

The Grain Growers' Guide

Winnipeg, Wednesday, November 19th, 1913

THE GRAIN GROWERS' ANNUAL

The Annual Meeting of the Grain Growers' Grain Company, held in Winnipeg last week, was one of the most important as well as one of the most encouraging meetings of shareholders in the history of the company. Never before was there such an exhibition of loyalty by the farmers to their own institution, and confidence that through their own company they were on the right road to a solution of many of the problems of the day. It is, indeed, a tribute to the interest which the farmers have in their own company that they gathered from all over the three Prairie Provinces, and paid their own expenses, in order to be present during the two days' session of their meeting. It is doubtful if there is any other company in Canada, or, indeed, on the continent of North America that has 400 shareholders who will come from such great distances and at such expense from their own pockets to attend an annual meeting. These farmers gathered together because they were interested in their own company and were anxious to do what they could to make it a great success. They are naturally very proud of the record of the company during the seven years since it had its very humble and unpromising beginning. And why should the farmers not be proud of the work of their own company? It is composed of 14,000 farmers, who hold from one to forty shares of stock each, and each man has but one vote at the annual meeting.

The record of the company is nothing short of marvelous. It already is the largest grain commission house in Canada. It is operating successfully an enormous terminal elevator at the head of the lakes. It is operating a large line of country elevators in Manitoba, and though there has been a loss on these elevators during the past year it is hoped that next year will be profitable. The company has recently purchased another cleaning and drying elevator at Fort William and also a small one at New Westminster, B.C. A flour mill has been leased by the company, and in a few short months of its operation, has forced other flour millers to reduce the price of flour all over the country. Apples and coal are handled through the Co-operative Department of the company at greatly reduced prices to farmers, and in a short time lumber and binder-twine will be handled in the same manner. The company has a very large timber limit in British Columbia and will shortly be able to supply lumber to the farmers on the prairie at much lower prices than at present prevail. Another great work done by the company is its connection with the Home Bank, which, at its branches throughout the West gives lower interest rates to the farmers than is given by other banks. The Grain Growers' Grain Company has also been the financial backer of the Grain Growers' Guide, which paper in five years has developed to a circulation of 32,000 per week. In addition to all this magnificent record the company has donated in actual cash \$40,000 to educational work during the past five years. During its history the company has handled considerably over 100,000,000 bushels of grain, and as a result of its operations has improved marketing conditions to a greater degree than any other agency in Canada. The volume of business done during the past year was over \$60,000,000. All of this has been done on a paid-up capital of \$645,000, which is small in comparison to the aggregate business. It is safe to say that no commercial organization ever started business in Canada that has had to face such desperate, bitter and unscrupulous opposition as that which the grain trade and many other special interests

that do not look with favor upon the work of the organized farmers have given to the Grain Growers' Grain Company. It is also of special interest that the Grain Growers' Grain Company, from the day it received its first bushel of grain, has not received one dollar of assistance from any outside source, and has never been supported by any state assistance in any way. It is a farmers' institution, owned by farmers, controlled by farmers and financed by farmers, and dependent entirely upon the support and loyalty of 14,000 farmers who are its shareholders. Every farmer in Western Canada and also in Eastern Canada has reason to be proud of the work that the farmers of the West have done, yet there has only been a beginning made.

The net profit on the year's business was \$170,000, after a loss of \$30,000 on the Manitoba government elevators had been written off. A dividend of 10 per cent. upon the paid-up capital stock was sent out to the shareholders two months ago, which was a sufficient answer to anyone who has been criticizing the standing of the Company in the past. For two or three years the company has been carrying on an export business in an endeavor to reduce the heavy expenses between the farmers in Canada and the consumers in Europe. During the past fourteen months the export end of the Grain Growers' Grain Company's business has met with a loss of over \$200,000. During the previous years of the company's business, however, its operations have been so successful and so well managed that there was a reserve of \$408,800 available to meet just such contingencies. The heavy loss on the export end of the business was, therefore, written off, by the instructions of the shareholders present and there is still a handsome reserve of nearly \$200,000 on hand over and above the capital stock of the company. The heavy loss on the export business was due to exceptionally bad conditions that prevailed last year. Grain that was shipped from Fort William to Liverpool on government grade, and in excellent condition, went out of condition on the way over and arrived at the British ports heated and musty. Naturally, it was very difficult to dispose of such grain, and in some cases the wheat, that had cost \$1.00 per bushel on this side had to be disposed of for 50 cents per bushel in Europe. Hundreds of farmers in the western provinces had the same experience with their own grain. They shipped it from their local shipping point expecting to get a return of 70 cents per bushel, but by the time it reached Fort William it was in such condition that in some cases it had to be dumped into the lake, and instead of getting any return the farmer had to pay a part of the freight. It was exactly the same condition which caused the heavy loss upon the export end of the Grain Growers' Grain Company business. The whole situation was placed fully before the shareholders at the annual meeting and was discussed at considerable length. It was finally decided by the shareholders that the Board of Directors should have full power to continue in the export business if they deemed it advisable. There is no doubt but that the past experience of the company will enable them to carry on the export business profitably. It seems also necessary that the export business be continued. No shareholder present made the slightest complaint about the loss sustained because it was realized that the very fact of the company being in the export business reduced the spread between the Canadian producer and the British consumer by one or two cents per bushel and thus saved last year in the aggre-

gate several millions of dollars for the grain growers of Western Canada. Considering the cost of transportation from Fort William to Liverpool has greatly increased in the past three years because of the shipping combine, both on the Great Lakes and on the Atlantic, the Grain Growers' Grain Company will not be able to improve conditions as they should be improved until it carries the wheat and flour straight to the Old Country to the consumers. The shipping combine must be broken, and a successful export business in the hands of the Grain Growers' Grain Co. would be a powerful aid towards that end.

The future success of the Grain Growers' Grain Company depends entirely upon the support it receives from the farmers of Canada. There are many different directions in which the company may develop to the benefit of the farmers. Each new development, however, requires capital, and the only way this capital can be secured is by the farmers sending their grain to their own company and buying additional stock in the company. There are at present 14,000 shareholders of the company, and the average holding of these shareholders is less than two shares each. If each farmer shareholder would take one more share for himself or his wife, the capital stock of the company would be increased to over \$1,000,000, but if each farmer would take two shares additional stock it would bring the capital of the company up to the grand total of over \$1,500,000. This would put the company in a position to handle flour on a larger scale, as well as coal, apples, binder-twine and many other things that are now costing the farmers from 10 to 25 per cent. more than they should. The Grain Growers have been in the flour business only a few months yet they have brought the price down in scores of localities as much as 80 cents per sack, a saving of nearly 25 per cent. The same thing can be done without end, but the company must have a capital to work upon. There are thousands of the shareholders of the company who will ship grain to their own company every year, even though they may be tempted by higher offers from other companies. We have reports of private companies who are endeavoring to draw farmers away from their own company, and to do so are even handling their grain for nothing. At several points where the Grain Growers' Grain Company are operating elevators their competitors are giving the farmers free storage in order to get them away from the farmers' company. The farmer who allows himself to be led astray by these baits is short-sighted, and is making a huge mistake. The Grain Growers' Grain Company is paying the highest possible prices everywhere for grain and returns to the farmers a ten per cent. dividend upon the stock held, and is helping the farmers in scores of other ways. Every farmer in this country should bear these facts clearly in mind when shipping his grain and not play into the hands of the enemy simply for the sake of \$2.00 or \$3.00 temporary advantage.

THE SASKATCHEWAN REFERENDUM

The electors of Saskatchewan will be called upon to decide on November 27 whether or not Direct Legislation shall be adopted in that province. The Saskatchewan Direct Legislation bill is by no means a perfect measure, but inasmuch as it embodies the principle of the Initiative and Referendum, the Direct Legislation League of the province is making strenuous efforts to secure a sufficient vote to put it into force. The organized grain growers of Saskatchewan have repeatedly approved of Direct Legislation at their annual conventions, and