

Recent Developments.—The Canadian co-operative movement has in recent years expanded and strengthened itself by means of federations and international affiliations. One of these was the organization of Canadian Co-operative Implements Limited, which was designed to manufacture and distribute farm machinery in the three Prairie Provinces. A small factory was acquired at Winnipeg where small implements are now being manufactured. The Company has also concluded a contract with a large Eastern machinery firm to supply them with tractors and heavier farm equipment.

The various co-operative wholesales in Canada have joined into Interprovincial Co-operatives Limited to facilitate interprovincial co-operative trading in the products of the various provinces. Some of these co-operative wholesales are also members of National Co-operatives Incorporated of the United States. This is regarded as one of the first moves towards increasing international co-operative trading.

Taxation Amendments.—Amendments to the Income War Tax Act relative to co-operatives were initiated and passed by the Dominion Parliament in August, 1946. For the most part these amendments were based on the report of the Royal Commission on Co-operatives which was tabled in the House of Commons in December, 1945.

The former exemption clause 4 (p) was repealed as at the end of the 1946 crop or financial year and full exemption is granted for three years only, to co-operatives commencing business after Jan. 1, 1947. Patronage dividends are deductible by co-operatives as an expense before calculation of taxable income. The latter is made up of: (1) Any surplus arising from member and non-member business that is not paid out; (2) Surplus from non-member business that is paid out to members; (3) Dividends or interest paid on capital stock; or (4) An amount equal to 3 p.c. of the capital employed, if actually earned, which may be reduced by payment of interest on enforceable obligations. The tax will be paid on the total of (1), (2) and (3) above, or the total of (4), whichever is the greater.

Subsection 2.—Statistics of Co-operation

Tables 24 to 27 include statistics of active co-operative business organizations engaged in marketing produce or buying supplies for their members, but do not include statistics of fishermen's co-operatives or service co-operatives.

24.—Summary Statistics of Co-operative Business Organizations, Years Ended July 31, 1936-45

Year	Associa- tions	Places of Business	Share- holders or Members	Patrons	Sales of Farm Products	Sales of Supplies	Total Business ¹
	No.	No.	No.	No.	\$	\$	\$
1936.....	781	3,186	366,885	406,321	144,962,609	12,788,192	158,165,565
1937.....	1,024	3,987	396,918	451,231	157,031,405	16,363,966	173,927,117
1938.....	1,217	4,125	435,529	462,937	134,493,746	20,091,893	155,080,435
1939.....	1,332	3,791	445,742	486,589	180,747,471	20,400,008	201,659,984
1940.....	1,151	3,657	450,453	462,296	214,293,359	21,129,822	236,322,466
1941.....	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305
1942.....	1,722	4,291	561,314	620,034	214,762,980	42,327,447	257,090,427
1943.....	1,650	4,406	585,826	608,680	295,499,274	55,689,141	352,785,598
1944.....	1,792	4,534	690,967	719,080	459,798,798	65,508,771	527,855,540
1945.....	1,824	5,341	739,804	738,345	500,481,627	81,360,855	585,650,067

¹ Includes other revenue.