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Do you tell your neighbors who are non-subscribers about The Guide and the aggressive fight which it is carrying on, on behalf of the farmers of the West? Do you tell them that there is not a single move made by those opposed to the farmers' interests of which you are not immediately apprised through the columns of The Guide? Do you tell them that almost the only way they can secure the bulk of this information is through The Guide? Do you illustrate this by special examples, such as the exposure of "Observer," the Indictment of the Terminal Elevator Companies, etc.? Don't you think that if you were to put these and similar facts before your neighbors you could secure at least a dozen new subscribers for The Guide in your immediate vicinity? Won't you see what you can do? As a reader of The Guide you are no doubt directly interested in its various campaigns on behalf of the farmers. Every additional subscriber secured by The Guide directly increases its influence, and consequently increases its effectiveness on your behalf. In your own interests, therefore, you should boost it on every possible occasion.

THE GRAIN GROWERS' GUIDE
WINNIPEG

Shall the People of the West Co-operate so as to Buy Together and for Cash?

The inevitable reorganization in villages and towns—the opportunity of the friends of co-operation.

By E. A. PARTRIDGE

The rapid and inevitable extinction of the individual trader

ANYONE who has carefully watched the trend of present day business, must realize that it has been moving rapidly in the direction of concentration in the hands of a few great corporations. The elaboration of the joint stock company idea has so simplified the work of consolidating business for the purpose of effecting economies in operation, the despoiling of weaker competitors, or the securing of the unrighteous gains of monopoly, as to make the long continued existence of the small independent trader, as well as the small independent manufacturer, already nearly extinct, an utter impossibility.

Whether we deplore the fact or not, the fact remains that the small independent trader is doomed to extinction. The corporation form of business is too strong for him. He must merge his business with some large aggregation, thereby losing individual control, or sell out, in which case he must change his occupation or become the employee, on salary or commission, of some corporate body; otherwise keener and keener competition ending in bankruptcy.

How the Local Dealer is Handicapped

The lot of the local dealer in the majority of cases is not an enviable one. For the most part the traders doing business in the villages and small towns throughout the West, whether they be dealing in fuel, building materials, implements, hardware, or conducting a general store business, are men of small means, unable to buy in large quantities or pay cash for their goods, and often not even owners of the premises which they occupy. These circumstances, it may be remarked in passing, do not prevent them, as a class, from boasting how they have carried their customers over hard years, and denouncing the ingratitude of those who, believing the cost of carriage was amply provided for in the price charged, are casting about for a cheaper and more direct credit than that supplied by the banks at fourth hand, that is to say, through the manufacturer, the wholesaler and the local dealer, with a margin for profit and risk for each of them and so on down to the customer. Instead of lessening the wholesaler's risk by their presence between him and the consumer they actually increase it on account of their lack of property which could be made the basis of security, and this added risk is provided for by an increase in the price of the goods, which falls on the consumer.

Inability to buy for cash and in large quantities or to furnish personal security results in inability to sell at a reasonable figure. The cutting up of the trade of a town into so many classes of business, as well as the fact that the increase of railway lines has reduced the territory of the majority of towns without lessening the number of traders in each, has made it impossible for them to live without charging more than the consumer should be compelled to pay. The large mail order stores are causing a great reduction in the volume of their trade and the percentage of cash sales, while the growing hogghishness of those manufacturers who enjoy a monopoly and consequently are able to fix the margin of profit to the dealer on their goods at a very low figure, is handicapping them still further. The cutting up of business among so many, the loss in volume of trade by shrinkage in territory and the competition of the mail order houses, with the increasing tendency of customers to combine in the sending of orders direct to the manufacturers, forces the dealers from time to time to advance by agreement the price of certain staples. This gives temporary relief but in the end results in a still further loss of trade. It is in fact slow suicide. The desperate and so far successful attempt of the Retail Dealers' Association to prevent the passage of bills to render the formation of co-opera-

tive purchasing groups easy of accomplishment, shows how unstable is the position of the local dealer to-day.

Reorganization of Local Business Necessary and Inevitable

Something must be done and done speedily. The dealers are going behind; dead stock is accumulating; poorer service is necessarily rendered, and all the time the cost of that service, measured in prices charged, continues to advance more and more alienating their customers. Still the local distributing agency must be continued and the local stocks maintained in some way, no matter what the cost to the community. The question is not how reorganization can be evaded, but by what means can a reorganization, in the best interests of the community be effected.

The Essential Features of a Satisfactory Reorganization

Stated in general terms the essentials of satisfactory reorganization are efficiency of service, a large reduction in cost, and the improvement of human relationships from a moral point of view in the transaction of business.

Taken in detail they would embrace the following:

(a) Reduction of the number of persons engaged in business in any town to the lowest point consistent with fair play for the persons engaged on the one hand, and satisfactory service to the community on the other. This would involve having only one of each kind of business in a place and the consolidation of the various kinds by making them departments of a single business under a general manager.

(b) Purchase of supplies in large quantities and for cash. This would require the undivided patronage of the local business of the community within which it is located and which it has been established to serve; also co-operation in buying with similar businesses in larger or smaller groups of towns, in some cases a sort of modern Hansatic League against the brigands of commerce. Ability to pay cash would be dependent upon the arrangement of a system of credits with the local banks, to be extended, first, to the centralized business to buy supplies with, and second, to its customers guaranteed where necessary by the assets of the business, so as to enable them to buy upon a cash basis throughout the year. This system of credits will be explained at length further on, it being only necessary to remark in passing that the plan presupposes that a large number of the community shall have a financial interest in the reorganized business which is herein dealt with.

(c) The correspondence of the stock of goods purchased with the demand both as to quantity and quality. This requires that the customers make known their wants to the manager of the business before the time of ordering goods, also that their intention to take those goods and their ability to pay for them be known in advance. This assumes membership of customers in a co-operative enterprise, giving assurance of honest treatment on the one hand and loyalty and a pre-arranged guaranteed credit at the bank on the other. It would also involve some

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plan whereby articles, the sale of which depends upon their appeal to the taste of the purchaser, would be procured through the service of an expert buyer at some large centre where a considerable range of choice was possible, and not kept in the local stock.

(d) Community of interest between the business managers and the customers operating to remove all desire to practice deception or take advantage of ignorance. To effect this the manager must have no further financial or commercial interest than to receive a fixed per cent. on investment of capital and a fixed salary for personal services having a proper relation to their value.

Reorganization Without Needless Sacrifice

Assuming that reorganization is only a matter of time and that it means the extinguishment of the individual trader, it would appear desirable that the reorganization should occur in such a manner as would cause the least disturbance and hardship in effecting the change.

Combination or Co-operation—Which?

This change is threatening to be brought about by the pressure of corporate competition and when consummated would find the small trader ruined and the whole community in the grip of a widespread commercial monopoly. It is possible to bring it about by the gentler means of purchase by co-operative groups composed of the traders themselves and their customers organized under the joint stock company system and where as many of the traders as are needed and are competent will manage the various departments of the business on salary, while the remainder will seek other means of livelihood. A scheme is already taking form to aid in a systematic way, the creation and multiplication of such co-operative groups on a uniform plan.

EDITOR'S NOTE:—In the next issue Mr. Partridge will outline the details of a system of co-operative stores and a plan for its creation.

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