southern Okanagan-Similkameen region² was 250,973 people.³ While the population has been increasing in both regions, between 2000 and 2005 growth in the Similkameen region was slower than for the province as a whole, while growth in the Central-Okanagan was almost double the provincial rate. The Similkameen region tends to have a slightly older population than the Central region; in the former, the largest age group is 45-64, followed by those ages 65 and above, while in the Central region the largest age group is those age 25-44 followed by the 45-64 age group. In both regions the percentage of residents 65 and above is higher than the provincial average of 13.6%. According to census data, First Nations peoples make up 2.7% of the population in the Central Okanagan and 3.8% in the Okanagan-Similkameen region. The largest visible minority populations in both areas include (in order of size of group): South Asian, Japanese, Chinese, and Filipino. In 2000, the average family income in B.C. for "all census families" was \$54,840; in the Central Okanagan family incomes were on a par with the provincial rate, however, it was much lower in the Okanagan-Similkameen region where

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it stood at \$43,071. In 2001, the unemployment rates for both regions was above the provincial rate of 8.5%; in the Central District it was 8.8% while the rate in the Similkameen region stood at 9.9%. The percentage of residents receiving Income Assistance benefits was also higher in the Similkameen region (5.5%) than for the province (3.7%), while the Central region was the same as the province.

The economy in the Okanagan region has traditionally been based on primary resources, most notably timber and fruit growing; however, jobs in the service sector are also of economic importance. In the south Okanagan 7.6% of the total population is employed in farming, which created over 2500 jobs. The Central Okanagan has a smaller agricultural base at 2.4% of the total labour force; however, in 2001, farming contributed over \$74.9 million dollars in sales of agricultural products, such as fruit, vegetables, and beef.⁴ In both the Southern and Central region the major employment sectors are: retail trade, health care and social services, manufacturing, accommodation and food services.

The warm dry climate along with a vast irrigation system creates a good environment for grape growing. The Okanagan wine industry is a strong, emerging sector of the local economy in both the South and Central regions. Okanagan wines have won numerous international awards. The Thompson-Okanagan region accounts for 80% of B.C. wine production. The dollar value of B.C. wines in 2005 rose to \$112 million. Of the 104 wineries active in 2004, sixty were located in the Okanagan Valley, particularly in the southern region.⁵ Tourism is another expanding industry. People are attracted by the dry climate and the large Okanagan Lake. The warm climate has prompted many seniors to retire in the region. Osoyoos, Oliver, and Kaleden all have large retirement communities.

Community and Co-operative History

The Okanagan region is the traditional territory of the Okanagan First Nations. Well before the arrival of Europeans, the Okanagan people lived and travelled through a territory that stretched from present day Revelstoke in the north, Washington State in the south, Kootenay Lake in the east, and the Nicola Valley to the west; a region that covers approximately 69,000 kilometres.⁶ Before European contact, the

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Okanagan were a semi-nomadic people who sustained themselves through the hunting and consumption of salmon, deer, rabbit and other wild game, as well as by collecting wild fruits and roots. While contact with Europeans may have originated during the 1700s through the Hudson's Bay Company, the first recorded encounter was at Fort Kamloops in 1805.⁷ During the early nineteenth century contact with Europeans increased as the Fur Brigade Trail passed through Okanagan territory from Fort Kamloops down to Colville in present day Washington State.

As European settlers moved into the area and built permanent homes, the fruit industry provided the major economic base for the region's growth. It was also the source of co-op development and the arena for one of the most radical agrarian actions in the region. By the early twentieth century, land in the north Okanagan was being developed for fruit growing, but in the southern region the desert climate was too dry. Except for some cattle ranchers, there were few settlers in the southern area. In 1919, the provincial government, under the leadership of then premier John Oliver, purchased 22,000 acres of land in the South Okanagan and built an irrigation system to make the land suitable for farming. Premier Oliver planned to turn the area into a soldiers' community for veterans of the First World War. The irrigation system, called "the Ditch," was completed in 1925, but the expected demobilized soldiers never arrived. Instead, other settlers purchased the land to plant orchards and build homes. They planted melons, tomatoes, and other ground crops until the trees were mature enough to produce.

In the north Okanagan, growers had formed co-ops as early as the 1890s to combine packing and marketing resources. Co-operation became a common strategy for enhancing fruit production and marketing. Co-operatives were a popular alternative as independent growers were often at the mercy of middlemen and shippers who determined the price of fruit. Shippers often only accepted fruit on consignment. They then sold it at low prices and brought back little profits, and sometimes even debts, for the growers. Co-operatives gave growers the collective power to demand fair prices. As the co-ops matured, they lobbied independent growers and the government to help stabilize the market by demanding shippers pay fair prices.

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Men packing apples at the Kelowna Farmers Exchange, circa 1910. (*Kelowna Centennial Museum, PN#0630*)



Penticton Co-op Growers, circa 1920s. (*Penticton Museum and Archives, PN#37-1257*)

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Records indicate there were co-operative fruit packers in the region as early as 1895. The first fruit growers' co-op in the Okanagan was the Kelowna Shippers' Union founded in 1895. Later it became known as the Kelowna Growers' Exchange; eventually it joined with the B.C. Fruit Packer's Co-op.⁸ The roots of the B.C. Fruit Packer's Co-operative go back to small marketing co-ops formed in 1904.⁹ Other marketing and distribution co-ops were set up in the region in 1908 and 1913.¹⁰ In 1923 the Oliver Co-operative Association was founded as a fruit marketing and packing co-op. In 1931, the Osoyoos Co-operative Fruit and Vegetable Growers had formed.

One report indicated these early marketing co-ops were financed largely by the provincial government.¹¹ In his M.A. thesis on the Okanagan Fruit Growers, Christopher Garrish discusses the short lived ability of these early marketing co-ops to positively affect pricing on behalf of the growers. He briefly refers to the Okanagan Fruit Union, which operated from 1908 to 1912, and the Okanagan United Growers, which operated from 1913 to 1922-23. During this period the co-operatives' share of the market grew as the market expanded; however, after a period of expansion, their share of the market steadily decreased as the co-ops were unable to "neutralize" private shippers and packers operating in the region. Interestingly, Garrish notes that grower loyalty to the co-op marketing boards was greater in times of adversity than in periods of prosperity.¹²

In 1923, the challenges to co-operative marketing were brought home to farmers through presentations by "co-op evangelist" Aaron Sapario, a lawyer from San Francisco who helped agriculturalists across the continent gain control of their industry through forming co-operatives.¹³ Sapario travelled the region on a talking tour. Drawing on his advice, the growers were again drawn toward experimenting with co-operative marketing as their best chance of achieving a controlled fruit market. In 1923, they formed the Co-operative Growers of British Columbia Limited. A single office was in charge of selling, and the individual co-operatives were in charge of packing and shipping. The co-operators campaigned and succeeded in getting 85% of the growers in the Okanagan to join the co-operative. For legal reasons the name was changed to the Associated Growers of British Columbia (AGBC).

Unfortunately, not all co-op growers understood and appreciat-

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ed the nature and principles of co-operation. As increasingly large harvests glutted the markets throughout the 1920s, members began selling outside the AGBC and some left the association completely. This made it impossible for the AGBC to control prices, though it was able to avoid selling fruit on consignment. In 1927, the Produce Marketing Act was passed which set up an Interior Tree, Fruit, and Vegetable Committee of Direction to regulate and control the market of tree fruits and vegetables in the Thompson, Okanagan, and Kootenay regions. However, the legislation was challenged and ignored by many independent growers who were ideologically opposed to government intervention in their business affairs. Without the vast majority supporting it, the committee was largely ineffective.

Finally in 1933, when a large harvest threatened to dangerously decrease prices, the majority of growers – both co-operators and independents – decided to unite and strike. The growers realized that if their apples were to be dumped, they might as well do it themselves, without incurring shipping debts. Fed up with low prices, growers rallied under the slogan “A cent a pound or on the ground.” The growers demanded shippers ensure at least a cent a pound before shipping their fruit; otherwise, they would let it rot on the trees. Nearly all growers in the region were convinced, and a few coerced, into joining the strike. The Okanagan Valley Stabilization Board of shippers was established. The board agreed to use a pooled, one-desk selling plan, and guaranteed growers a cent per pound of fruit. Roads were blockaded, and only shippers who could prove they abided by the rules of the board were let through. After numerous legal battles and market scares, the Natural Products Marketing Act was passed in 1934 (part of R.B. Bennett’s New Deal) and the Okanagan fruit industry was finally stabilized. David Dendy writes:

The growers’ strike vividly demonstrated the despair of orchardists in 1933. They abandoned their previously predominant policies of cooperation and legislative control - in favour of an extreme plan of direct action. They now stepped back from that radicalism, but they had established in their own minds, and in those around them that, in future, growers rather than shippers should be the ones who made the decisions.¹⁴

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Two women labeling apple boxes at the Growers Co-op in Penticton, BC. (Kelowna Centennial Museum, PN#1399)



Fruit label, 1960s, from Similkameen United Growers Co-op which would later amalgamate and become Okanagan-Similkameen United Growers Association. (BCICS Collections)

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Although the first four decades of agricultural co-ops were rocky, once the market was stabilized, co-operatives in the Okanagan thrived. Indeed, they became, and remain, the dominant form of industry organization in the region.

The fruit industry encouraged the formation of other types of businesses, such as packinghouses, canneries, and a sawmill with a box plant. As industries grew, so did the expansion of social services such as schools and hospitals. The population increased during World War II and post-war years, primarily due to the growth in the fruit industry, the baby boom, and the arrival of immigrants, most notably from Germany and Portugal.

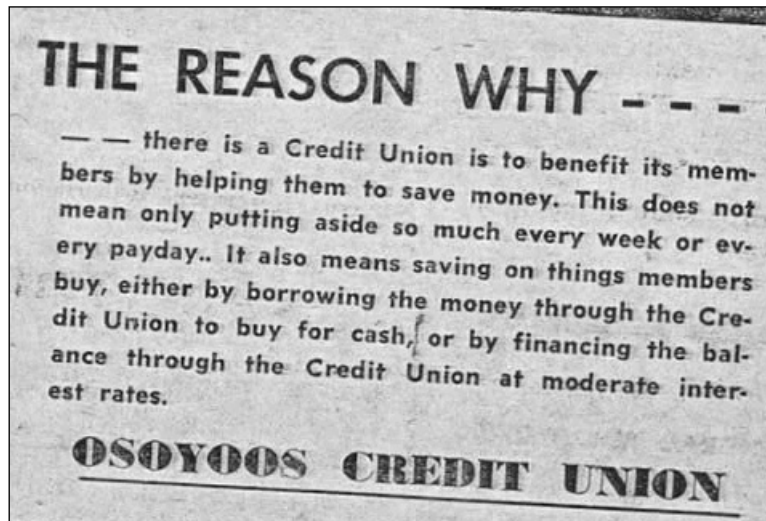
As in other regions of B.C., it was during the 1930s and 40s that credit unions started emerging in local communities. One of the first credit unions in the area was Kelowna and District Credit Union founded in 1939 with twenty members holding a total of \$96.50 in assets. The Oliver Credit Union was also incorporated in 1939, and assisted the Osoyoos Credit Union in its formation in 1946. The Oliver Credit Union began with twenty-five members and Osoyoos with just eighteen recruits. Both credit unions formed to improve the limited banking options in the small rural communities. In 1955, the Osoyoos Credit Union built one of the first “modern” buildings in downtown Osoyoos. The central shopping area sprung up around it. In 1944, the Summerland and District Credit Union was founded by a small group of only ten people who pooled their resources to collect \$17.50. In the town of Penticton, credit union roots date back to 1947 when the Knights of Pythius Lodge 49 Savings and Credit Union was set up. Within a year there were 51 members and the name was changed to Penticton and District Credit Union. In 1983 the name changed again to Valley First Credit Union. Establishment of these early credit unions is a testament of innovation and human resilience, given that the communities were rallying from the Great Depression and coping with the demands of war.

For the next few decades, co-op and credit union activity remained steady in the agricultural and financial sectors, but co-operative pursuits did not branch out beyond this arena. The next round of co-op development began in the 1970s in the housing sector. The Central Okanagan Co-operative Housing Associations was founded in Westbank in 1974 with forty-nine members. The Okanagan Co-oper-

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ative Housing Association set up in Kelowna in 1981 with fifty-eight members. Housing co-ops followed in Penticton in 1982 and Kelowna in 1983.

The Okanagan region developed to include a variety of industries in the fruit trade, forestry, mining, manufacturing, civil services, wineries, and tourism. In the 1970s many people of South Asian heritage settled in the region and established themselves as fruit and vegetable growers. In the 1980s the first vineyards were planted with much success, and by the 1990s winemaking became a profitable and established industry.



An advertisement printed in the Osoyoos Times explains reasons why one should join the credit union. (*Osoyoos Credit Union*)

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Table Five:
Past and Present Co-operatives in Central and Southern Okanagan

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
KELOWNA SHIPPERS' UNION (later Kelowna Growers' Exchange; later joined BC Fruit Packers' Co-op)	1895	Active but merged	Agriculture
Early roots of BC FRUIT PACKERS' CO-OP	1904	Active but merged	Agriculture
OKANAGAN FRUIT UNION	1908 - 1912	Defunct	Agric./Marketing
OKANAGAN UNITED GROWERS	1913 - 1922 - 23	Defunct	Agric./Marketing
OKANAGAN FRUIT GROWERS' CO-OPERATIVE	1913	Active but merged	Agriculture Marketing
CO-OPERATIVE GROWERS OF BRITISH COLUMBIA LIMITED Name later changed to Associated Growers of British Columbia (AGBC)	1923		Agriculture
OLIVER CO-OP ASSOCIATION (1967 joined the Osoyoos Co-operative Fruit & Vegetable Growers to become the Oliver-Osoyoos Co-operative Growers' Association)	1923		Agriculture
OSOYOOS CO-OPERATIVE FRUIT AND VEGETABLE GROWERS Merged, 1967, with Oliver Co-op Assn. to form the Oliver-Osoyoos Co-operative Growers Assn. In 1970s merged with other co-ops to form the Okanagan Similkameen Growers' Co-op.	1931	Active but merged	Agriculture
KELOWNA AND DISTRICT CREDIT UNION (1994 changed name to Interior Savings CU)	1939	Active: over 82,000 members and 21 branches in 2005	Financial

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Table Five continued

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
OLIVER CREDIT UNION: Merged, 1971, with Okanagan Falls CU & formed Okanagan Savings; 1999 merged with Interior Savings Credit Union	1939	Active	Financial
SUMMERLAND AND DISTRICT CREDIT UNION	1944	Active	Financial
OSOYOOS CREDIT UNION	1946	Active	Financial
PENTICTON AND DISTRICT CREDIT UNION (name changed to Valley First Credit Union, 1983)	1947	Active but merged	Financial
OKANAGAN SIMILKAMEEN UNITED GROWERS (formed from merger of smaller co-ops). 1982 amalgamated with other co-ops to become Okanagan Similkameen Co-operative Growers' Assn. (OSCG)	1970 - 1982	Active but merged	Agriculture – Fruit and Marketing
CENTRAL OKANAGAN CO-OPERATIVE HOUSING ASSN.	1974	49	Housing
OKANAGAN CO-OPERATIVE HOUSING ASSOCIATION	1981	Active	Housing
CLARENDON HALL TENANTS' ASSN.	1982	Active	Housing
SOUTHGATE MANOR CO-OPERATIVE ASSOCIATION	1983	Active	Housing
B.C. FRUIT PACKERS' CO-OPERATIVE	1984 – officially incorporated after the merger of smaller co-ops.	263 members	Agriculture
OKANAGAN NORTH GROWERS' CO-OPERATIVE	1987 – incorporated after the merger of smaller co-ops.	180 members	Agriculture

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Table Five continued

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
SUNCATCHERS' RV PARK CO-OPERATIVE	1994	Active: 60 sites	Housing
SUN FRESH CO-OPERATIVE GROWER: merger of Naramata Co-op Growers' Exchange (1923 - 1998) and Monashee Co-op Growers' Association (1945 - 1998)	1998	250 members	Agriculture Marketing
ADVENTURE OKANAGAN MARKETING CO-OPERATIVE	2000	Active: 25 members in various communities	Eco-tourism
DESERT BREEZE HOUSING CO-OPERATIVE	2001	Active	Housing
PENTICTON AND AREA CO-OPERATIVE ENTERPRISES	2005		Worker
OKANAGAN TREE FRUIT COMPANY (amalgamation of Okanagan North Growers' Co-op and Sun Fresh Co-op Growers)	2005	Active: 800 growers	Agriculture
SOUTHERN INTERIOR VALUE-ADDED WOOD CO-OP	Did not incorporate	6	Forestry/ Marketing

*Southern and Central Okanagan***Mergers and Amalgamations**

The late 1960s and 1970s were a period of amalgamation amongst the fruit growers' co-ops. The Oliver Co-op Association (1923), and the Osoyoos Co-operative Fruit and Vegetable Growers (1931) amalgamated in 1967 to form the Oliver-Osoyoos Co-operative Growers' Association. During the 1970s the Oliver-Osoyoos Co-operative amalgamated again with the Similkameen United Growers' Co-operative Association to form the Okanagan Similkameen Growers' Co-operative. Numerous amalgamations occurred during this period in an attempt to restore some profitability to growers. Following the dominant economic thinking of this time, it was argued that consolidation would help cut out excess duplication and cost at the local level.

As fruit growing is one of the most common economic activities in the Okanagan region, it is not surprising that the largest co-ops in the area are in this industry. In June 2005 three of the four largest fruit co-ops in the region decided to merge. Okanagan North Growers' Co-op, B.C. Fruit Packers, and Sun Fresh Growers' Co-operative reorganized to form The Okanagan Tree Fruit Company Ltd, a co-op that now represents over 800 growers.¹⁵ According to their mission statement the Okanagan Tree Fruit Company offers the following services to its members: market intelligence; horticulture expertise in maximizing returns and new planting systems; harvesting guidelines; facilities and services to receive, store, grade, pack and ship fruit; marketing and production programmes; systems to record, grade, account and pay for fruit.¹⁶ The fourth large agricultural co-op in the region, the Okanagan Similkameen Growers' Co-operative (OSC), has 210 member-growers, and produces approximately 20,000 to 25,000 tones of fruit per year, which is marketed around the world by B.C. Tree Fruits Limited.¹⁸ A board of directors, which hires managers, governs the co-op. OSC is one of the major economic forces in the southern area.

Credit unions have also been a prominent community institution in this region. Over the years the credit unions have grown in membership, assets, and services. From the 1960s into the 80s, there has been a movement of mergers in the credit union sector; small community credit unions have merged with others in hopes of being able

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to provide their members with better services. However, some people argue mergers sacrifice the community and member-based nature of credit unions and make them more like the big banks. Osoyoos Credit Union has resisted pressure to amalgamate. In its 2000 Annual Report, president Eda Peril wrote that Osoyoos Credit Union could, “provide greater value to our stakeholders as a small, regional-based credit union than as part of a larger multi-branched financial institution.”¹⁹ The Osoyoos Credit Union also passed a resolution to not open a branch in a community already served by another credit union. They felt this was an important resolution in mind of the co-op principle of co-operation between co-operatives.

The Oliver Credit Union has developed in a different way. In 1971, it merged with the credit union in Okanagan Falls to form Okanagan Savings. In the mid 1990s, they opened a branch in Osoyoos, across the street from the Osoyoos Credit Union. In 1999, Okanagan Savings merged with the Interior Savings Credit Union, which now has 20 branches throughout the interior of British Columbia.²⁰

In 1984, Valley First Credit Union, based in Penticton, opened a branch in Oliver. In 2001, Valley First took over the assets of KCP Credit Union in Kamloops. It has 14 branches in Kamloops, Armstrong, Lumby, Vernon, Kelowna, Peachland, Penticton, Oliver, Keremeos, and Princeton. The Oliver Branch serves over 2600 members.

Recent Co-op Development

There have been some recent innovative attempts at co-operation in the Okanagan area. In 2000, six value-added wood producers came together with the intent to form a co-operative of value-added wood producers in the area. Through co-operation the producers hoped to combine marketing and distribution and find a way to secure a source of wood. The producers named their co-op the Southern Interior Value-Added Wood Co-operative. They received funding and leadership from the economic development officer at the Osoyoos Community and Business Development Centre. They also had help

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from the B.C. Wood Co-op, in the Lower Mainland, and Touchwood in Vanderhoof. A business plan was written, but before the co-op incorporated, the economic development officer left Osoyoos. The members were not familiar with the co-operative model and there were no resources, such as a co-op developer, to assist them. All of the members were trying to run their own private businesses and found the volunteer time required for starting a co-op too demanding. No leader emerged to replace the loss of the economic developer and the co-op fizzled out of existence. The Southern Interior Value-Added Wood Co-op's inability to mature was the result of a lack of co-op knowledge amongst the members and a lack of outside resources to assist them.²¹

There are, however, examples of new co-operatives which have been able to sustain themselves in the region. Adventure Okanagan Co-operative (AOC) was incorporated in 2000, AOC is a recreational co-operative which brought together twenty five adventure and eco-tourism operators in the Okanagan, Shuswap, and Monashee regions.²² AOC's goals are to promote the "collective marketing and delivery of nature-based tourism programmes, packages, and services that offer responsible adventure activities; combining interpretive education with ecological and cultural experiences"²³ while at the same time promoting co-operative development.

Another example of innovative co-operative development is the establishment of the Penticton and Area Co-operative Enterprises (PACE), a not-for-profit co-operative formed in 2005. PACE specializes in providing, "transition to employment, specific skill training, paid work opportunities and opportunities to develop consumer run businesses for persons diagnosed with a mental illness and referred by mental health service providers."²⁴ PACE is a multi-stake holder co-operative where the membership is made up of seventy percent client members and thirty percent supporters. To date PACE has established a number of worker run businesses which operate under the auspices of the co-op but which are controlled by "worker pools" which meet on a weekly basis to make the decisions governing the business.

There have also been two new developments in the housing sector. In 1994, Suncatchers R.V. Park Co-operative was founded in Keremeos. This R.V. Park operates sixty sites and offers members a "safe, affordable" home base along the Similkameen River. In 1999, a

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new housing co-op called Desert Breeze was set up in Kelowna. Very few housing co-ops were set up in B.C. in the 90s, in large part due to the lack of government support and financial assistance. Desert Breeze may have been successful in their efforts as they offer affordable housing for families and people living with disabilities and this allowed them to access funds that might not otherwise have been available.

Conclusion

Since the 1920s the co-op movement in the Okanagan has been most active in the fruit marketing, credit union, and housing sectors. As discussed in the history section, fruit marketing co-operatives were a tool used by the early orchardists to gain control of the market and secure their livelihood. Though the growers may no longer utilize the co-op model as much as in earlier years to ensure market control, it does allow them to have a democratic say in how their produce is marketed. The co-op also ensures that quality is maintained, a policy which has paid off, as now fruit grown in the Okanagan is recognized for its quality around the world. This co-op is one of the top five employers in the region and has contributed substantially to community growth and development. As a large amalgamated co-op, it may, however, be difficult to maintain an active membership base with a solid understanding of co-operative practices.

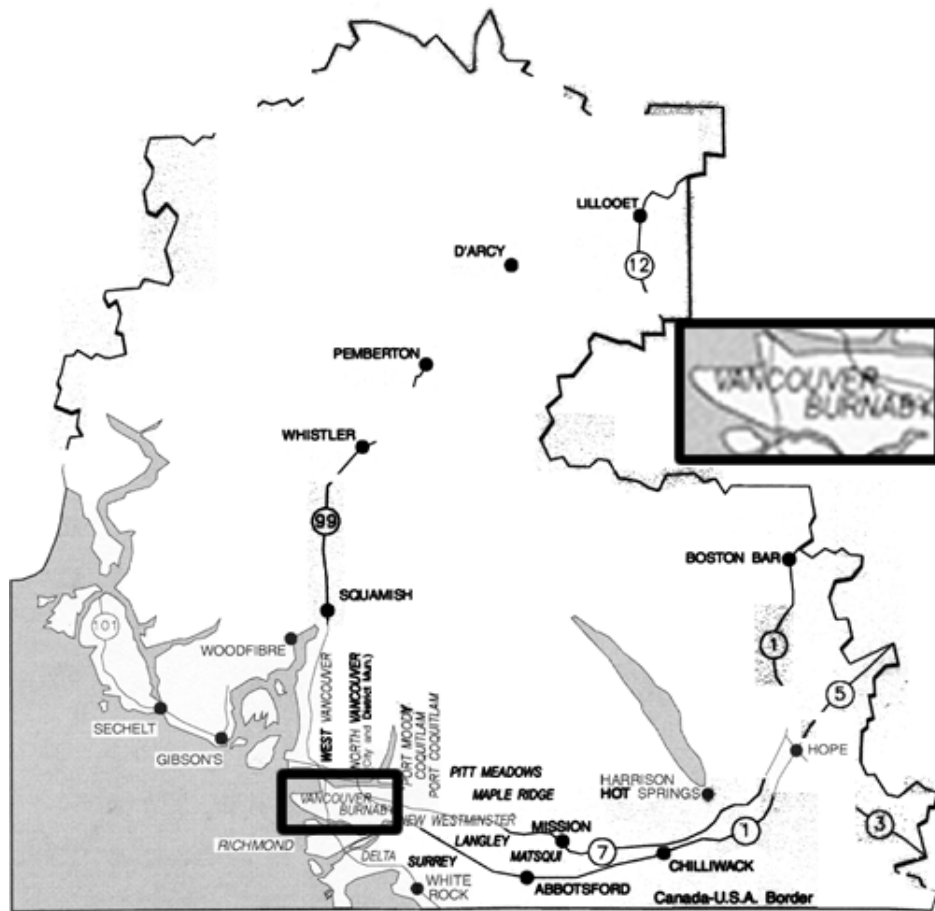
In the 1930s and 1940s, credit unions became institutions that working class people could incorporate and run themselves. The credit unions in the Okanagan region have enjoyed success that has benefited members in the form of extended services and dividends. The credit unions also invest in the community. The Interior Savings Credit Union sponsors numerous community events. Valley First has a long list of community groups it sponsors, and it supplies scholarships to high school graduates each year. The Osoyoos Credit Union, which has maintained an independent status, also offers scholarships to high school graduates, and sponsor sports teams. It has donated money to the Senior Drop-in Centre, and pledged \$21,000 to the Osoyoos Desert Society, a group committed to protecting the local environment.²⁵ The Osoyoos Credit Union recognises that it is diffi-

Southern and Central Okanagan

cult to attract young people, who often do not understand the difference between a credit union and a bank. They are trying to develop a way to inform youth about this issue. Credit unions in the area are faced with contrasting challenges due to their different sizes. Can the Osoyoos Credit Union continue to thrive as an independent small community credit union? Can Interior Savings and Valley First keep in touch with the needs of their large and dispersed membership? All three will have to maintain a careful balance and member education may be the key to success.

The co-op movement in the area has not developed much beyond the fruit growers, credit unions, and housing sector. There seems to be little assistance or encouragement for new co-op development in the region. The lack of new co-ops could be caused by a variety of factors: lack of leadership within the movement and government support, or the fact that other industries in the region, such as forestry, do not have a strong tradition of co-operation. The co-op tradition and continued co-op practice in the fruit industry suggest there is knowledge of the co-op model, and the Okanagan Tree Fruit Company provides a good example of its success. However, it is possible that the fruit co-op is too large for new co-ops and members to identify with. It may also be that generational changes have affected co-op development. The growers' co-operatives, the credit unions, and the housing co-ops were formed out of the necessity of stabilizing the fruit markets, surviving the Depression, providing needed services, and securing affordable housing for area residents. These necessities are no longer as pressing, so perhaps there simply is not the motivation for younger generations to form co-operatives. While this tends to be the general theme there are important exceptions. Both Adventure Okanagan and PACE are good examples of how new forms of cooperative development are being utilized. Both of these co-ops meet economic and social concerns by facilitating community economic development that addresses the needs of the community and which are controlled by community members. It remains to be seen, however, whether or not these values will correspond to continued co-operative development in the region

Map Seven: Mainland/Southwest Region – Vancouver



Chapter Six

Commercial Drive, Vancouver

Grandview-Woodlands is one of 23 communities within the city of Vancouver. It stretches from Broadway Avenue to the Burrard Inlet and from Clark Drive to Nanaimo Street. Its heart is Commercial Drive, which runs from north to south through the community. Historically an Italian immigrant neighbourhood, today Commercial Drive is a multicultural area. Community members have diverse ethnic backgrounds and income levels.

Residents call it “The Drive,” and it is known as a centre for grassroots activism. Social and ecological justice groups have offices among the various businesses. Colourful posters advertise rallies, marches, and benefits. Many people spend time outdoors, meeting each other in the street, at sidewalk cafes, in the markets, or in the community’s ample green spaces.

According to the 2001 census data, Grandview-Woodlands residents are on average slightly younger than other Vancouverites; 57.5% of Grandview-Woodlands residents are under the age of 39 compared to 55.2% across Vancouver. In 2001, just over half of all Grandview-Woodlands’ 29,085 residents were employed. The average family income in 2001 was \$46,501 compared to \$69,190 overall for the city. Over 70% of residents rent their living space, compared to 59% of residents in the entire city. In 2001, 37.5% of residents were classified as low-income. This was 10.5% more than in the city as a whole. The population tends to be relatively transient; between the 1996 and 2001 census, 56.1% of residents relocated compared to 51.7% of Vancouver residents. While English is the dominant mother tongue (58.4%), several other languages were also reported as the mother tongue of area

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residents: Chinese (16.8%), Vietnamese (4.4%), Italian (2.8%), French (2%) and Filipino (1.9%).¹

Community and Co-operative History

Grandview-Woodlands is one of Vancouver's oldest neighbourhoods. The interurban railway connecting Vancouver and New Westminster began running along Park Drive – now Commercial Drive – in 1891.² Between 1906 and 1912 people opened businesses along the street. Most were family-owned operations, and many store owners lived above or behind their premises.³ As residents and business people, these proprietors had a vested interest in building a strong community in Grandview-Woodlands.

Groups of Chinese, Italian, and Eastern European immigrants arrived in Grandview-Woodlands after the First World War. A second wave of Italian immigrants, who arrived after the Second World War, gave Commercial Drive the distinction of being Vancouver's "Little Italy." In the 1950s and 60s, many South Asian people arrived in the area.⁴ Commercial Drive remains a socially diverse neighbourhood today.

There were few co-operatives in Vancouver in the early part of the twentieth century. This was reflective of a general theme in Canadian co-operative history where co-operatives across the country were more often found amongst rural populations. The first formal signs of a local co-operative movement came after the depression, when Vancouverites formed several credit unions. The members of the Street Railwaymen's Union (STRY) formed a "closed-bonded" credit union⁵ in 1940; just one year after the Credit Union Act was passed. It was the 17th credit union to be incorporated in British Columbia. Their success led to the incorporation, in 1950, of the STRY Co-operative, a service co-op that provided members with access to a 300-seat auditorium, a kitchen, an office for the credit union, a bowling alley complete with coffee bar, and a parking lot.⁶ Telephone operators in the city also organized to provide themselves with access to loans, creating VanTel Credit Union in 1940.⁷ In 1946, others formed a credit union not too far away at Quebec and Broadway (in

Commercial Drive

what is today the Strathcona community of Vancouver). This credit union was started by citizens who wanted to ensure that financial services would be available to regular wage earners even if they were not part of a union or specific group. They founded Vancity Credit Union, the first “open to anyone” credit union in the province.⁸ Today, many of these original credit unions have been amalgamated or have grown into larger organisations. STRY is now part of Vancity Savings, Canada’s largest credit union, while VanTel is part of the VanTel/Safeway Credit Union (VTSCU), serving members across the province.



Tellers in the early days at VanTel, circa 1940s. (Courtesy of VanTel Credit Union)

At the end of the Second World War, another group of people contemplated forming a co-operative. The group included union leaders, politicians, lawyers and ministers, as well as labourers, housewives, and skilled workers; all wanted to build a different world in peace time, and were interested in literature about the Soviet Union – Canada’s wartime ally.⁹ However, due to the political conditions of the Cold War, leftist literature was often hard to get, so the group formed People’s Co-operative Bookstore with the goal of circulating

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“books that are socially significant.”¹⁰ Throughout the Cold War, while the Royal Canadian Mounted Police monitored activity from a hotel across the street, the co-op stocked its shelves with “progressive” literature from the Soviet Union and other communist countries.¹¹ The co-op sold literature that was unavailable anywhere else, and, according to a former employee, as a result, “people from the universities, even from the U.S. came mainly to see our store for this great selection.”¹² The co-op also stocked Canadian books, because, as another former member said, “[members] felt that Canadian culture needed a lot more support than it was getting.”¹³ The co-op continues to thrive more than fifty years later; since 1983 it has been located on Commercial Drive.

To

- Place the sale of books on a new, non-profit basis.
- Stimulate the circulation of progressive literature.
- Strengthen the forces of progress in British Columbia.

To Encourage the People to Read
Books, Pamphlets and Reports on

- History and Current Events
- Art, Science and Literature.
- Economics and Philosophy.

To Increase the People's Access to

- Marxist Classics and Socialist Literature.
- The Best of Modern Fiction.
- Educational and Vocational Material and Textbooks.

**And To Make Books Cheaper To
 The Reading Public**

THE

**People's Co-operative
 Bookstore Association**

(Owned and Controlled by Its Members)
 Managed Under a Government Charter

HAS NOW BEEN ESTABLISHED

Advertisement for People's Co-op Bookstore

Commercial Drive

Beginning in the 1970s, the Commercial Drive area became a hub for social justice advocates who sought a more equitable society. Frustrated by the status quo and impatient for social change, some people examined alternatives, which included “small-scale organisations oriented towards service rather than profit and characterized by a high degree of user participation.”¹⁴ The social development and employment policies of the Trudeau government and the “back to the land” movement, combined with widespread opposition to the Vietnam War, created an environment conducive to co-operative efforts and organisation. These attitudes, combined with government support, led to the creation of several co-operatives in the Commercial Drive area in the 1970s and 1980s.

The roots of Consumer Resource Worker Co-operative (CRS) and Fed-Up Co-operative Wholesale are connected to the advent of the natural foods industry and the subsequent growth of a province wide network of food buying collectives. An initial group, Amor de Cosmos, or Love of the Universe, began in 1971 in Victoria and provided some of the initial inspiration for an “incorporated buying club.” This model was later transplanted to the mainland when some former members of Amor de Cosmos moved to Vancouver and began looking for another co-operative solution to meet their employment needs and food/lifestyle preferences. A federally funded youth and employment programme provided the initial economic base when they received funding to form the “Consumer Resource Service” or CRS (this later became the name of the workers’ co-op that grew out of these early volunteer efforts).¹⁵ Soon after CRS was established they helped to facilitate the growth of food buying groups in communities throughout the province, as well as western Alberta. CRS provided the organizing and leadership capacity for the network, as well as help with day-to-day operations. As the network developed, from 3 to 8 co-ops and continued to grow, there was need for a central distribution centre. A second-tier association, called Fed-Up Co-operative Wholesale, was set up in 1972, as the distribution centre for the province-wide network. The warehouse was located near 2nd and Main.¹⁶

Fed-Up operated on volunteer labour. Its board was composed of representatives from the various food buying clubs. Their focus was on serving the needs of the consumer co-op members. Within 3 years,

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there were 50 food buying groups. While CRS co-ordinated the set-up and early operation of Fed-Up, they were also maturing into a cohesive and focused group whose members were increasingly knowledgeable about the natural food industry. By 1975, CRS had established a fruit cannery (Tunnel Canary) and a honey producing company (Queen Right) to supply both Fed-Up Co-op and the larger market. However, they still lacked a formal organizational structure. Although CRS members had in their early years resisted a formal structure, in 1976 they incorporated as CRS Workers' Co-operative. In that same year they opened up Rising Star Bakery in the Commercial Drive area.¹⁷

As CRS grew, it continued to offer advice and assistance to the buying clubs it had helped establish. In 1975 several of the clubs, located in East Vancouver, decided to unite and purchase a storefront; they incorporated as East End Food Co-operative located at Victoria and 2nd.¹⁸ Initially, the store was run entirely by members and sold food only to members of the 12 collectives that owned the store.¹⁹ Administration was by a "central collective" composed of representatives of the member clubs. Each collective committed to providing volunteers to operate the store. However, this non-hierarchical, anarchist organisational model caused some difficulties, and in the early 80s the group decided to adopt a more conventional co-operative structure and changed from volunteer labour to having paid staff. About this same time they decided to open sales to the public. Despite these changes, members remained committed to supplying natural foods.

Waterfront Consumers' Co-operative also formed in the Commercial Drive area in the early 1970s. Sixty-five immigrants, unable to secure loans or find steady work, began pooling their money to buy property. They incorporated as a co-op in 1972, committed to the "equitable, collective ownership of shared homes."²⁰ Without any government assistance, the members of the housing co-op were able to purchase several houses over the next two decades, in which they lived collectively, sharing household tasks and costs. Most members did not have families that fit into the "nuclear family" structure, so the co-op houses remained open, communal spaces, where people lived as roommates, instead of self-contained apartments like in other housing co-ops. One of the co-op's properties is located on Commercial Drive. Over the next few decades many housing co-ops would open

Commercial Drive

up in the area. One former resident claimed "by the late 80s you could count about 20 housing co-ops within 4-5 blocks of Commercial Drive between Broadway and Hastings."

Members of the Waterfront Consumers' Co-operative and East End Food Co-op were also involved in the Lower Mainland Community Congress for Economic Change in Society, a group interested in assisting self-help organizations to obtain capital more easily. Bemoaning the lack of accessible credit, members initially lent money among themselves, and then decided to create a credit union tailored to the needs of co-operatives, non-profits, small businesses, and individuals – such as women, low-income people, and workers in community organisations.²¹ In 1976, the group founded CCEC Credit Union (Community Congress for Economic Change), which relied entirely on volunteer labour for most of its first year of operation.²² It has since developed into a full-service credit union, but remains committed to the development of community groups and co-operatives.

Many of Commercial Drive's co-operatives began at the grassroots level, among people who desired change and took action collectively to realize their goals. Participating in a co-operative provided learning opportunities to community members, and allowed them to make new friends and create a sense of community. Members of People's Co-op Bookstore and the East End Food Co-op recalled the feeling of camaraderie and solidarity in the early organizing days. After a meeting or a late-night inventory session, one member recalled, "...we would go to one of the pubs for a glass of beer. It was fun. We tended to be friends as well. It brought together people who really enjoyed each others company." As the co-operatives developed, so did the community surrounding Commercial Drive.

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Table Six: Past and Present Co-operatives in the Commercial Drive Area

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
STREET RAILWAYMEN'S UNION (STRY) CREDIT UNION	1940 (1980 taken over by BC Teachers Union; later bought by Vancity Savings)	Active but merged	Financial
VAN TEL CREDIT UNION 2002 merged with Safeway CU to become Van Tel-Safeway CU	1940	Active	Financial
PEOPLE'S CO-OP BOOKSTORE	1945 to present	Active: over 300 members (2001)	Consumer
VANCITY SAVINGS CREDIT UNION	1946 to present	Active: 340,000 members in 2005	Financial
STRY CO-OPERATIVE	1950 - 1965	Defunct	Service
WATERFRONT CONSUMERS' CO-OP	1972 to present	Defunct: 25 founding members	Housing
FED-UP CO-OPERATIVE WHOLESALE	1972 did not formally incorporate	Defunct: over 50 food-buying groups in 1975	Consumer
EAST END FOOD CO-OP	Started in 1975; incorporated in early 80s - present	Active: 3,294 members in 2003	Consumer
CRS WORKERS' CO-OPERATIVE	1976 - 2002	Defunct: 21 members in 1981	Worker
COMMUNITY CONGRESS FOR ECONOMIC CHANGE (CCEC) CREDIT UNION	1976	Active: over 2,700 members	Financial
RISING STAR HOUSING CO-OP	1985	Active: 44 members in 2003	Housing
ARTS RESOURCE AND TECHNICAL SERVICES CO-OP	2000	Active: approx. 100 interested parties	Service

Commercial Drive

Recent Co-operative Development

Today, there are many co-operatives in the Grandview-Woodlands area, including branches of Canada's largest credit union, Vancity. There are 19 housing co-operatives in the area, providing housing for approximately 1,000 residents. One of these new co-ops is Rising Star Housing co-op. However, there has been little co-operative development in the Commercial Drive area in the past several years. In 2000, the provincial Corporate Registry Office dissolved 48 Vancouver co-operatives. A co-operative is dissolved either when members tell the registrar they are no longer in business, or when the co-operative fails to report to the registrar for three consecutive years. Of the Vancouver co-ops dissolved in 2000, 22 were housing co-operatives, eight were producer co-ops, five were consumer co-ops, one was a worker co-op, and 12 were other types of co-operatives. These organizations may have ceased operations up to three years previously, but were only dissolved in 1999; some may only be experiencing operational difficulties, and may reapply to be registered in the future. Others may have been fledgling organizations that failed to develop, while others may have chosen to adopt another business model and continue operations as societies or for-profit enterprises.

In 2000, a group of performing arts technical professionals came together to form a worker's co-operative. Their original name was Performing Arts Resource Co-operative but when they incorporated the name was changed to Arts Resource and Technical Services Co-op. Once in full operation, the group intends to provide administration, technical, and training assistance to performing arts groups. By sharing resources, the co-operative hopes to strengthen Vancouver's performing arts community. In 1999 the group received a grant from the Co-op Advantage Programme, an initiative of the Ministry of Community Development, Co-operatives, and Volunteers, and used the money to train potential board members. The co-op has been growing slowly since its incorporation even without a permanent home. In 2006 they were working out arrangements with a community group to renovate space for renting in the neighbourhood hall.

Three very recent co-op initiatives deserve mention. In 2005, the Vancouver Renewable Energy Co-op incorporated. Like many other

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co-ops around the province, their first official meeting was held in the home of one of the members – near Francis and Victoria. Second, a group of software developers are considering incorporating under the name of Hivemind Developers' Co-op. Members of a third new co-op initiative, Squeegie Media Worker's Co-op, have an office on Hastings, but reside in the Commercial Drive area.

Benefits, Supports and Challenges of Co-operative Development

Benefits to Members: Many of Commercial Drive's co-operatives were organized from the bottom up and with little outside assistance. In some cases the founding members had previous experience working collectively, had prior knowledge of co-operatives, and were willing to learn and take risks. Yet for others, it was "a huge learning experience," as one East End member recalls. However, the effort required to keep a developing co-op in operation "created... a sense of community here that still exists as a result of that kind of volunteer interaction."²⁴ Members learned how to operate their own store, and volunteered at the Fed-Up Co-operative distribution warehouse on a rotational basis. After one week of training, followed by one week of work, the volunteers would share their skills with the next group of volunteers.²⁵

The food co-operative is still committed to helping members make educated purchasing decisions. For example, the co-op labels all foods produced by subsidiary companies of Phillip Morris Inc., a cigarette manufacturer, and asks shoppers to "please consider buying a better alternative," such as a locally produced product.²⁶ Thus members develop a political awareness about their food.

CCEC Credit Union members also benefit from educational opportunities offered by their organization. In the 1970s and 1980s, CCEC organized economic planning and training conferences, and in 1998 the Credit Union established the CCEC Development Society to raise funds for community business education and training.²⁷

Benefits to Community: Many of the area's co-ops have had a large impact on the Commercial Drive community. Rising Star, Waterfront Consumers, and other housing co-operatives in the area have offered

Commercial Drive

affordable housing in a city notorious for high living costs. Rising Star stipulates that potential members must prove their household costs will not exceed 30 per cent of their total income. This stipulation excludes some lower-income people from becoming housing co-op members.²⁸ Waterfront Consumers' Co-op, however, has no such restriction.

Credit unions have also had an impact on the community. For instance, CCEC had a policy of trying to hire people from the local community, even if they lacked experience.²⁹ It continues to be committed to local economic development, and has provided loans to developing co-operatives, struggling societies, and entrepreneurs. Vancity also invests in the community through student scholarships and grants to local organisations. Each branch provides community grants of \$500 to \$10,000 for local initiatives.³⁰

Support for Co-ops: Several of the area's housing co-operatives have received development aid from the federal government. For instance, Rising Star Housing Co-op was incorporated in 1985 as a result of the Canadian Mortgage and Housing Corporation's (CMHC) social housing programme, which aimed to provide affordable housing to lower-income residents in Vancouver. Rising Star has both subsidized and non-subsidized units.

Members of Arts Resource and Technical Services Co-op received a \$20,000 grant from the Provincial government. They felt this grant helped them develop more quickly, and encouraged them to choose the co-operative model over other business models they had been considering.³¹

Challenges for Co-ops: Leaky buildings are the biggest challenge facing many housing co-operatives in the area, including Rising Star. Since 1996, the co-op has secured two additional mortgages to finance repairs and subsidize residents' rental costs. The Canadian Mortgage and Housing Corporation (CMHC) wanted the co-op to raise rents to help pay their debt, but members refused. At the same time, residents were leaving the co-op because they did not want to live in a leaky building under construction. The mortgage problems, coupled with low returns on the co-operative's investments, forced several people

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– mainly new Canadians and people of colour – to leave the co-operative. Although Rising Star was ultimately able to secure a loan without increasing residents’ rent, the four-year fight changed the social composition of the co-operative and challenged the loyalty of its members.³²

Management has been an on-going challenge for East End Food Co-op (EEFC). During their first two decades of operation, the co-operative had several different managers in succession, causing instability between the management and the board of directors.³³

Members of the co-op also expressed discontent over their co-operatives’ relationship with Federated Co-operatives Limited (FCL). FCL is a co-operative federation that provides wholesaling, manufacturing, and administrative services to consumer co-operatives across Canada. FCL is located in Saskatchewan, and EEFC members feel it does not understand the alternative culture of the Commercial Drive store.³⁴

The more developed, stable co-operatives may struggle to keep members interested in governing, managing, and operating their co-operatives. For instance, Rising Star members are expected to contribute eight hours a month to the operation of the co-operative, but enforcing these obligations is difficult. Some residents of co-op housing don’t understand that living in a co-operative means everyone is responsible for the operations and maintenance of their living space. “A [previous member] used to always use the word ‘they,’” said one member, “as in ‘When are they going to fix the whatever?’ instead of ‘When are we going to fix the whatever?’”³⁵ More involved members may come to resent others who do not give as much time and energy to the collective organization. Members of People’s Co-op Bookstore have often relied on volunteers to help operate the store, but one member claimed the co-op is trying to find “some creative way to get people involved.”³⁶

Governance and Measuring Success: Several of Commercial Drive’s co-operatives have remained true to their original goals, and as such have not had to make vast organizational and governance changes. Waterfront Consumers’ Co-operative, for example, continues to use the consensus model of decision-making used during its initial development. With 25 members, consensus can still be used as the primary

Commercial Drive

mode of decision-making; however, the process can be time consuming.³⁷ Neither Waterfront Consumers' Co-operative nor People's Co-operative Bookstore measure success in continued growth, but use member satisfaction as a key indicator of their progress. CCEC Credit Union has also refused to compromise its original goals. It resisted the merging trend among credit unions in the 1980s, and has managed to offer members increased services while remaining a small organization.

Conclusion

The Commercial Drive area has the financial, educational, and social resources to support co-operative development, yet growth in new co-ops has slowed down considerably since the 1970s. The area's established co-operatives are part of a vibrant community, based on a shared vision of social equality. Why hasn't their visible success spurred the creation of other co-operatives in the Commercial Drive area? Can co-ops, as they mature, continue to involve their members, and thereby continue to be rooted in the community, while maintaining an efficient and viable business structure?

Residents of Commercial Drive may be more open to co-ops than many urban sub-cultures. However, one long time co-op member from the area explains the slow down in co-op growth as a result of being just that – a sub-culture. "The truth is, we are a sub-culture. The dominant culture, which for the most part controls the resources, is not open to investment in anything as risky or counter-culture as a new co-op." He points out that even the credit unions are playing only a peripheral role in supporting new co-op growth. In addition to the limited access to financial resources, he adds, "members of most new and small co-ops on the Drive are pretty focused on running their own businesses effectively. Today, not many of them have the 'surplus' resources to apply to assisting someone else to start another co-op."

Even though there is a strong co-operative presence on Commercial Drive, it remains to be seen whether that presence – based in the social activism of past decades – can be sustained, and whether it can be channelled into development of new co-operatives in the twenty-first century.

*Map Eight: Vancouver Island and Coast –
Malcolm Island*



Chapter Seven

Malcolm Island

Malcolm Island is located between the northern end of Vancouver Island and the mainland of British Columbia. It is in the Mount Waddington Regional District, within a half hour ferry ride of its nearest neighbours, Alert Bay (another island community) and Port McNeil (on Vancouver Island). The major community on the Island is Sointula, which has a population of 646 (by the 2001 census Malcolm Island had a total of 886 residents). The majority of Malcolm Island residents are Canadian-born. English is by far the primary first language on the Island, but a significant number of Islanders (125) listed “other language” as their “first learned and still understood language.” As the Island has a strong Finnish heritage, Finnish may account for a high percentage of residents with a second language.

The median age of the Malcolm Island population in 2001 was 43.7, more than 5 years above the provincial average.¹ Although the percentage of Island residents under age 19 is roughly the same as the provincial average (24% of the population on the Island, 25% of the overall B.C. population), our research indicates that the community is facing difficulties in keeping its young people on the Island once they graduate from high school. This shift and a recent influx of retired and semi-retired couples to the community may be responsible for the higher median age.

Malcolm Island has traditionally had a natural resource based economy, with the fishing industry being the largest employer, followed by the logging industry. Despite the downturn in the fishing and logging industry, the 2001 Statistics Canada figures list agriculture and other resource-based industries (such as fishing and logging) as the primary employment sector for Island residents. Of the 190 people

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employed in the resource sector, 150 were male. The next largest category is “other services” (100 individuals, 65 of whom were female) followed by Health and Education (75 individuals – 65 females).

Province-wide downturns in both the fishing and logging industry have adversely affected the Island’s economy. In 2000 the *Island Echo*, a northern Vancouver Island newspaper, noted that Sointula was the fourth hardest-hit community in British Columbia as a result of the downturn in salmon fishing.² This downturn is reflected in what appears to be an ongoing decline in the population. The 1996 census indicated a population of 1052 Malcolm Island residents; a loss of 166 people in 5 years!

Employment figures also reveal how Islanders have been hit hard by an economic downturn. The unemployment rate for the total population stood at 17.2% in 2001 compared to a provincial rate of 8.5%; male unemployment rates in the community were at 21.2%. Unemployment for females was much lower (13%) than for males but still well above the provincial average. A more startling statistic may be the fact that 63.6% of males age 35-44 on the Island have no high-school graduation certificate compared to 19.2% as the provincial average for males in this age bracket. This figure may account for the Island’s high male unemployment rate as workers find it difficult to make the transition to new forms of employment outside of the resource industries that have traditionally employed them. All Island female residents in this same age group had their high school graduation certificate. This contrast seems to reflect a traditional Malcolm Island gender division of labour as the men of the Island would quit school early to begin a fishing career.

There is no municipal government on the Island; Sointula has never been incorporated. However, the community has an estimated 30 volunteer organizations, which, taken together, provide many of the services of a local government. As has been mentioned, at the municipal level, Malcolm Island is part of the Mount Waddington Regional District.

Environmentally, logging through the 1950s to 1970s has had a major impact on the Island, destroying much of the old growth forest.³ However, the 1980 official Malcolm Island Settlement Plan emphasized *slow*, sustainable growth, cottage industries, and the

Malcolm Island

maintaining of the rural nature of the Island. Since the late 1990s a local Environmental Protection Society (MIEPS) has been active on the Island.

Community and Co-operative History

Historical records indicate that there was no permanent First Nations settlement on the Island; however, long before it received its present name, Malcolm Island was an important stopover for the nomadic Kwakwaka'wakw First Nations people.⁴ Permanent settlement began on Malcolm Island in 1901 when a group of Finnish settlers attempted to form a socialist utopia, founding a community called Sointula (meaning "harmony" in Finnish). The Finns who settled the Island were led by a charismatic Finnish socialist named Matti Kurikka. They were drawn by a utopian dream of a socially just society and by the agricultural possibilities open to them on a relatively large, uninhabited island. A co-operative joint stock company called the Kalevan Kansa was formed, to which every adult settler belonged; this was the first co-operative on the Island. However, despite their shared ideologies, the economic basis on which the Kalevan Kansa was to have been maintained failed to develop due to mismanagement, the isolation of the Island from proper markets, and the unsuitability of the land for large-scale agriculture. Largely discredited as a leader, Matti Kurikka left Malcolm Island in 1905, resulting in the dissolution of the Kalevan Kansa stock company and the end of the Island's utopian phase.

With the end of the Kalevan Kansa, the need for governance on the Island was taken on in other ways. In the absence of a community council, the Sointula Co-operative Store became the central organization on the Island. The Co-op store began in 1909 as a way to keep Malcolm Islanders stocked with essential supplies. By 1936, the Co-op had a hardware store, a dry goods department, a meat counter, and a separate warehouse for lumber, gas, and oil. By 1959 the Sointula Co-op had 341 members (most of the adults in the community), had sales of \$425,000 per annum, and held a strong leadership position in the community.⁵ The store still operates and is the oldest consecutively run retail co-op in western Canada.

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Sointula Co-operative Store on Malcolm Island

In the decades after initial settlement until well into the 1980s, Islanders were able to develop a stable economy through logging and fishing. The fishing industry (primarily salmon) really provided the economic base and involved a strong ideological commitment to fishing unions. In 1917 fishermen met in Sointula to form the United Fishermen of British Columbia Union (UFBC); future efforts would include leadership in the 1936 Rivers Inlet strike and support of the United Fishermen and Allied Workers Union (UFAWU) (formed in 1945). Support for this last organization was nearly absolute for much of the twentieth century, including an active women's auxiliary on the Island. One resident fisherman remarked that membership "was expected of a Sointula fisherman."⁶

In 1929, Sointula fishermen, who wished to explore the idea of a co-operative fishery free of big cannery control, formed the British Columbia Fishermen's Co-operative Association (BCFCA). Although it was short lived, 1929-1932, this was the first fishermen's co-op in B.C..⁷ Sointula fishermen would try again in 1946 to create another fishing co-op, the Sointula Fishermen's Co-operative Association (SFCA), which also folded after a few years (in 1950). Evidence suggests that few Malcolm Island fishers took part in the other fishing co-ops

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that arose along the coast after this point.

Ideological activity in the community also extended into the political arena through a general commitment to socialist ideology. In 1911, a Sointula chapter of the recently created Finnish Socialist Organization of Canada (FSOC) was formed, linking Malcolm Islanders to like-minded Finns throughout Canada in promoting Finnish heritage and socialist issues. Renamed the Finnish Organization (FO) after World War I, this organization would continue to be a centre of both Finnish heritage and left-wing idealism for Malcolm Islanders in decades to come (until its dissolution on the Island in 1978).

The Post-World War II period saw changes to both the population mix of the Island and to its co-operative initiatives. The Sointula Credit Union was founded in 1940 but closed a few years later. It was re-opened in 1949 and benefited steadily from the booming post-war economy, loaning over \$64,000.00 in total to the community by 1960.⁸ After World War II the Island's population changed in a number of ways. More conservative-minded Finns immigrated to Sointula in the 1940s and early 50s, the non-Finnish population grew as loggers arrived in the 1950s and 60s, and so-called "hippy" newcomers arrived in the 1960s and early 70s. This latter group included a number of left of centre, "back-to-the-land," young Americans, several of whom would form the core membership of "Treesing," a tree-planting co-operative that operated from 1974 to 1988.

Treesing was a co-operative, employment oriented venture in the forestry sector. Treesing's policy was that half its membership had to be female; this was both an ideological stance and a practical response to the lack of fishing and logging jobs for women on the Island. Tree planting was a seasonal job on the Island and this allowed the women to be at home with their children most of year, yet earn a good wage at other times. A system for child care was also arranged so that women could bring their children to camp; one member was paid to care for them.

By the early 1970s the government was running a regular vehicle ferry between Sointula and Vancouver Island. Malcolm Islanders were beginning to have increased contact with the rest of the province, travelling more to other communities with competing grocery and hardware stores. It was perhaps this added competition,

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coupled with a high debt load that led to the near dissolution of the co-op store in 1973.⁹

Economically, the 1980s was a prosperous time for the co-op store and for Islanders in general; in part, this was due to high prices in the fishing industry. The 1990s, however, saw a steep economic decline in the community, brought on by a reverse trend in the fishing industry with drastic declines in wild fishing stocks, the increasing availability of farmed salmon, and competition from fishermen in other countries. In 1996, the federal government addressed declining fish stocks by instigating the Mifflin Plan (“Fleet Rationalization strategy”), which reduced the British Columbia fishing fleet by half, requiring fishing vessels to buy licenses from other vessels rather than issuing new ones, thus raising license prices while introducing severe fishing quotas.

The downturn in the economy affected the Island’s co-operatives. Young families increasingly turned to superstores in places such as Nanaimo to do their shopping. The Credit Union, which had flourished through the years, saw members putting less and less into their savings and negotiating fewer loans. Unable to compete with the range of services that larger financial institutions possessed, the Sointula Credit Union merged with Evergreen Savings in 1999, a larger off-island credit union. Evergreen later merged with other credit unions to form Coastal Community Credit Union. However, the decline in the resource economy, particularly the fishing industry, would later contribute to a new round of co-op activity on Malcolm Island.

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Table Seven: Past and Present Co-operatives on Malcolm Island

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
KALEVAN KANSA	1901 - 1905	Defunct	Financial
SOINTULA CO-OPERATIVE STORE	1909 to present	Active	Consumer
BRITISH COLUMBIA FISHERMEN'S CO-OPERATIVE ASSOCIATION	1929 - 1932	Defunct	Fishing
SOINTULA FISHERMEN'S CO-OPERATIVE ASSOCIATION	1946 - 1950	Defunct	Fishing
SOINTULA CREDIT UNION	1940, 1949 to the present	Active: 1999 merged with Evergreen CU; later merged with Coastal Community Credit Union	Financial
TREESING TREE PLANTING CO-OPERATIVE	1974 - 1988	Defunct	Forestry
WILD ISLAND FOODS	2000 to present	Active	Retail - Foods
MALCOLM ISLAND SHELLFISH CO-OP	1999 - 2005	Defunct	Fishing

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Recent Co-operative Development

As the fishing and forestry industry dwindled, Malcolm Islanders explored other creative and sustainable options to ensure the well being of their community. In 1996, a group of Islanders formed the Interacting Resource Society to explore economic diversification and community development. The Society carried out a survey of Islanders to gather ideas on possible new economic activity. This laid the ground work for two new co-operative ventures.

One of the ideas strongly favoured by people interviewed in the survey was a food processing facility. Community members began to work toward this goal and in 2000 Wild Island Foods Co-operative (WIF) was founded. Human Resources Development Canada (HRDC), and the provincial Ministry of Advanced Education, Training and Technology (MAETT) worked with the Society to sponsor a feasibility study, develop market and business strategies, search for funding, and explore the co-op model. Although there have been many challenges, Wild Island continues to operate after 6 seasons, operating both a bakery and a restaurant. They are still exploring further expansion into the food processing industry.

A second co-operative venture was to explore alternative ocean-markets such as shellfish. The Malcolm Island Shellfish Co-op (MISC) was founded in 1999 to undertake the raising of abalone as a means of generating income and jobs for local residents. The formation of the co-op came at a time when the B.C. Department of Fisheries and Oceans (DFO) was promoting development of abalone hatchery technology as a pilot project in communities hardest hit by the downturn in the fishing industry. MISC was one of six communities chosen by the DFO to participate in the 18 month-long project.

While both enterprises have been beneficial for Islanders, neither has met the economic expectations that many in the community had forecast. While some residents commute to jobs in nearby Port McNeil, other sources of economic activity on the Island include: a small, mostly seasonal, tourism industry; a small, but vibrant, community of working artists; and a community forest endeavour is being explored. No economic activity to this point, however, has compensated for the decline in the fishing industry and, to a lesser extent, the

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troubled logging industry. Wild Island continues to carry forward as best it can, learning all the time about how to operate as both a co-op and a business on an island with both an ageing and shrinking population base. Their high point of activity is the busy summer months when tourists regularly visit the Island. Although the co-op functions year round as a local meeting place, winter sales are much lower when they are primarily dependent on their loyal local customers. Members of MISC made a concerted effort to launch the shellfish co-op; however, economic, political, and social challenges have inhibited their growth. In 2005 the decision was made to shift to a private business model. In this study, MISC will be discussed as a co-operative up until the 2005 change.



View of Malcolm Island Shellfish Co-op, 2000. (*Tory Bowman, photo; BCICS Collections*)

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Wild Island Foods Co-op, 2003

*Malcolm Island***Incentives for Co-operative Development**

The development of co-operatives on the Island has generally involved a mix of ideological and economic factors. The formation of a co-operative institution in the first years of post-utopia Sointula made ideological sense for a community formed on co-operative ideals; thus the 1909 creation of the Sointula Co-operative Store can be seen as a continuation of the communitarian ideas formed in the Kalevan Kansa days. Oral history on the Island indicates that it was also an economic necessity because there was no other feasible alternative for supplying consumer goods.¹⁰

The exact reason for the creation of the Sointula Credit Union has not been recorded, but the community's past experience with the banking system would again suggest a response based on both economic and ideological motivations. As an integral part of the capitalist system, banks had a dubious reputation on Malcolm Island from the very beginning of the utopia. As well, the formation of the credit union in 1940 seems to have been a part of the larger credit union growth of the time-period (nearby Alert Bay opened its credit union in 1939).

The founding of Treesing Tree Planting Co-operative would again follow the pattern of economic necessity and ideological commitment to values of fairness and equity. Part of the impetus for create Treesing was to generate decent paying jobs for women on the Island. As mentioned earlier, one of the policies of Treesing was that 50% of members were to be women. Drawing on previous experience with co-ops, one of the founding members said, "Working co-operatively made more sense." Treesing was able to facilitate employment of local residents for 14 years.

The formation of the two most recent co-operatives on the Island was also a combination of practical and ideological factors; the practical being a response to the aforementioned downturn in the fishing industry in the mid 1990s, and the ideological factors being a commitment to community run enterprises. Adopting the co-op approach was the obvious choice for several reasons. A past president of MISC sums up the factors in favour of the co-op model: the desire to maintain community control; to be able to access government funding

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(readily available at that time through the Ministry of Community Development, Co-operatives, and Volunteers); and encouragement from the district economic development representative, who noted that the necessary permits would be more readily given to a co-operative than a private business. One long time MISC member noted that between 1999 and 2003, the co-op had received \$800,000 in government help from approximately 20 different government agencies or groups.

Wild Island Foods began at a time when area residents were searching for new forms of economic enterprise. As a former WIF manager recalls, once the type of business was decided on, a co-op structure was seen by many as the one which would do the most for the community, and ensure the fairest distribution of profits. Also, as at MISC, Wild Island members felt that having a co-op structure would be a boon when applying for government grants. Over the next few years the HRDC, three provincial ministries, the CEAI,¹¹ and the Community Futures Development Corporation of Mount Waddington would all help the co-op get going through its initial stages, providing grants and loans, some of which were only available to co-operatives.¹²

Benefits and Challenges in Recent Co-operative Development

Benefits to Members: In noting their involvement with recent Malcolm Island co-operatives, members often cited emotional and social empowerment as a benefit. One member of MISC described what he and others hoped from their co-op: “I’d like to see this business get off the ground and be what all the other [MISC] members hope... a way for local people in a community to change their own destiny, to shape their own destiny... so that they aren’t totally reliant on the outside world to be what they want to be.” In a 2002 newsletter of Wild Island Foods, this same sentiment was echoed: “So often you may feel powerless, controlled by people, forces, and events that are far from home. An investment in Wild Island Foods is a way to make something positive happen in a community that has – and will continue – to rise to every occasion.”¹³

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Benefits to Community: The presence of co-operative ventures on the Island has had a strong economic impact, benefiting both members and the general community (although the economic impact has definitely been varied among the co-operatives). At one point, MISC was employing 11 residents; a not inconsequential number in such a small community. What is perhaps most striking is the potential economic benefit that this endeavour could have had. Initial speculation by a MISC member projected that this co-operative could create 40 – 60 jobs on Malcolm Island,¹⁴ and that abalone could replace what the Island had lost in the salmon industry.¹⁵ In a 2004 interview with a consultant for the regional district, MISC was labelled as the most investment ready project in the North Island area. MISC has been viewed by some local residents as the only Island enterprise that has the potential to have such an economic impact.

It is estimated that between 2001 and 2003, the building and running of the Wild Island bakery/restaurant created up to 27 jobs for local residents (many, admittedly, short term). In addition, spin off employment from Wild Island means visiting summer boaters stay for dinner and then for shopping at the Co-op Store, rather than bypassing the Island for Port McNeil. Not only is Wild Island helping to provide jobs for locals who then have money to spend on groceries, but by 2004 Wild Island was estimated to have spent \$50,000.00 at the Co-op store for various supplies.¹⁶

Challenges – Government Relations: Although government programmes have been a major source of funding and support for co-operative development, it has come with mixed blessings. One commonly cited obstacle in the development of new co-operatives on the Island has been a lack of knowledge regarding government regulations or, as some Islanders view it, government interference. MISC encountered major set-backs because of governmental concern as to the specific use made of the abalone. The Pinto abalone industry was closed in British Columbia in 1990 due to over-harvesting. Although MISC had received a letter from an assistant deputy minister at the Department of Fisheries and Oceans (DFO) that indicated the co-op could take a specified number of abalone for brood stock, officials at another level of government

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required that MISC sign a collaborative agreement before they could receive permission to harvest the brood stock.¹⁷ Although this dispute was apparently settled in court in MISC's favour, MISC subsequently struggled with DFO officials over the same issue.

At Wild Island, it was the regulations involved with securing necessary government funding for starting the co-operative that provided a challenge. A former Wild Island employee noted that there is an entire "lingo" associated with grant writing that is completely foreign to plain-talking Islanders. The concern around language was reinforced but from a contrasting perspective when a government source, speaking on condition of anonymity, noted that many of Wild Island's funding proposals were simply "poorly constructed."¹⁸ Two long term directors at Wild Island expressed the view that grant getting is also a preferential process, alleging that some co-ops seemed to be favoured by certain funding organizations over others.

Challenges – Investors: Finding interested investors and funding organizations for the recent co-ops has been another aspect of the financial challenges they have faced. Given Wild Island's predominately female make-up, some of its members suggested that the Women's Development Bank might be a possible source of funding; however, the Development Bank informed Wild Island that they did not do business with co-operatives. Throughout its existence, MISC had trouble securing a major private investor. While one potential major partner appeared comfortable with MISC's co-operative set-up, they were not willing to make a large investment without the guarantee of more control. In 2005, when MISC abandoned the co-operative model, this investor agreed to make a larger investment.

Challenges – Knowledge and Skills: At MISC, the development of the co-operative was also hampered by the fact that farmed pinto abalone was an entirely new industry along the coast, and there were no real experts in the field at that time in British Columbia. Skills shortages took the form of both a lack of understanding of the market value of their product, and a lack of understanding of abalone biology. A former employee noted:

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“The first that they told me when I got here was that it takes three years to grow them from start to finish, the abalone, and just what they had in the shed there would be worth millions of dollars. [However] the reality check showed it would take at least seven years to grow them under present conditions, and the whole shed full of abalone would still only be a few hundred thousand at market.”

Like MISC, members of Wild Island were attempting to learn about the co-operative method while also learning about a completely new business. As one co-op member points out, when one considers the restaurant, the bakery, the coffee roasting, and the production plant as separate entities, the members were actually attempting to learn about four new businesses. The lack of established skills in these areas was felt; the coffee roasting was abandoned, the production plant was delayed indefinitely, and at least one member felt that the day-to-day running of the restaurant and bakery was, at times, somewhat unprofessional.

Challenges – Internal Conflict and Role Confusion: There is some indication that disagreements between co-op members, boards and management has been an obstacle to recent co-operative development. At MISC there were, at times, major internal disagreements when the co-op was attempting to get government funding to begin its enterprise. One MISC member remarked about their beginning period: “[We were just] a bunch of local yokels that didn’t know doo-dley-squat about [co-operatives].”

Wild Island has also had difficulties with both unity within their co-op structure and with establishing a well-run governance structure. One member recalled that in its crucial formative stage, the co-op attempted to get a much needed loan to begin development of their production facility. This opportunity was lost when it was made evident to credit union officials that there were significant disagreements among the co-op board members as to the direction and leadership of the board as a whole.

In another instance board members received what one member

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described as “a hostile letter” from a small group of Wild Island members, stating that board members did not know what they were doing, and were making many errors in judgment.

Challenges – Co-operative Management: In interviews with co-op members on the Island, the issue of effective management was quite prominent. Management was viewed as being more important than having an effective board and was often presented as one of two or three deciding factors contributing to a co-operative’s success. Member and community support, and general economic climate are the other two factors most commonly identified.

With MISC, the need for effective management was emphasized by a consultant and long time co-op proponent who came to Sointula to help educate MISC’s directors. He gave some blunt business advice: “If you guys are gonna march forward from here, you’ve got to have a [business manager]. You really need one.” The individual, who was hired for this position, not only had the academic qualifications and work-experience for the job, but was also credited with inspiring the co-operative with the right attitude. Wild Island, on the other hand, has not been able to maintain a long-term manager, which has been cited as a weakness in the co-op over its existence.

Conclusion

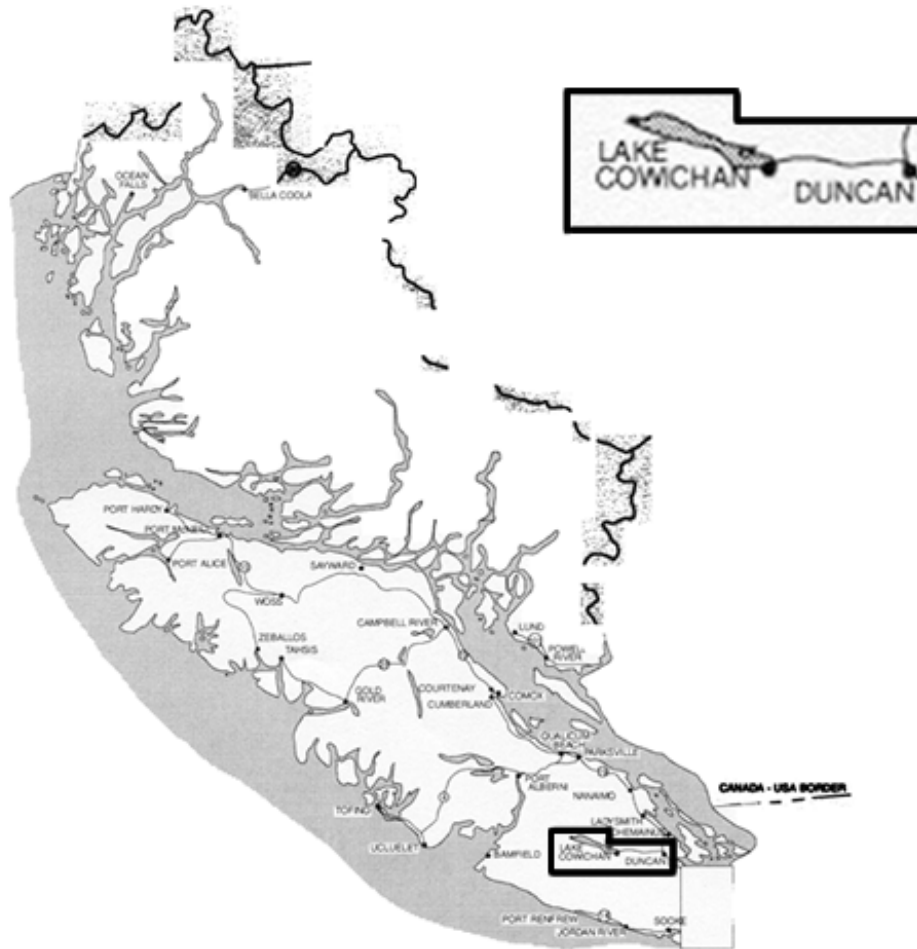
When Wild Island was first being formed, some Malcolm Islanders openly questioned whether Sointula really needed another co-op. In the early period of MISC, two of the founders were known to have expressed the view that the co-operative model was not workable. This undercurrent continued, throughout the years that MISC existed as a co-op. From time to time the suggestion that the co-operative model was not a permanent structure was raised; this was based largely on the difficulties involved with trying to secure investment for a co-operatively run venture. MISC’s recent move towards a corporate structure is a confirmation of this belief.

Malcolm Islanders, however, have a history of strong commitment to supporting community ventures. Many examples can be cited

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of exceptional community support for local co-operatives. The widespread membership at the co-operative store (most of the adults on the Island), the ubiquitous nature of its relationship with the community, and the aforementioned belief that its members were all contributing to its growth indicate the support it enjoyed. Even though MISC later turned from the co-op model, in its formative period as a co-op, it was able to acquire almost all of the material needed for its abalone hatchery through community donation of goods. “It’s very hard to say where the community [ends] and Co-op [starts]”, a former member of MISC noted. With Wild Island, community support manifested itself not only in terms of actual investment money (\$37,000 was raised in one drive alone early in 2003), but in donated material and free labour as well. No private business on the Island appears to have enjoyed such widespread commitment and sacrifice. Having no official governing structure, it is only through community led activities that Islanders have brought many services, resources, and activities to their community – over the decades, co-operatives have been an important mode of collective action to address their economic and social needs.

Map Nine: Vancouver Island and Coast – Cowichan Valley



Chapter Eight

Cowichan Valley Regional District

The Cowichan Valley Regional District is located on Vancouver Island. It stretches over 373,000 hectares from Nanaimo to Victoria and from the east to the west coast of Vancouver Island, encompassing the West Coast Trail, Carmanah Provincial Park, Kuper and Thetis Islands. The region is home to close to 80,000 people, including members of the Coast Salish Cowichan Nation. The word Cowichan, derived from the original Coast Salish word *Khowutzun*, means the “warm land,” an appropriate name for the region with the warmest mean temperatures in Canada. The region also has some of the richest soil for agricultural production in the country.

The Cowichan region has four incorporated municipalities: Duncan (6.2% of the area’s population), Ladysmith (9.3% of the population), Lake Cowichan (3.8%), and North Cowichan (36.2%).¹ The rest of the population (44.5%) are spread throughout the district. Population growth between 2001 and 2005 was slow but steady. In 2005, there were 78,802 people in the region, an overall increase of 1.1% from 2001. Recent immigration trends are dominated by arrivals from the U.K. and the U.S.; however, new residents also came from India, Pakistan, Taiwan, the Philippines, and the Caribbean. By the 2001 census, 3.9% of the Cowichan Valley population identified themselves as members of a visible minority; the vast majority of this group were of Asian descent. First Nations people now number over 4,000 individuals living on and off reserve; this marks a steady population increase over the last decade. In 2001, residents of the Cowichan region had slightly lower levels of formal education than the provincial average; 19.9% of people aged 20 to 54 had less than a high school certificate compared to a provincial average of 17.2%. The percentage

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of people age 24 to 54 who had not completed post-secondary education stood at 45.2 % while the provincial average was 42.3%. The average family income for the year 2000 was \$51,446; this was below the provincial average of 54,840. By income statistics for the year 2000, 12.5% of all families in the area were below \$20,000, 64.1% were between \$20,000 and \$80,000 and 23% were above this income level. Since the beginning of the twentieth century, the forest industry has been integral to the Cowichan area economy. Forestry formed the bedrock upon which infrastructure in the region was built. Despite recent downturns in the forest sector, four of the ten top employers in the region are in the forestry industry. Logging, wood processing, value-added manufacturing, and eco-tourism still play a significant role in the local economy. The wages and benefits of the industry also set the standard for blue-collar employment. However, mill closures and restructuring have resulted in job losses in forestry since the mid-1980s, contributing to the region's higher than average rate of unemployment (in 2001, 9.7% in the region and 14.2% in Duncan, compared to 8.5% provincially).

Cowichan is also home to a wide array of government services, including a sizable public school system, a local campus of the Malaspina University-College, a regional transit system, a hospital and community centre in North Cowichan, and a B.C. Access Centre in Duncan. Government services employ more people in the Cowichan region than any other sector. Health, social services, education and public administration accounted for 25.4% of jobs in the area in 2001. Lead employers in the private sector come from manufacturing (11.8%), retail (11.7%), and construction (6.3%).

With some of the most fertile land on Vancouver Island, Cowichan has always had a large agricultural sector. However, with the advent of large scale industrial farming, employment in agriculture has been declining. In recent years some farmers have begun to transform their farms into a potential tourist attraction. Tourism is the most prominent emerging business sector, with new enterprises in eco-tourism, agri-tourism (especially winery tours in southern Cowichan) and the Arts (the Cowichan region has one of the highest proportions of artisans in Canada).

*Cowichan Valley***Community and Co-operative History**

Coast Salish native peoples – the Cowichans, the Nitinahts, and the Pacheenats – have lived in the Cowichan area for thousands of years and continue to live there to this day. Cowichan Lake was an important source of fish, and many plants harvested in the region provided a rich diet for First Nations people.

Non-native settlers arrived in the area in the 1850s and 60s, mainly from Western Europe (particularly England) and other parts of North America. The first major influx came in 1862, when 100 men arrived on the S.S. Hecate to settle on farms in the region. Relationships between First Nations people and the new immigrants were sometimes strained; the First Nations resented the European cattle and pigs that damaged their crops, they also protested the expropriation of their land. However, the farmer William Duncan reported that the settlers would never have survived without the help of First Nations people.²

Cowichan Valley gained municipal status in 1873 when it incorporated as the District Municipality of North Cowichan. In 1886, the region was connected to Victoria by the railroad, which stopped on William Duncan's land. The railroad brought increasing numbers of settlers and a more developed infrastructure, including more roads. The town that grew up around the train station became the trading centre of the Valley and was eventually named after Duncan. During the same year, settlement also began in the area that is now the town of Lake Cowichan.

The two main economic activities that followed initial settlement were logging and agriculture. In 1884 timber was seen as more of a problem to be rid of than as an asset as the price for logs was very low.³ However, over the course of the 1880s the forestry industry grew in importance because the forests of the American midwest and eastern Canada had already been largely depleted. Investors now turned their gaze to the vast forests of the west coast. The growth of the forestry industry intensified over the next two decades.⁴

Dairying also increased in importance and in 1895 the Cowichan Co-operative Creamery was formed in Duncan; this was the first dairy co-op in the province. In 1889, Professor R. W. Robertson visited the

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area. A dairy expert from the Ontario Agricultural College, he encouraged the formation of dairy co-ops. While the instillation of the railroad enabled farmers to ship their products to new markets, they still had trouble marketing their dairy products, particularly the butter. The production of dairy products was also hindered by a lack of standardization in production. This was particularly true in regards to butter, which was often produced by the women on the farms using a variety of standards that resulted in products varying widely in quality. The formation of the Co-operative Creamery assisted in better organized marketing and in standardizing production, but it also took butter - and the money that was made by selling it - out of the hands of women.⁵



Cowichan Co-operative Creamery

Cowichan Valley

At the turn of the 20th century, the future looked promising. The forestry industry was growing rapidly. The thriving creamery was becoming a community meeting place, and a new mine on Mount Sicker, which produced copper along with some gold and silver, brought wealth into the community. However, low copper prices forced the Mount Sicker mine to close in 1906. At the time, agriculture, including dairy, sheep, chicken, and produce, was still the most important industry in the region.

Despite the economic problems caused by the closure of the mine, the Co-operative Creamery continued to grow. In 1909, it expanded to include egg marketing. Although the plant was destroyed the following year, the Co-op itself did not fold. Its members continued to expand its operations, and over the course of the following two decades, opened several branches around the Island.

Duncan was incorporated in 1912, the same year that the Esquimalt and Nanaimo Railway (E & N) was extended to Cowichan Lake. Forestry gained new importance in the area, as there was now an easy way of getting lumber to market. Forestry company owners were not all of European and North American descent; two men who had immigrated from India, Mayo Singh and Kapoor Singh, established the village of Mayo (renamed Paldi in 1936) along with a sawmill and logging operation in 1917. Aside from a downturn during World War I, the lumber industry continued to thrive until the Great Depression began in 1929, destroying most of the international lumber market. However, preferential agreements with Australia and especially Great Britain in 1933 brought the Canadian lumber market out of the slump. In 1939, the Co-operative Creamery added a grocery store and hardware business. After World War II, it stopped making butter and distributing dairy products and became a farm supply co-op.

The newly formed, Victoria based, Island Farms Dairy Co-operative (incorporated in 1944) became responsible for dairy marketing and distribution in the Cowichan region and the southern portion of the Island.

During the Great Depression of the 1930s, many banks would not lend or provide money to working class people. This prompted political lobbying which led to the passage of credit union legislation in 1939. Like elsewhere in B.C., Cowichan area residents began forming credit unions to address their financial concerns. Chemainus and

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District Credit Union was incorporated in 1948. Money deposited in the credit union was used to help provide mortgages to community members. Members of the local branch of the International Woodworkers' Association (IWA), which represented most local forestry workers, founded Lake Cowichan and District Credit Union in 1950 to provide its members with financial security. In this effort, they received some assistance from Victoria Credit Union. Duncan and District Credit Union incorporated in 1951. Initially, with only \$36 in assets, it was located in the basement of an employee's house. However, the credit union expanded rapidly and by the end of 1955, it had 812 members and assets of \$250,000; by 1963 it had assets of more than \$1 million.⁶ Credit unions were also founded in neighbouring Crofton and Cobble Hill during this period.



Lady of the Lake float, "Lake Days" Parade, circa 1950s. (*Lake Cowichan Credit Union*)

The town of Lake Cowichan, incorporated in 1944; was soon home to the Lake Cowichan Consumers' Co-operative Society. Incorporated in 1950, the co-op store brought goods to the area at reasonable prices. Most of its members were also members of the IWA union. The Union helped with the formation of the co-op which

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became known as a “union co-op” because its employees were union members. “Unionized co-ops” were something of an anomaly in B.C. Often the relationship between unions and co-ops was seen as adversarial. The blending of union and co-op principles at the Consumer Co-op in Lake Cowichan demonstrated that individuals can and will mould the structure of their co-op to suit the local needs of the community.⁷ The IWA was thus an important contributor to co-operative development in the Cowichan Lake area.

Several co-ops formed during the 1950s and 60s that were outside the traditional sectors of co-ops developed up to this point. Two child care co-ops formed; the first in Honeymoon Bay in 1951, and the second in Lake Cowichan in 1963. The Honeymoon Bay Co-op ran until at least 1954 but the records after that time are insufficient to determine exactly when they closed their doors; however, they ceased operation before the Lake Cowichan Co-operative Preschool began in 1963.⁸ The Lake Cowichan Preschool co-op, which is still running today, was originally located in the converted basement of the home of one of the members and 20 children were enrolled.⁹ A curling co-op is known to have started in Duncan in 1952 but little additional information could be located on it. One of the early and perhaps the first organic farming co-op in Canada started near Duncan in 1954. The Vancouver Island Organic Co-operative Federation was located on the Kelvin Creek Ranch (now the Fairburn Farm) in the Koksilah District. The intent of the co-op was to have a “tenant farmer with experience in chemical free organic farming,” while members would have the option to help with the farming operations and/or through their shares have access to accommodations in the main lodge, camp sites or small cottages on the 130 acre farm.¹⁰ The communal living aspect of the co-op only lasted about 5 years but members maintained the co-op structure until it was formally dissolved in 1973. From the 1950s onward the farm has been a place where people could vacation or reside and experience country life on an operational organic farm.

Between the end of World War II and the 1960s, forestry once again became the most important industry in the area. There was general stability as large corporations consolidated, absorbing smaller companies in the process. Reforestation programmes gave people hope for the future. However, at the end of the 1960s forestry jobs began to decline.

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Quite distinct from logging and forestry issues was the situation of First Nations people on reserves in the late 1960s. About this time the national and provincial co-operative organizations began a formalized campaign for the promotion of co-operative associations amongst Aboriginal peoples. The Cowichan Indian Farm Co-op Association was incorporated in 1968 to encourage members of the band to farm their land on a productive scale. This co-op was an example of a larger initiative between the Department of Indian Affairs (DIA), the Co-operative Union of Canada, and the B.C. Co-op Union. The prevailing view at that time was that co-operatives would be “good” for native people living on reserves because of their emphasis on self-help.¹¹

Changing social and economic conditions in the 1970s contributed to a new phase of co-operative development. This was particularly true for credit unions which had, over the previous two decades, undergone steady growth. Like credit unions throughout the province, credit unions in the Cowichan region were facing increased demands for services from their members, while trying to provide expanding careers for their employees and seeking ways to finance new technologies (notably automatic tellers and enhanced computing systems). As highways and ferry service improved, distances diminished, community bonds were lessening, and member loyalties could be transferred relatively easily to institutions that represented areas rather than distinct communities. A result of these changes was the merging of previously independent credit unions into larger credit unions, which then operated “branches” in various communities. In 1970, Duncan and District Credit Union absorbed the credit union in Crofton, and the following year, the one in Cobble Hill. In 1975, they further expanded operations and opened a branch on Salt Spring Island. In 1982, the credit union changed its name to Island Savings Credit Union.

The 1970s marked the end of the province’s oldest dairy co-operative. In 1975, the Cowichan Co-operative Creamery sold its feed mill to Top Shelf Feeds; however the Co-op did not formally dissolve until 1988. One newspaper report claimed that the Creamery “succumbed to the same forces which have brought down many co-ops, most notably an inability to compete with big business.”¹²

During the 1980s, there was a downturn in forestry and in the provincial economy as a whole. Major job losses began at the end of

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the 1980s and intensified throughout the following decade. More and more forestry companies in the area began engaging in raw log export, which is lucrative for major shareholders but employs fewer people. Despite an increase in harvesting, between 1991 to 1995 alone, 4000 people (1 in 5) lost jobs in the forestry industry. At the same time, mills began to import fibre from off the Island. These trends suggest that the loss in forestry jobs occurred because of a shift from labour-intensive logging techniques to more capital-intensive, mechanised methods of forestry.

The decline in the economy and the loss of well paying jobs in the forestry and fishery sectors created economic problems in the area, which in turn affected local co-operatives. Some members of Lake Cowichan Credit Union had trouble paying their mortgages. The Credit Union Reserve Board, which insured the credit union, provided some assistance, but it was a difficult time for everyone. Credit union mergers continued; in 1984, Island Savings extended its reach again and merged the Woodworker's Credit Union of Victoria into its fold.

In 2001, the last of the large local lumber mills closed in Youbou. With the heavy loss of jobs in the forestry industry, tourism has become increasingly important to the local economy. Today, towns are now taking advantage of their history to market themselves as tourist locations: for example, Duncan is the "City of Totems" and also boasts the world's largest hockey stick, and buildings in Chemainus are covered in murals that represented selected aspects of the region's history.

Few of the original, older co-ops in the Cowichan region are still in business. The Co-operative Creamery dissolved in 1988. The Lake Cowichan Consumers' Co-operative Society ceased operations as a consumer co-operative in 2005 and now only markets petroleum products as a member of Federated Co-operatives Limited. The Chemainus and District Credit Union merged with Coastal Community Credit Union in 2004; however, it still provides some special services for community members. In 2004, Island Saving Credit Union opened a new branch in Chemainus and in the same year absorbed Lake Cowichan and District Credit Union in a formal merger.

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Table Eight: Past and Present Co-operatives in the Cowichan Area

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
COWICHAN CO-OPERATIVE CREAMERY	1895 - 1988	Defunct	Agricultural
CHEMAINUS AND DISTRICT CREDIT UNION	1948 (2004 merged with Coastal Community CU)	Active but merged	Financial
LAKE COWICHAN AND DISTRICT CREDIT UNION	1950 (2004 merged with Island Savings)	Active but merged	Financial
LAKE COWICHAN CONSUMERS' CO-OPERATIVE SOCIETY	1950 - 2005	Defunct	Consumer
DUNCAN AND DISTRICT CREDIT UNION (1982 changed name to Island Savings Credit Union)	1951 to present	Active: total members over 37,000 in Island Savings (2006)	Financial
HONEYMOON BAY CHILD CARE Co-OP	1951 to early 1960s	Defunct	Social
DUNCAN CURLING Co-OP	1952 - ?	Defunct	Recreational
VANCOUVER ISLAND ORGANIC Co-OP	1954 - 1973	Defunct	Agricultural
CROFTON CREDIT UNION	1950s (merged, 1970, with Duncan and District CU; closed in 1979.)	Active but merged	Financial
COBBLE HILL CREDIT UNION	1950s (merged 1971 with Duncan and District CU to form Mill Bay branch)	Active but merged	Financial
LAKE COWICHAN CHILD CARE Co-OP	1963 to present	Active	Social
COWICHAN INDIAN FARM Co-OP	1968 - ?	Defunct	Agricultural
IMAGINE THAT! ARTISANS Co-OP	1994 to present	Active: 9 members	Marketing
COWICHAN LAKE COMMUNITY FOREST Co-OPERATIVE	1995 to present	Active: 9 member organizations	Worker

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Table Eight continued

CO-OPERATIVE	DATES ACTIVE	STATUS & MEMBERSHIP	SECTOR
FRIENDS RECYCLING EVERYTHING EVERYWAY Co-OP	1996 - 2000	Defunct: 5 initial members	Environment
COWICHAN REGIONAL FISHERS' Co-OPERATIVE	1998 - 2001	Defunct: 3 members	Worker
COWICHAN COMMUNITY ECONOMIC DEVELOPMENT Co-OPERATIVE	1998 - ?	Defunct	Worker
HUMMINGBIRD BOTTLED WATER Co-OP	2000 - ?	Defunct: 5 original members	Worker
ADVENTURES B.C. TOURISM Co-OPERATIVE	2001 to present	Active: 9 original members	Marketing
WARMLAND SPECIALTY FOOD Co-OPERATIVE	2002 - ?	Defunct: 8 original members	Worker

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Lake Cowichan Co-op in February, 2001

Recent Co-operative Development

As Table Eight illustrates, the current co-operative profile in the Cowichan region includes a mix of established credit unions formed in the 1950s and 1960s (most of these credit unions merged over the last several decades to form larger financial institutions), the Preschool Co-op, and a newer wave of small co-ops, which began to appear in the mid-1990s. The co-operative sector saw significant growth between 1994 and 2002 as new co-operatives incorporated almost every year during this period. These new co-operatives formed in diverse sectors of the economy as part of the local response to addressing the employment gap left by changes in the heavily resources-based economy of the pre-1990s era.

Imagine That! Artisans Co-op incorporated in the Cowichan Valley in 1994 when a group of local artisans came together to market their work co-operatively. In addition to selling the work of its members, the co-op sells the work of approximately 100 consignors. Some of its members had past co-op experience, and the group received assistance with their incorporation from a co-op developer with

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DevCo (a worker co-op of co-operative developers). They did not receive any help with funding apart from their friends and families; they were unable to obtain grants, and banks and the local credit union turned down their requests for a loan.

The Cowichan Lake Community Forestry Co-operative was incorporated the following year, 1995, with the goal of creating employment in the region while practicing sustainable forestry methods and allowing local residents to be involved in the care of the forests. Its members are organisations rather than individuals, and include: towns, museums, community organizations, and local economic organizations. The co-op engages in primary forest activities such as logging and watershed protection; secondary forest-related activities, like milling and non-forest wood salvage, park and recreation opportunities; and the creation of both a reserve fund and a financial legacy.

In 1996, Friends Recycling Everything Everyway (FREE) incorporated to take over and manage four Goodwill thrift stores that had closed down. Members who ran the Duncan store wanted to reduce the area's waste by 50 per cent. Unfortunately, the co-op dissolved in 2000.

The Cowichan Community Economic Development Co-operative was incorporated in 1998 to support people with disabilities who wanted to work in the community (as volunteers or in part-time or full-time jobs). Members envisioned an umbrella co-op that would support a number of different businesses. The Cowichan Regional Fishers Co-operative was incorporated in the same year by a group of fishers interested in stream stewardship. The co-op was involved in a number of projects, including providing trained staff for fishing boats and fish processing plants and organising labour for stream restoration and trail development.

The Hummingbird Bottled Water Co-operative was formed in 2000 by a group of people in the Cowichan Valley who were troubled by the commercialisation of fresh water. They received a grant from the Ministry of Community Development, Co-operatives, and Volunteers to start bottling Cowichan Valley water and selling it in the area. They also hoped to educate the public and corporations about water-related issues. Adventures B.C. Tourism Co-operative was incorporated in 2001, by a group of entrepreneurs who ran their own

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small tourism-related businesses and received assistance from the provincial Ministry of Community Development, Co-operatives, and Volunteers and the Cowichan Tourism Association. In 2001, it was based in Duncan; however, it has members in various parts of Vancouver Island and even one on the mainland in Squamish. Adventures B.C. has two classes of membership shares. Additional classes of membership became possible with changes to the Co-op Act in 2001. Members market their services together and are creating package tours that use the services of several members at a time. They focus on employing local people and using local products whenever possible, and are also concerned with education, ecology, and culture. Warmland Specialty Food Co-operative incorporated in 2002. Its roots go back to an Agriculture Survival Forum that was held in Duncan in 1998 to bring the operators of small farms together to discuss the issues they were currently confronting. They agreed that there was a need to create value-added agricultural products in the Cowichan region. The Cowichan Community Futures Venture Centre did a feasibility study, and helped in many other ways with the development of this co-op. They were also assisted by a grant from the provincial Ministry of Community Development, Co-operatives, and Volunteers and a targeted wage subsidy programme from the federal government. In its short period of operation, the co-op has been trying to establish a federally certified food production facility that will help both established and new businesses in the value-added food field.

FREE and Warmland Specialty Food Co-op both incorporated as non-profit co-ops. Cowichan Community Forest Co-op would have preferred to incorporate this way, as then they could have bid on smaller contracts, but this option was not available to them under the Co-op Act of that time.

One potential co-op that did not incorporate was the Min'munaya'l (Circle of Doll Makers); founded in 2001 by a group of Coast Salish women who wanted to create a business that would integrate their culture, families, and spirituality. They received a grant from the Ministry of Community Development, Co-operatives, and Volunteers to develop the co-op; however, they did not formally incorporate.

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Success, Benefits and Challenges in Recent Co-operative Development

Since the late 1980s, there have been many opportunities for co-operative development in the Cowichan area. The region had been highly dependent upon forestry, agriculture, and to some extent fisheries, but these primary sectors have been vulnerable to over-harvesting, changes in international trade, and fluctuations in commodity prices. As people came together to deal with the economic downturns of the 80s and 90s, one of the ways they addressed their concerns was through the development of new co-operatives.

Success of New Co-ops: The aim of all of the new co-operatives was to increase members' abilities to compete in the market, access services (particularly through cost-sharing), and create more business and employment through the development of shared institutions. In achieving this goal, these co-ops have been successful in a variety of ways. The Warmland Specialty Food Co-op was able to create a series of products with co-op labels and barcodes that enhanced the ability of each member to produce retail goods. Although their long-term goal was to establish a community kitchen for member use, as an interim goal they were able to establish a working relationship with the board of the local community centre, and arrange for members to access the kitchen facilities for their work. *Imagine That!* Artisans provided a much needed store front for artists in the Cowichan region; this has greatly increased the opportunities for over one hundred local people to sell their products throughout the year.

Benefits of membership: Many people we interviewed found participating in the life of their co-op to be invigorating and rewarding. For instance, co-op members felt a sense of greater control over their own labour and economic opportunities. The co-operatives offered them the chance to create employment opportunities in their field of work at a time when there were few opportunities in the private sector. Many members appreciated the opportunity to work together. One member of Adventure Co-op commented: "It's overcoming a sense of

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isolation and overcoming the sense of competition as well.”¹³ Workers at *Imagine That!* expressed similar sentiments. Although few of the co-operatives were able to provide secure incomes for their members, many said that participating in a co-op has enhanced their sense of pride and self-worth. The Cowichan Region Fishers Co-operative and the Warmlands Specialty Foods Co-op also gave their members an opportunity to continue working in their areas of expertise. Although there have been many challenges, co-op members reported developing a strong sense of satisfaction from achieving personal goals through development of the co-operative.

Benefits to community: All of the co-ops contributed to their communities in various ways. The Lake Cowichan Consumers’ Co-operative paid its staff a union wage and provided them with benefits; this was an unusual policy in the grocery industry. It held membership appreciation picnics, provided goods at cost for community events, gave free gifts to non-profit organisations for their prize draws, and gave these local organisations a regular 10% discount. Members of *Imagine That!* ran a workshop on marketing strategies for downtown businesses. They also hosted events to help people develop their artistic skills. They hoped to play a role in the development of a community arts centre. Members of FREE contributed to reducing community waste. Hummingbird Bottled Water Co-op undertook public and corporate education about water issues and its members hoped to influence future government policies. Warmland Specialty Food Co-op supports small farmers and regional self-sufficiency. Its members wanted to be able to provide training around food-related issues to all community members.

Local credit unions have certainly played their part in contributing back to the community. The Chemainus and District Credit Union had a special type of account for local organisations, which allowed them to pay lower or no service charges. They also provided scholarships for local students, took part in community events, and donated money to youth organisations. Even before the merger with Island Savings in 2004, Lake Cowichan and District Credit Union also offered special accounts with no service charges to non-profit organisations, sponsored local events, and offered scholarships.

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Additionally, it funded the local fire fighters. Island Savings has funded artistic endeavours, such as the Duncan Fringe Festival, the Pacific Opera, the Salt Spring Centre for the Arts, the Amphitheatre in Ladysmith, local drama groups, and a series of classical music concerts. It has also sponsored local hockey teams and participated in the Choice programme, which encourages children to stay in school. When possible, they buy locally, and also provide loans to small, local businesses.

Co-ops have also contributed to the economic sustainability of the region by creating long-term jobs. Cowichan Lake Community Forest Co-operative created jobs for local people, and has established a trust fund for scholarships. Members of Adventures B.C. wanted to draw tourism to the area to support the local economy, but also feel strongly about promoting tourism that is environmentally and culturally sensitive. Another way they contribute to the community is by organising field trips for local students.

Many players in co-operative development in the Cowichan region want to build upon traditional skills and resources in the community, while introducing value-added and other economic enhancements. Co-operators said they wanted to keep more money and jobs in the community by exploring new and sustainable ways to revitalise traditional industries. They also wanted to increase appreciation for the local environment through ecological preservation, restoration and education, and to create employment that utilises the unique skills and talents of local people.

Involvement in co-operative processes has enhanced local networks. For instance, previously many artists in the area felt isolated from, and competed with, each other. The formation of *Imagine That!* provided local artists the opportunity to discuss skill development, give and receive input on their own and others' work, and gain a sense of solidarity with fellow artists. Members of *Imagine That!* also developed a package on co-op development that they offered to other groups that are trying to set up artisans' co-ops. Some members of Warmland Foods were also involved as members in other co-ops, thus strengthening the local co-op network.

Challenges: There are also a number of challenges that these new co-

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ops must address. Some had trouble recruiting new members, and member involvement has been uneven. The lack of familiarity with the co-op model by both members and customers has caused problems. Members of FREE expressed the belief that part of the reason why their co-op failed was because many members did not understand the co-op model.

Personal conflicts can sometimes spell the end of an otherwise successful co-operative. Some members of the Forestry Co-op wondered whether a change to a corporate model might be better, in part because members had quite diverse interests and had some difficulties working together. Friends Recycling acknowledged that some of their challenges arose because they did not give enough attention to developing ways for members to engage co-operatively with each other.

All co-ops, including the established ones, have faced competition from larger businesses; this problem can be compounded when there is a lack of loyalty to co-ops among many people who do not understand their important contributions to the community. Lake Cowichan Consumers' Co-op, for example, almost went out of business in 1999 because local people were increasingly shopping in large discount stores rather than at the co-op. The co-op hung on for a few more years but closed its doors in 2005.

Members of several co-operatives noted that they could greatly benefit from more consistent skill development and training. Members stressed that it would be beneficial to their businesses if members were able to take a funded training programme so the co-ops would not be as reliant upon the services of hired professionals.

While economic troubles may create a climate that encourages co-operative development, this can also create problems for co-ops. One of the founding members of *Imagine That!* had to move away because her husband, who was unemployed after closure of a local mill, found work in another town. Co-op members observed that during times of high unemployment, people are inclined to spend less, and are more likely to shop at discount stores instead of co-operatives.

Unclear, and sometimes inflexible, regulations regarding co-operatives contributed to a mixed relationship between co-operatives and various levels of government. Although appreciation was expressed for grant money received from the provincial Ministry of

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Community Development, Co-operatives, and Volunteers, some members of the new co-operatives in Duncan complained that there were too many strings attached to the funding. A member of Hummingbird Co-op pointed out that they had to spend the funding they received on the services of consultants and could not cover capital expenditures, such as the purchase of necessary equipment and the hiring of staff. It was felt the money would have been more useful if the co-op could have spent it on training programmes to educate members with skills relevant to running the co-op. Some of the co-ops argued that if funds were available to purchase needed equipment, they would have taken on more ambitious activities. For example, both Warmland and the Cowichan Region Fishers' Co-op wanted to expand their value-added food production but were unable to do so without the necessary funding.

The Community Forestry Co-op also had problems with government rules, quite apart from the problems it faced as a forestry co-op at a time when the forestry industry was depressed. Because co-operatives could not legally incorporate as non-profit organisations, the co-op was placed in the same category as large corporations and was not permitted to do small-scale forestry harvesting. The provincial government also charged a higher stumpage fee for the harvesting method that the co-op preferred; however, they choose this approach because it generated more jobs than other logging methods.

Members of Cowichan Lake Forestry Co-operative pointed out that materials need to be developed that outline the co-op legislation around taxation; they felt that there are too many complications for worker co-ops where the members are both employees and employers. They also had problems obtaining accounting advice as few professionals in the area were familiar with the co-op model and taxation issues.

Co-operation among co-operatives can be an asset when they work together. However, co-operation among co-operatives and formal connections to co-op organizations was only undertaken by a few of the Cowichan co-ops. In 2001, only the Regional Fishers Co-op, Chemainus Credit Union and Island Savings were members of British Columbia Co-operative Association (BCCA). Members of Cowichan Lake Community Forest said they had little contact with other co-ops.

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Conclusion

Newer co-operative organisations in the Cowichan area tend to be small, with membership often below ten and sometimes as low as five members. Although the number of people directly involved in these new co-ops is relatively low, when those who are employed by the co-operative and those who sell their wares through the co-op are considered, the number of people affected by the new co-ops is several hundred. When we include long-term members of the consumers' co-op and those who do business with the local credit unions, the number of people engaged in the co-operative sector in the Cowichan area is in the thousands.

Co-operators interviewed gave two primary reasons for adopting the co-operative model as an appropriate business structure. First, the availability of funds from the Ministry of Community Development, Co-operatives, and Volunteers helped with the practical side of starting a new business. The second reason stems from people's desire to find new ways of working together. The difficulties of operating small businesses where one or two individuals must do all of the tasks on their own and shoulder all of the responsibility contributed to the desire for small business operators to work together co-operatively. Members of *Imagine That!* and Adventure B.C. both extolled the benefits of working with others. Co-operatives were viewed as offering joint security; all members can come into the co-op on "the same footing," and ideally, each member also carries an equal burden of work and risk. Shared service co-operatives offered local farmers, food producers, artisans, and tour operators the opportunity to pool their resources, allowing each group to take on a more ambitious business plan than would be possible to implement on their own.

Chapter Nine

Emerging Patterns

The co-operative movement is an integral part of the history and present day composition of communities in British Columbia, and yet this intimate relationship has previously not been examined in any great detail. Undertaking the research for this book has allowed us to uncover the foundational layers in the story of this quiet giant. What has been the experience of past generations of co-operators? What is their legacy? What can we learn from them? Uncovering the roots of the co-operative family tree, exploring the various branches that have grown over the decades, and uniting this with the intimate details of present day experiences, affords us a better understanding of the impact and contribution of this quiet movement across the province. Indeed, one of the fascinating and gratifying aspects of doing this research has been to give form to something that is an intricate part of our heritage and yet often goes unseen in our everyday lives. *A Passion for Possibilities* provides a valuable and colourful tapestry to help us better see the contours of this gentle giant, and it affords us a more in-depth understanding of the legacy and the vitality of the movement throughout British Columbia.

In this closing chapter, we will draw together the emerging, collective story of co-operatives in British Columbia and summarize our findings of the factors that contribute to their failure at times, their on-going challenges, and their frequent successes. From this review, we set forth a short list of recommendations for strengthening the local and provincial co-operative movement.

*A Passion for Possibilities***The First Generation – 1890s to 1960s**

Co-op legislation was first passed in B.C. in 1896; any co-ops formed before then would not have been registered under the Act. The first generation of co-operatives in the province grew up in the traditional sectors of agriculture, fishing, consumer, and financial services. This was familiar terrain for the development of co-operatives elsewhere in Canada, as it has been in many other countries as well.

Dairy producers and fruit growers were among the first groups to experiment with the co-op model as a way to market their goods.¹ Farmers in the Cowichan, Fraser, and Okanagan valleys were keen to take advantage of the growing markets in Vancouver, Victoria, other parts of the province, and beyond.

The Cowichan Creamery was the first dairy co-op in B.C., incorporating in 1895. Fruit marketing and processing co-ops also began to form in 1895 with the Kelowna Shippers' Union as the first. Over the next 30 years, over forty agricultural co-operatives were incorporated. Marketing co-ops proved a vital means for farmers to not only get their harvests to market but to ensure a decent return for their labour. During the first few decades farmers were continually faced with unstable markets. By the summer of 1933, the growers "had had enough" and organized to withhold their crop altogether unless they received a decent price. The network of established and young co-ops provided the farmers with a viable infrastructure to quickly organize their resistance and eventually they had an impact on the stabilization of market prices.

In the 1920s, the agricultural sector started to diversify; in 1927 a strawberry growers co-op was formed, comprised of Japanese farmers; in 1936 the Interior Vegetable Marketing Agency Co-operative was formed; agricultural co-ops in northern B.C. began in the 1940s; in 1943 the B.C. Livestock Producers Co-op was founded; in 1952 the B.C. Sheep Breeders Co-operative Association was organized; and in the 1964 the first seed cleaning co-ops were created in the Dawson Creek area.

Like the fruit marketing co-ops, the early fishing co-ops were formed to help fishers have more control over the price they received for their catch. The independent minded Finns on Malcolm Island

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created the first fishing co-op in B.C. in 1929 – the B.C. Fishermen’s Co-operative. Although this first effort was short lived, a seed had been planted. More fishing co-ops followed: in 1931 in Prince Rupert, in Nootka in 1935, on the Queen Charlotte Islands in 1935, Tofino and Ucluelet in 1939, and again on Malcolm Island in 1946. The fishing co-ops primarily served the purpose of a centralized collecting unit for the catch; however, some of them expanded into storing, processing, and marketing activities. The members of the first fishing co-ops were mostly of European descent; however, Japanese fishers (in the late 1930s) and First Nations fishers (in the 1970s) attempted to establish their own fishing co-ops. Unfortunately, neither group was able to sustain their co-op for more than a few years.

By the 1940s, the Prince Rupert Fishermen’s Co-op (PRFC), the most important of the fishing co-ops, was made up of nine fish collecting stations and two processing plants. Following mergers with other fishing co-ops, PRFC became the largest fishing co-op in North America and remained so for many years. Eventually, the co-op established the first credit union in the area and later joined with other local co-ops to build a Co-op Centre in the downtown core of Prince Rupert. PRFC is a prime example of the strong and positive impact early co-ops had on their communities.

As towns and settlements grew up around the province, so too did consumer co-ops. Besides supplying staple products needed in outlying areas, the stores often offered fuel, postal services, meeting places, sometimes a centre for transportation, and, perhaps above all, a way to stretch scarce savings. Established in 1909, the Sointula Co-op Store on Malcolm Island still operates today and is the oldest consumer co-op in western Canada. Between 1909 and the late 1950s over a dozen other consumer co-ops were formed. They developed in logging communities, mining towns, fishing villages, and farm centres. They often reflected the cultures of different ethnic groups who had settled in the province, such as the Finnish settlers on Malcolm Island and in Gibsons, and the Doukhobors who founded the Slocan Valley Co-operative in 1957. In 1945, a new kind of consumer co-op emerged with the founding of People’s Co-operative Bookstore in Vancouver.

The final sector to develop during this early period, and one that is central to the development of the co-operative movement, is the financial sector. Like other provinces, British Columbia was hard hit

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by the economic slump of the Great Depression. Banks pulled out of small communities and cut their services to lower and middle class families as well as to small businesses. People had to rely on any personal savings they had been able to amass and call on family and friends as needed.

Credit unions had been established in other parts of Canada by this time – most notably Québec and Nova Scotia. Credit unions began to emerge in communities around British Columbia during the 1930s, even before the passing of the Credit Union Act. The Common Good Credit Union in Burnaby is generally acknowledged as the first credit union in the province. As financial needs became more pressing and awareness of this alternative grew, people lobbied the provincial government and, finally, in 1939 the Credit Union Act was passed.

The Act specified that credit unions had to be formed on the basis of a “common bond” frequently interpreted to mean ties created within a community defined by geography. It could also mean ties created by employment, religion, or ethnicity; some credit unions were classified as “closed bond” credit unions because not everyone in a geographic area could join them. The Powell River Credit Union (1939) was the first chartered credit union. Between 1939 and 1960, over 200 credit unions were incorporated. Some examples of these early initiatives include: the Oliver Credit Union (1939), the Street Railwaymen’s Union (STRY) Credit Union (1940) in the Commercial Drive area of Vancouver, the Lakeview Credit Union in Dawson Creek (1943), Vancity Savings in Vancouver (1946), and the Provincial Government Employees Credit Union in Nelson (1950).

The stories of the origins of this first generation of credit unions tell of the optimism and tenacity of their founders and their deep faith in collective solutions. Many of these credit unions had humble beginnings; they were often formed by a small group of founding members, in some cases contributing as little as 50 cents per member. They were typically housed in people’s homes or collective offices. They granted small loans for essential supplies, and sometimes people had to wait until another loan was repaid before their loan could be processed. Today, these credit unions have grown into million dollar operations serving thousands of people.

Although this first period is dominated by growth in the traditional sectors, we also find a number of innovative ways that early

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co-operators experimented with applying the co-op model. Sometimes their efforts were forerunners to social movement that would unfold in the 1960s and 70s. During the 1930s, very successful transportation co-ops were formed in the Kootenay area of Rossland and Fruitvale. In 1943, a working women's co-op was formed by a group of women who wanted to own housing and have meaningful employment. The first equity and "building co-ops" were formed in 1950 in Vancouver and Victoria. A successful clam harvesting and marketing co-op was formed by Aboriginal and non-Aboriginal residents of the Queen Charlotte Islands in 1942. The 1950s saw the advent of the first service or social co-ops in B.C., and the first preschool co-ops were founded in the Cowichan Valley. In 1950 the Co-operative Society for the Visually Handicapped was founded. The Vancouver Island Organic Co-op began in Cowichan Valley in 1954. In Argenta, at the north end of Kootenay Lake, the Delta Workers' Co-op was formed in 1954. These co-ops reflect the inventive and diversified ways the co-op model was being used and demonstrate how the movement was flourishing in this first period.

The Middle Generation – 1960s to 1990s

This middle period of co-operative growth is characterized by mergers in the credit union and agricultural marketing sector, a new look to consumer food co-ops, the growth of land and housing co-operatives, developments in the service, craft, and worker co-op sectors, and the folding of some first generation co-operatives.

Even before the close of the first period of growth, some of the first generation of co-ops began to fail and even fold. Castlegar Co-op Retail Society folded in 1962. The Kootenay Valley Co-op Milk Producers Association closed down in 1968. Unable to compete with the larger players and adapt to the changing times, the Kaien Consumer Co-operative in Prince Rupert folded in 1969. It was reformed as the Northern Co-operative Association, incorporating in 1971, but the co-op closed again in 1990. The Prince Rupert's Fishermen's Co-op was unable to weather changes in the industry and formally dissolved in 1994.

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During this period, mergers became common among agricultural marketing co-ops and within the credit union sector. Fruit marketing co-ops in the Okanagan and the Kootenays began merging in the early 1960s. This trend has continued to the present day; three of the four largest fruit co-ops merged as recently as 2005.

Growing competition with larger financial institutions, changes in the economy and society, and the advent of new technologies and banking services meant that many credit unions were faced with the choice of staying small and local or merging services and branches in an effort to stay competitive. Credit union mergers and the growth of the financial sector touched communities across the province. A few credit unions chose to remain close to their roots, such as the Oliver Credit Union, and have been able to maintain their identity, membership base, and status in a pond that keeps being populated by bigger and bigger players. Although the larger credit unions have been able to maintain their status, they are continually challenged from above and below. They must maintain their competitive edge while at the same time maintaining excellent services, respect from their communities, and strong member loyalty. In the communities where we focused, only one new credit union was formed in this “middle period” – that was CCEC Credit Union in the Commercial Drive area.

Consumer co-operatives took on a new look as the focus shifted from staples to natural foods and holistic products. During the 1970s, over 50 small, informal food-buying groups grew up around the province connected by common social interests and a desire for healthy foods. A central co-operative distribution centre, Fed-Up Co-operative Wholesale, operated out of Vancouver and an evolving worker’s co-op, CRS Workers Co-operative, serviced the network. Eventually some of the food-buying collectives grew into formal co-operatives and became natural food outlets in communities around the province. Kootenay Country Store Co-op is one such example; East End Food Co-op on Commercial Drive is another.

The roots of housing co-operatives in Canada date back to the 1930s when “building co-operatives” were established in Nova Scotia. The first formal housing co-ops began in B.C. began in the 1970s and went through a period of rapid expansion following the establishment of federal-provincial funding programmes for low-income housing administered through Canada Mortgage and Housing Corporation.

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Although many members received subsidies, they were still members of the co-ops and expected to participate in caring for and managing the units. According to the British Columbia Co-operative Association's website, almost 75% of the 300 housing co-ops in B.C. are found in the Lower Mainland and Vancouver area. The remaining 25% are spread over Vancouver Island, the Southern Coast, the Kootenays, and the Thompson/Okanagan region. Only four housing co-ops were formed in the entire central and northern region of B.C. In contrast to housing co-ops, there are only a few land co-ops in the province. These are located primarily in the Kootenay region. The first land co-op in B.C. was founded by a group of Quakers who had recently immigrated to Argenta. The Kootenay Co-op Land Settlement Society was founded in 1972.

During this second period, co-operative growth flourished in the co-op preschool sector, showed some activity in the arena of social co-ops, such as the Cowichan Self-Help Co-op formed in 1972, and new forms of worker-owned marketing co-ops started to emerge, such as, the Craft Creations Co-op in Nelson in 1983 and the Handy Crafter's Corner Co-op in Dawson Creek in 1985.

The Youngest Generation – 1990 to the Present

This most recent period of co-op development is characterized by activity in over twelve different sectors of the co-op movement;² this reflects growth in the traditional sectors as well as expansion of the co-op movement into new sectors. Not only is recent growth spreading into niche markets and new areas, the internal structures of co-operatives are also changing and becoming more multi-layered. The credit union sector is the only area where there were no new incorporations during this period. A significant contributing factor to the recent growth spurt in the number of new co-ops was funding available to co-ops under the provincial Ministry of Community Development, Co-operatives, and Volunteers (1999 – 2001). Through this programme funding was available to co-ops for start-up cost, hiring developers, and training programmes. New developments surfaced in the area of the arts, communication, social co-ops, health care, com-

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munity forestry, energy, and the environmental sectors.

In the arts sector, the Kootenay Co-operative School for the Arts was incorporated in 1996; this has been the only post-secondary educational co-operative to be formed in the province. A non-hierarchical body, called the Round Table, composed of faculty, staff, and students, governed the co-op and operated by consensus. The school functioned as a co-op from 1996 to 2004 and served over 200 students in its final year before it became part of Selkirk College.

Co-operatives branched into the communications field, with radio co-ops developing in Nelson and Vancouver, an independent television co-operative in the Vancouver area, an Internet service co-op in the Caribou region, and several film and video co-ops like the one in Nelson.

New forms of resource-based co-ops developed, such as community forestry co-ops in Nelson and the Cowichan Valley, and new value-added marketing co-ops emerged; for example, the Touchwood Co-op in Vanderhoof and the B.C. Wood Co-op that operates a storefront in Vancouver and represents members around the province. Adopting the co-op model has enabled community forestry co-ops to compete with large lumber companies in the harvesting and marketing of forestry products, but to be able to do so in a way that creates local employment and is respectful of residents' concerns around protecting the watershed. The value-added marketing co-ops allow members to reside over a dispersed geographic area but work collectively to market their value-added forestry products.

Social co-ops, which emphasize the provision of a service rather than profit, have become very popular in recent years. In our research there were three such co-ops designed to assist their primary members – people with disabilities - to find employment and meaningful engagement in their communities. The Penticton and Area Co-operative Enterprise (PACE) is an example of a multi-stakeholder co-operative that requires their membership be made up of 70% client members and 30% supporters. Community First Health Co-op in Nelson is another multi-stakeholder social co-op whose members include people who will be users of the services, professionals who provide services, and community or corporate investors who have provided the co-op with large donations for start-up capital; the one member-one vote rule, however, still applies within this co-op.

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Co-ops with a strong environmental interest form another flourishing sector in recent co-op development. The 1990s saw the advent of recycling co-ops, bottled water co-ops, eco-tourism co-ops, and, in the last few years, alternative energy co-ops.

Within all sectors, there has been expansion into traditional and new markets. The agricultural sector saw growth within traditional practices such as the Okanagan Feeders Co-operative Association (1990) and the South Peace Bred Heifer Co-op (1998). We also find increased diversity within this sector with the development of such agricultural co-ops as the Granby Hemp Co-operative in the Kootenays (1995) and the Organic Milling Co-operative in the Thompson Okanagan area (1999). In the fisheries section, the 1990s saw the expansion of this sector into new aquaculture co-ops, such as shellfish co-ops on Malcolm Island and Cortes Island.

Patterns in Co-operative Development

From this historical review, we see that co-operatives in British Columbia have been increasing in number and type for well over a century. We see evidence that co-operatives arise from many different community cultures, local circumstances, social initiatives, and economic conditions. Further, we observe that the co-op model has been adopted to meet an array of social and economic needs.

Some of the patterns that we find to be most significant are as follows:

- Early co-operatives in British Columbia were primarily established in four traditional sectors but today the movement is well established in over twelve different sectors.
- Even within the four traditional sectors there has been increasing diversity in the mode and focus of co-operatives.
- Mergers have been a dominant trend in the agriculture, fishing, and credit union sectors and have contributed to the longevity of some established co-operatives. Mergers have not been common in the consumer retail sector.
- Co-operation within sectors has proved advantageous for many

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reasons (which will be explored in the next section) and has offered co-ops some of the advantages of a merger while at the same time allowing them to maintaining separate identities.

- Early co-operatives enjoyed a broad base of support within their communities, particularly where there was a resource-based economy that lacked a high level of diversification. Farming and fishing co-operatives united families around shared lifestyle activities and economic needs and also served as a means to mobilize community members to protect their livelihood. Early credit unions brought together people who shared a “common tie,” whether through work, religion, or place of residence, and reached into many parts of the community. The first consumer co-ops were often a hub for community activities while offering members essential supplies, vital communications services, and social networks to meet their various needs. In contrast, many new co-ops have a small membership base and cater to niche-markets or select groups within the broader community.
- Models of governance and membership continue to diversify. Some new initiatives are multi-stakeholder co-operatives allowing for a broader membership base to better enhance the resources available to the co-op.
- In five of the communities we studied, the co-operative movement is a growing, active presence in the area (Dawson Creek, Nelson, Southern Okanagan, Commercial Drive area, and the Cowichan Valley). In these communities, some of the early co-ops are still active, there have been important demonstrations of new co-operative growth, and recent developments have branched into new sectors of the economy. These communities have the benefit of deep roots within the co-operative movement, a build-up of local knowledge on how to work within and adapt the co-operative model, and the vitality of innovative, new growth stimulating the co-operative dialogue. Although the community of Malcolm Island has a long history of co-operative activity to draw on and a strong commitment to collective solutions, the community is deeply challenged by the lack of a stable economic base and a declining population.

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In Prince Rupert and in Vanderhoof the number of established co-operatives has been declining, there has been little experimentation beyond the traditional co-operative sectors, and several of the new co-ops have folded. In both these areas, the credit union sectors are robust and in Vanderhoof there is also a strong consumer co-operative. There is, however, ample room for new co-operative growth in these two communities.

Table Nine: Number of Co-ops in British Columbia 1990-2000³

YEAR	NEW CO-OPS	CO-OPS THAT DISSOLVED	TOTAL # OF CO-OPS
1990	23	16	457
1991	24	11	470
1992	23	22	471
1993	15	11	475
1994	13	8	480
1995	16	9	487
1996	23	16	494
1997	17	20	491
1998	35	10	516
1999	37	4	549
2000	25	2	572

Challenges to Co-operative Growth

The particular circumstances of the co-ops discussed here may have changed since we have been in the field; however, we believe much can be learned from reviewing what co-op members identified to us as factors hindering the growth of their co-ops and others factors that contributed to their well being. First, we will examine the challenges

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to growth.

Member Engagement: All co-ops face the continual challenge of recruiting new members. How to attract more youth is a challenge for many co-ops, especially those whose members are primarily middle age or older. Members of agricultural co-ops worry about the low number of young people choosing to farm, and members of consumer co-ops expressed concern about young people shopping at the big box stores. Some co-ops in rural communities, like Malcolm Island, are faced with a declining population base, meaning that their pool of potential members is also declining. This in turn makes the kind of growth basic to economic health difficult.

A decline in member participation was a challenge for co-ops like People's Bookstore on Commercial Drive, which depended heavily on the volunteer efforts of members. Former members of the Okanagan based Southern Interior Value-Added Wood Co-op believed their group was unable to incorporate because they could not sustain the volunteer hours required to set up the co-op.

Some co-ops have a stable, perhaps even growing, membership base, but the "new" generation of members may not understand and value the co-op like the founding members did. It is important that all members know how the co-op model works, what makes it different, and why their participation is important. Members of Rising Star Housing Co-op noted how some members ask when are "*they* going to fix it," rather than using the language of "*we*." Several of the agricultural co-ops indicated that some members joined because they had to be in a co-op to be eligible for the grants; however, they may remain uninformed about the functions of the co-op, and may not be interested in participation. As co-ops increase in size, meaningful membership engagement can be more of a challenge.

Internal Conflict: Internal conflicts arise in any organization. Conflicts noted in the co-ops examined in this study include: the people involved may have different visions of what they hope to accomplish through their collective efforts; conflicts arise when members feel their views are not being heard; differences between the board, the members, and management. An interesting example of the latter arose

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when members of Kootenay Country Store wanted lower priced food items, while the board favoured carrying fresh and organic foods, which was in keeping with the original vision of the co-op, and management had different ideas. In the end, some members broke away and formed their own small food buying group. Former members of Friends Recycling Everything Everywhere felt that a lack of understanding of the different roles of members, directors, management and staff, as well as uncertainties over the best way to proceed, was a factor in the demise of their co-op.

Management Issues: Members of one consumer co-op found there were difficulties when management changed several times in a short period and different managers had different approaches. In two agricultural co-ops, concern was raised about an over-reliance on management in the operation of the co-op. This concern became even more critical when there was not an adequate plan in place for the mentoring of new leadership in the co-op.

Challenges for the Board: Beyond active involvement by average members, another level of engagement is participation on co-operative boards. For new co-ops, board members can face a steep learning curve as they figure out how to work together running a business and doing so within a co-operative model. They can find using a consensus decision-making process particularly challenging, should they choose to use it. Several co-ops found recruitment and retention of board members a problem, especially during periods when many long meetings are necessary. Building and maintaining member morale is a trial for some boards; this balancing act takes time and patience to refine.

Inadequate Resource Materials and Resource Professionals: Many co-operators felt there was a lack of supporting literature regarding starting a co-op, incorporating it, running it as a co-op business, and meeting any of a variety of challenges that might appear. Sometimes, there were difficulties in locating necessary financial resources and finding informed resource people especially during the start-up period. There was also a need for increased access to specialized expertise:

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co-op developers, knowledgeable community economic development officers, as well as lawyers, accountants, and financial officers informed about issues associated with the incorporation and tax regulations for co-operatives. In Prince Rupert, for example, it was noted that the Prince Rupert Economic Development Commission had no information on co-ops as a business option in their 2001 Strategic Plan. Potential members of the Southern Interior Value-Added Wood Co-op were unable to complete the incorporation process once the community economic development officer had left their area.

Challenges Established Co-ops Face: As co-ops become established and grow larger, they face a different set of tests than in their formative years. Challenges that were commonly raised included: maintaining member's interest and participation when the co-op becomes less personable, bridging the generational change when new members are not familiar with the co-op model and/or may not have a shared sense of the co-op's identity, being able to adapt the co-op to changing times whether in the market or to the needs of members and the community, and, dealing with competition from large corporations. In several communities the co-ops faced challenges of maintaining member loyalty when the big box stores came to the area. Members of consumer co-ops named companies like Zellers, Safeway, Costco, and Loblaws as particularly difficult competitors. Residents of both Malcolm Island and Dawson Creek noted that some local people would drive an hour or more outside the community, despite the associated costs, to access the services of these department chains. It was felt that a major contributing factor to the folding of Cowichan Valley Consumer Co-op was the decline in member patronage as people left the community to shop. Credit unions have also had to confront competition from much larger financial institutions, a major cause of their mergers that have become commonplace from the 1960s onwards.

Government Support: Access to capital was another concern that could make or break new co-ops. Some of the agricultural co-ops in the northern part of the province may not have started or been able to continue without funding from government programmes. However, some co-ops have found government funding a mixed blessing.

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Members of the agricultural co-ops, for example, found the accounting programme was cumbersome and a bureaucratic burden. Members of Hummingbird, Warmland Foods, Wild Island Foods, and Cowichan Region Fishers co-ops felt their co-ops were hindered by the stipulations on how government funding was to be used, and the money was often not available when it was most needed. Members said that money for capital costs was more urgent than training. Some members found the language in the grant applications difficult to decipher and to use.

Legislation Challenges: The Co-op Act has proved problematic for some co-op boards. Malcolm Island Seafood Co-op (MISC) decided to become a private corporation to gain increased access to the kind of capital investments difficult to obtain under provincial co-op legislation. Members of Harrop-Procter Community Forestry Co-op felt their licensing application was held up because they were a co-op and, as such, a new player in the forestry industry. When Cowichan Forestry Co-op incorporated, they could not become a not-for-profit co-op and so they were forced to compete, at a greater cost, in a corporate category for their harvesting license. Members of worker co-ops are faced with a number of challenges around access to funding programmes. Their members are both employees and employers, which by some programmes places them in a conflict of interest situation for granting purposes.

Breaking New Ground: Many co-ops are growing up in new sectors with different kinds of innovative co-operative structures. They must contend with fewer resources and clarity about their challenges precisely because there are few role models for them to learn from, and there is limited research on alternative co-operative forms. Work Opportunities Resource Co-op in Nelson, for example, was one of the first co-ops in the province set up to provide meaningful employment for people with disabilities. It encountered a series of challenges, did not have any role models or guides to help members navigate the rough spots, and unfortunately, it survived for only a few years. Harrop Procter Community Forest co-op was also one of the first of its kind, which presented problems such as prolonged negotiations

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with government over their licensing. Some new co-ops also have yet to sort out legal issues around how to incorporate if they want to adopt new structures.

Need for more Co-operation among Co-operatives: Another commonly mentioned concern was the need for increased co-operation among co-operatives. This concern was raised primarily from members of new co-ops who felt that mentoring, sharing insights, and sometimes resources - especially with established co-operatives - could make an important difference in their efforts. Some members felt they were re-inventing the wheel in their efforts to establish their co-op. While it was acknowledged that needs and challenges can vary for co-ops in different sectors and of different sizes, the desire to build relations with other co-ops was still expressed. Some co-operators particularly wished the credit unions in their areas were more receptive to financing new co-op ventures and/or had support programmes in place to assist them. As established members of the co-op family, local credit unions were most commonly noted as the co-op organizations best situated to take on mentoring roles. Some members also expressed uncertainty about the benefits of belonging to large co-operative associations such as the Canadian Co-operative Association.

Continual Contextual Changes: Continual contextual changes, such as fluctuations in the market place, and government policies, programmes, and regulations were viewed as on-going challenges co-ops must address within their respective sectors. Changing social conditions, such as an aging or declining population base, or other changes in the socio-economic demographic of their community, as well as environmental changes, were noted as potential areas of challenge outside the control of the co-op.

Factors that Contribute to the Success of Co-operatives

While all co-ops face challenges, only some will survive and grow into mature established co-operatives. Like other kinds of organisations,

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co-operatives must find innovative ways to engage and overcome the trials they encounter. Many of the factors noted below as contributing to the success of a co-op are the other side of the coin of the challenges named above. The items discussed below are by no means a comprehensive list of the strategies for success used by co-operators around the province, but they are the approaches that have surfaced in our research.

First, it should be noted that the benefits to individual members and to their communities is a strong motivating force that must be recognized as the engine of the co-operative movement. Clearly acknowledging what is referred to in the movement as the triple bottom line (meeting economic, social, and environmental needs) is very important as the starting point for considering what makes co-ops successful.

Economic Benefits: Both historically and in recent years, co-operators faced with economic challenges, such as downsizing, restructuring, or the closure of a major employer in the resource sector, felt co-operatives offered a potential means of generating a livelihood while allowing them to remain in the community of their choice. With the downturn in the fisheries and in forest harvesting, residents of Malcolm Island have once again turned to co-operatives as a way to generate employment and sustain the local economy. From Nelson to the Cowichan Valley to Dawson Creek, marketing co-operatives in the crafts business provide local artists with the means to reside in non-urban communities and fashion an economic base for themselves. Members of Kootenay Bakery Café Co-operative noted that they have identified ways to expand their operation, create more employment, and help local producers increase the return on their goods. Eco-tourism co-ops such as Adventure Okanagan Marketing Co-op and Adventure B.C. Tourism Co-op in the Cowichan Valley allow small tourism enterprises to have a stronger presence in the industry and thus a greater chance of success. Members of certain agricultural co-ops in northern B.C. have benefited from improved access to loans and through their co-op involvement they have gained a better return on their crops and livestock. Members of social co-ops, like Advantage Co-op in Dawson Creek and Penticton and Area Co-operative

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Enterprises (PACE), have been able to gain a better economic and social footing in the community. Through the network of early food buying groups around the province, many jobs were created and some grew into well established consumer co-operatives, such as East End Food Co-op on Commercial Drive and Kootenay Country Co-op Store in Nelson.

Co-operatives can often have a positive economic impact on local working conditions, which contributes to their success through a positive reputation and member loyalty. Lake Cowichan Consumer Co-op, for example, offered their employees a union wage with benefits, which was a move ahead of its time. Several co-op members mentioned they had a policy of hiring locally and buying local goods.

In addition to employment and local purchases, co-operatives in general make a strong financial contribution to their communities through grant money that they bring into the community, through the donations and contributions they make to local groups, through dividends paid to members (and sometime to employees), and through many other avenues that inject cash into the local economy. Co-operatives were often noted for helping to create value added, diversified local economies, for keeping jobs in the community, and for having a strong interest in preserving and promoting economic stability in their area.

Credit unions have played an important part in supporting local industries in their regions. In Dawson Creek, Lakeview Credit Union helped the community deal with fluctuations in the agricultural sector. Similarly in Vanderhoof, the Nechako Valley Credit Union lowered interest rates for laid off workers of local lumber mills and offered support in other ways to be sensitive to changes in the forestry industry. In Prince Rupert, Northern Savings Credit Union worked actively with the local chamber of commerce to find a buyer for the Skeena Cellulose mill, and it joined with the city to offer a financial incentive to new buyers. The Community Congress for Economic Changes or CCEC Credit Union in Commercial Drive area is dedicated to providing financial support to community groups, small businesses, co-operatives, and not for profit societies. In the 1970s and 1980s they organized several economic planning and training conferences for their members and the broader community.

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Social Benefits: Although the majority of co-operatives are indeed businesses, addressing economic needs and providing economic benefits is certainly not the only or necessarily the primary benefit of participating in a co-operative. Co-operatives maintain their member loyalty, their reputation in the broader community, and contribute to their longevity by helping members meet a variety of social needs. They provide members with skills and services that improve their quality of life. Skills that are required to organize and run a co-operative, such as communication, dispute resolution, sharing, consensus decision-making, and facilitation, are taken into the larger community and practiced in work and everyday relations.

Although they were finding their way as they went, members of Fed-Up Co-operative, CRS Worker Co-op, and East End Food Co-op noted how involvement in these co-ops was challenging yet personally very rewarding as they developed new skills, business experience, and social networks. For members of some co-ops simply belonging to a co-operative has brought them a larger and more intimate social network, and a feeling of contributing to their community. Members of *Imagine That!* Artisans Co-op and Adventure B.C. Co-op acknowledged the benefits of working collectively and not having to be isolated from, and competitive with, other small business entrepreneurs. Co-ops can also offer members support from their peers while going through economically and/or socially challenging times.

Community Benefits: Co-operatives were often viewed as vehicles for “community building.” Co-operators in the Commercial Drive area claimed co-operatives helped shape the identity and the culture of their area. In Prince Rupert the Co-op Centre has been for many years the hub of the community; the same is true in Dawson Creek where people meet at the Co-op Mall as a central gathering point. In Nelson, where there is a thriving co-operative culture, co-ops provide financial services, groceries, transportation, cultural venues, community services, health care, and several other services. Members of Nelson Radio Co-op felt they were contributing to building and supporting the local culture through their efforts to promote local people and events.

Many of the established co-operatives and the credit unions in

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particular make generous donations back to their communities. Some of the community organizations that were mentioned as benefiting from co-operative grants include: 4H, girl guides, sports teams, schools, cultural events, seniors groups, environmental groups, and local charities. Credit unions commonly have low interests accounts for community groups and do not charge them service fees. Most of the credit unions offer scholarships for high school students and sponsor attendance of 2 or 3 youth per year to a co-operative youth summer leadership camp. Large retail co-ops also donate door prizes to community events and provide goods at cost.

Environmental Benefits: Respect and care for the environment is another way co-operatives contribute to their communities and gain the respect and loyalty of members. This was evident in various ways, such as efforts by Friends Recycling Everything Everywhere to reduce and recycle waste, Nelson Car Share Co-op's goal is to reduce fossil fuels, members of Advantage Co-op are helping to build community gardens, and members of Adventure Tourism are creating school programmes on environmental education as well as eco-friendly tourism packages. Both Cowichan Lake and Harrop Procter Community Forestry Co-ops were started in an effort to care for the forests and watersheds in their communities. In Dawson Creek, Peace Energy Co-op is on the leading edge of developments to provide alternative, renewable sources of energy. This energy co-op is developing the infrastructure for harnessing wind, solar, and geo-thermal energy and because they are a co-op, this will be managed by members of the community.

One can see from this long list of benefits how co-operatives are intimately connected to their communities and provide many services and supports for the well being of those in the greater area. It is this value-added package that co-operatives offer which speaks to the heart of what makes communities viable, and in turn motivates members of co-operatives to work hard, volunteer, and contribute their time, skills, and various personal resources toward the success of their co-operatives. As one co-operator on Malcolm Island said, it is sometimes hard to know "where the community [ends] and the co-op begins."

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In addition to the many benefits noted above, there are various strategies and actions that contributed to the success of the co-ops in this study. These additional factors are discussed below.

Meeting the Specific Needs of Members: The success of all co-operatives, in part depends on their ability to meet the needs of their members and maintain their loyalty and participation. In an effort to meet the changing needs of members, Vanderhoof Co-operative Association expanded into home fuel delivery. Nechako Valley Credit Union, also in Vanderhoof, partnered with other credit unions to offer increased financial services while at the same time remaining a small, community focused organization.

Members of several co-operatives mentioned how their co-operative found innovative ways to acknowledge members and draw them into the working life of the co-op. Kooetany Country Store was able to provide members not only with patronage dividends but also with member discounts. They also hold member appreciation days and have a regular newsletter to communicate directly with members. The board of Links Housing co-op found they needed to actively do member education and clearly define roles within the co-op. One simple action they found helpful to get members out to work parties was providing refreshments to create a more festive atmosphere.

Volunteers: The availability of volunteer time and effort was essential for the formation of some co-ops. Many of the co-ops stated that in the early organizing years they could not have done it without the dedication, hard work, and reliable effort of volunteers; two examples are People's Bookstore on Commercial Drive and Community First Health Co-op in Nelson.

Growing Tomorrow's Members and Leaders: Several of the co-operatives and credit unions have found ways to build connections with younger, future members of the co-operative movement. South Peace Feeder Co-operative, for example, has a Summer Grass pasture programme as a way to help young farmers and encourage them to stay involved in the co-op. Many of the credit unions have school programmes where elementary children can open savings accounts. In

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some places, like Nelson and District Credit Union, a special position has been created for a youth worker who runs fun, informational financial workshops with high school students to help them better understand the credit union system. Many credit unions sponsor two or more youth per year to attend a co-operative summer camp organized by the British Columbia Co-operative Association.

Knowing When to Grow and When to Stay Small: For some co-ops, and especially for most of the credit unions, mergers have been an important way to provide members with the services they need and want and to survive in a competitive market place. Many of the small fruit co-operatives in the Okanagan found that mergers were a beneficial route for them to take as local markets were quickly outstripped by changes in transportation, technology, and as large multi-national corporations came to dominate the food markets. For many credit unions, mergers have been the means to stay viable and yet maintain a local presence. For some credit unions, however, it has been the preference to stay small that has allowed them to maintain their member loyalty and identity. Osoyoos Credit Union is one such example; the CCEC Credit Union in Commercial Drive is another case.

Mutual Support among Co-operators: Although there is certainly room for more co-operation within the movement, some members acknowledged the support they had from other co-ops as very beneficial. Agricultural co-ops in Dawson Creek and Vanderhoof have experienced support within their sector at the local, regional and provincial level. This has provided individual members with additional support and advice that was not available within their local co-op. It also gives co-ops in this sector a stronger, more organized voice when they negotiate with government. Advantage Workers' Co-op has benefited from the support of other local co-ops. Members of Nelson Car Share Co-op benefited from the support of the Vancouver Car Share Co-op. Similarly, the Nelson Radio Co-op received encouragement from the Vancouver Radio Co-op. Credit unions in northern B.C. have benefited from forming the Credit Union Technical and Administrative Service Company which has allowed them to share services without merging. Credit unions also enjoy mutual support and leadership

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from a strong provincial association in Credit Union Central of B.C.

Access to Funding: Every co-op needs some form of start-up capital. As mentioned earlier, access to government funding can sometimes be a mixed blessing. For the agricultural co-ops it seems to be an essential form of support even with the problems the co-ops encounter. Many of the new co-ops whose members we interviewed acknowledged the support of start-up funding from the Ministry of Community Development, Co-operatives, and Volunteers (1999-2001). Without this funding, many of these co-ops may not have started. Since that funding ended, there has been a decrease in the number of new co-ops. It is doubtful if many of the housing co-ops in B.C. and across the country would have started without the support of CMHC funding. Very few housing co-ops have been formed since this funding ended. Both Wild Island Food and Malcolm Island Shellfish Co-op had financial support from other government departments and this was vital in their early efforts to become established.

Recommendations for Strengthening Co-operative Growth

Whether co-ops have a traditional or an innovative structure, whether they are established or new, no matter the sector they are in, they face challenges that are both internal and external. A response to these challenges is required at all levels, from individual co-operative members to co-op boards and the entire co-op movement, as well as from the community in general and the various levels of government that generate policies, legislation, and, at times, funding for co-operative organisation. This next section explores some of the recommendations that come from our research.

Better Promotion of Co-operatives: Co-operative promotional programmes are needed in all the communities included in this study. Even in the Nelson area, where co-ops are flourishing, it was said that there are people in the community who do not know co-ops exist or what the potential benefits are of belonging to and supporting them.

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In many interviews, it was said that co-ops do not do a good job at selling themselves.

Education and Training on Co-operatives: A public awareness campaign should be undertaken for high school students and more co-operative youth-oriented programmes should be developed. Youth recruitment is of particular importance as they are the next generation of members and leaders within the co-operative movement.

The production of more educational programmes and literature regarding the co-operative experience, including specific “how-to” manuals that cover a wide range of topics, would greatly increase the resources for people forming co-operatives and, at the same time, generate a greater level of awareness about the value of co-operatives as a viable business option.

Beyond this, there is a need for greater training and increased resources geared toward member education. For co-ops to thrive and be able to recruit board members who are knowledgeable of the co-op model there is a need for active and informed participation by members.

Trained Resource Professionals: There is a need for co-op developers, community economic development officers, lawyers, accountants, and financial advisors who are aware of co-operatives as a viable business option and are familiar with the co-op model. Their work should not only help new and established co-ops but it should also promote co-ops as well.

Increased Co-operation among Co-operatives: Every community in this study could benefit from increased co-operation among co-operatives. This might take the form of informal networks and opportunities to share insights and experiences. It could include mentoring and formal arrangements to share space, resources, and marketing, as well as financial assistance, and guidance. Having stronger business relations such as buying services and goods from one another was also noted as a helpful way to build the co-operative community.

Recognition that Co-operatives are a viable form of Community

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Economic Development: Along with co-operative promotional campaigns there is a specific need to target those policy makers and funders who are the architects for community economic development programmes. The goal here is to ensure that those who might want to start a co-operative business venture are given the same supports as independent small businesses.

Changes in Funding Programmes: Government funding programmes need to be tailored toward the special needs of co-operatives in order to better suit the needs and demands of the various sectors. Audit programmes could be streamlined and co-ops could be financially assisted as they learn how to have these audits done. More government funding programmes are required to help co-operative businesses and there is a need for increased flexibility around ways co-ops can use the funds.

There is also a greater role for the co-operative sector to play in providing financial support and guidance for new co-ops.

Limitations of the Research

In the course of doing this work, many questions have been answered and many more have been raised. We remind the reader that this research has not been an exhaustive study of all co-ops in B.C. One area that was not covered in this study was the central Caribou region of B.C. Even in the areas of the case studies we have arbitrarily drawn lines as to how far around the central community to cast the net. In other instances, our coverage has not been complete. In Commercial Drive for instance, we have barely touched on housing co-ops and yet Vancouver has the majority of housing co-ops in the province. In the Nelson area we mentioned a number of co-ops in outlying communities but there are many more that could have been included had time and resources permitted. We have only touched on part of the credit union involvement. We also remind the reader that changes have most likely occurred since we undertook our field work.

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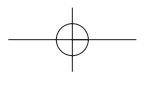
Closing Thoughts

Although at times, it is helpful for our understanding of co-operative activity to sub-divide co-ops into traditional or innovative models, or to think of them in terms of the period in which they were founded, or divide them by sector, by how established they are, or by their size and so on, nonetheless, an important characteristic that we see across all of these divisions is that co-operatives were viewed as a time-honoured, viable option to help people address an array of common concerns.

Time and time again, in every community we visited, co-operators mentioned the many benefits that flowed back to them and their community. These benefits were often acknowledged in a way that overshadowed the challenges and the odds they were confronting. Even when times were difficult, people spoke of co-operatives with a sense of hope and passion, viewing co-ops as a tool and a model that might help overcome certain challenges that beset them and their community. The co-operative model arose from a strong need to find ways to address collective concerns. It still has the potency to engage that collective will as people come together to regain a measure of control over their destiny in the face of adverse and daunting circumstances.

Lifestyles, employment, and social conditions are continually changing and often challenging, yet co-op members expressed a strong and inspiring sense of dedication to community and a sense of resilience. In one interview the sentiment was expressed that “we have been through this before and the community will keep going and try new things.” The dedication to starting and supporting co-ops was often framed as a commitment to community, to building the local economy, to helping create a local source of employment, to providing services and opportunities for younger members of the community, and a statement of hope and possibilities for the future.

We trust that in revealing the contours and character of the province’s quiet, co-operative giant, we may play a part in helping the many members of the movement find their voice so that the collective expression of passion for creating sustainable, caring, and thriving communities continues to grow.



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Endnotes

INTRODUCTION

¹ In addition to the eight case studies presented here, we were able to complete over 40 case studies of individual co-ops. These can be accessed at: <<http://web.uvic.ca/bcics/research/situating/index.html>>.

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CHAPTER FIVE – THE SOUTHERN AND CENTRAL OKANAGAN REGION

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- ¹⁹ *BCICS Case Study: East End Food Co-operative*, 3.
- ²⁰ *BCICS Case Study: Waterfront Consumers' Co-operative*, 1.
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- ²³ Only partial information is available for some co-ops.
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- ¹⁰ Unless otherwise indicated, all quotes and specific information on the co-ops in this section comes from interviews with BCICS researchers, 2003-2005.
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- ⁴ Richard Rajala. *The Legacy and the Challenge: A Century of the Forestry Industry at Cowichan Lake*. (Lake Cowichan: Lake Cowichan Heritage Advisory Committee, 1993).
- ⁵ Jane K Watt. *Milk Stories: A History of the Dairy Industry in British Columbia, 1827-2000* (Abbotsford, BC: Dairy Industry Historical Society of British Columbia, 2000).
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- ⁹ Barbara Olson and Rollie Gunderson, eds. *Family Trees: The Growth of a Forest Community, Lake Cowichan 1944-1994* (Lake Cowichan, BC: 50th Anniversary Book Committee Lake Cowichan, 1994).
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- ¹¹ BC Archives, MS 2460, Box 23, File, 28. Unfortunately, other than a few documents in the B.C. Provincial Archives, there is no known information published on the Cowichan Indian Farm Co-op.
- ¹² Keith Norbury, "Of Creamery: Future on line," *The Cowichan Valley News Leader*, (14 December, 1988) 14.
- ¹³ Sheldon Zakreski and Cory Waters. *Forestry Jobs and Timber: Vancouver Island Forestry Trends, 1991-1995 and Their Implications for Forestry Policy*, (The Sierra Club, Victoria, B.C. 1977).
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CONCLUSION

- ¹ Ian MacPherson, *Each for All: A History of the Co-operative Movement in English Canada, 1900-1945*. Ottawa: Macmillan, 1979, p. 21.
- ² These sectors include: Agricultural, Fishing/Aquaculture, Consumer, Credit Unions, Housing and Land, Social Services,

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Worker, Recreation, Arts/Culture, Forestry/Wood Products, Communication and Media, as well as other sectors.

³Data drawn from annual reports of co-ops registered in British Columbia filed with Ministry of Finance and Corporate Relations – Societies and Co-operative Associations, Victoria, B.C. April 2001.