

insurance and electric and gas services. Other income including such items as patronage dividends, rent and interest grew at a 20% rate, a third provided by Quebec associations. Farm and fish product marketing, the major component of overall business volume, eked out a small 2% gain. Supply sales slightly exceeded the inflation rate, rising 10%.

Co-operatives covered here exclude recreational (such as community halls and rinks), financial (credit unions) and those run by native peoples. Those included are classified by their primary function into four main groups: marketing and purchasing (the largest), service, fishermen's and wholesalers. The service group is frequently subdivided into service and production. Production co-operatives provide services directly related to agricultural production such as artificial breeding, or are directly involved in production such as co-operative farming. The first three groups are known as local co-operatives because they deal directly with individual members; the wholesale co-operatives perform wholesaling functions for the locals. Statistics quoted are for the locals since the data for the wholesalers are largely a duplication of figures for the locals.

Total asset value of co-operatives at \$2,657 million for 1977 increased about 2% over 1976. It was another year of strong growth in fixed assets, up about 16%, as co-operatives continued to upgrade and expand their productive capacity. Receivables and investment also rose. But most of these gains were offset by a sharp drop in cash, short-term investments and inventories of the large Western grain co-operatives. Inventories were valued at lower levels in line with world grain prices while the bulk of cash and short-term investments were used to reduce short-term liabilities. Reported membership in co-operatives came to 2.37 million for 1977, about 4% over the adjusted figure for 1976. The number of associations slipped about 1% with only the services group making a gain.

Business volume of marketing and purchasing co-operatives totalled \$6.3 billion in 1977 for a gain of \$302 million or 5% with supply sales accounting for two-thirds of the increase. Farm product marketings rose only 2%. Grain and seeds, accounting for more than half the total marketing, was almost unchanged as lower world prices offset larger export volumes. Fruit and vegetables recorded an overall gain of 8%. Livestock volume dropped 10% as a result of the closure of a major livestock marketing complex. Dairy volume rose \$85 million, with two-thirds of the gain in Quebec where co-operatives have been acquiring additional plant facilities from the private sector in recent years. Poultry and egg marketings rose 5% from increasing broiler meat consumption in Canada. Miscellaneous marketings were pulled down by declines in sales of fur, tobacco and wood. All provinces but Ontario and New Brunswick had higher farm product marketings.

Sales of supplies (farm, consumer and other) by marketing and purchasing co-operatives rose \$215 million or 10% in 1977. Gains were made in all provinces and all sales categories except machinery which declined by 24%, showing the effect of the negative influence of a farm net income decline of 7%. Food products, the largest sales category in the supply sector, registered a substantial gain of \$110 million, or 18%, comfortably ahead of the 15% rise in food prices as measured by the consumer price index. Building materials, the outstanding performer, rose 19% as sales boomed for a second straight year. Gains in the other supply categories ranged from 3% to 14% with inflation accounting for half or more of the increases.

### 19.1.6 Control and sale of alcoholic beverages

The retail sale of alcoholic beverages in Canada is controlled by provincial and territorial government liquor control authorities. Alcoholic beverages are sold directly by most of these authorities to the consumer or to licensees for resale. However, in some provinces beer and wine are sold directly by breweries and wineries to consumers or to licensees for resale. During the year ended March 31, 1978, provincial government liquor authorities operated 1,632 retail stores and had 401 agencies in smaller centres.

Table 19.24 shows the value and volume of sales of alcoholic beverages in the years ended March 31, 1977 and 1978. The value does not always represent the final retail selling price of alcoholic beverages to the consumer because in some cases only the selling price to licensees is known. Volume of sales is a more realistic indicator of trends in consumption, but as a measure of personal consumption by Canadians it is subject to