

How the Farmers of Blackie Stuck

And Won in the Fight to Determine the Survival of the Fittest

By R. D. Colquette

Blackie is about 40 miles south-east of Calgary, on the line to Lethbridge. The district is typically prairie. You can drive for miles without finding a gad bug enough to lick a dog with. You couldn't sell a grub hoe or a brush breaker there in a thousand years. The settlers found the country all ready chopped, logged and stoned, and the agriculture of the district was not predated with a period of chopping and root pulling and brush burning. But this meant that there was neither fuel nor building material. From the first the settlers required lots of lumber. It was a big item in the homesteader's first bill of expense. Now that the homesteader has developed into a prosperous farmer and is turning the money which the combination of big yields and high prices has furnished him in the last two or three years into a modern house and a good barn, his lumber purchases are mounting up. It has been the same with coal. The old stove in the corner of the shack took several tons a year, and the hot water boiler in the basement is taking several tons a year more. And this explains why the backbone of the Blackie Co-operative Association business is a flourishing lumber and coal trade.

Blackie's Enthusiastic Co-operators

There is another big factor besides the field for a lumber and coal business, however, in the success of the association. It is the enthusiasm for co-operation of its manager, O. W. Bowlus, and of the farmers which the association serves. This enthusiasm has carried the association through a period of strong competition. "The only hope of salvation along economic lines is the co-operative movement manifest throughout the world," said Mr. Bowlus. "Some master mind will be developed to take each different centre of co-operative effort and combine them in one single corporate body, where each individual will work for the good of all and not for the good of the preferred classes. We in Blackie began working out the problem by incorporating under the laws of Alberta. We were organized two years ago last February, starting with a capital of \$864 and engaged in the lumber business. During this time we have had to fight for our existence with two line companies and they have each retired from the field. To show the extent of our present business, our monthly balance sheet is frequently between \$25,000 and \$30,000."

The shares in the Blackie association are \$10 each. At the first meeting \$1 of them were sold. The present paid-up capital is \$5,295. Besides this there is a reserve fund of \$4,249. The members of the association have followed the practice of leaving their profits with the company, though nothing is paid on reserve fund or undistributed profits. The interest paid on the capital is eight per cent.

A Good Accounting System

Mr. Bowlus is a staunch supporter of the idea that no co-operative enterprise can be successfully carried on without a thorough-going system of book-keeping. "We have found that the one thing necessary for a successful career is a perfectly working accounting system," he said. "We distribute the profits on the basis of the amount purchased by the stockholders and when we have accumulated sufficient capital to carry on our business the profits will be returned to the purchasing stockholders in cash. Then the shareholder will be getting lumber and other commodities at actual cost plus the expense of conducting the local yard. The rate of the rebate on purchases is set at a meeting of the shareholders. It generally runs around eight and ten per cent. The par value of shares is only \$10, and if one is not inclined to make the investment of this small amount he will have to stand out in the cold until he can see differently."

"It is possible to departmentalize a co-operative business so that profits may be distributed according to the net profits made on the purchases in each department," continued Mr. Bowlus, in reply to the question concerning the division of the patronage dividends. All thoroughly organized modern businesses are so systematized that the manager can determine just where the leaks are and where the profit is made. If a great corporation like the Hudson's Bay Co. can conduct its business in such a manner that they are able to determine just what the profits are in any department, the same thing can be done with a co-operative business. It is also possible to extend a co-operative association's work almost indefinitely. There is no

limit to the different lines of activity in which it may engage, save those set by environment."

A Fight for Life in the Lumber Business

The lumber business of the Blackie Co-operative Association, as has been noted, has not been developed without a fight. It had the strongest kind of opposition from line companies to buck against. In this fight it was victorious. They quit. They auctioned off most of their lumber and the co-operative company bought the rest. While the fight was on, however, the co-operative company kept its prices above cost. But let Mr. Bowlus tell the story. "During our fight with the old line companies to determine the survival of the fittest, we never sold lumber at a price that did not afford a small profit while our competitors sold for less than cost. One argument we used was that if you want to get goods for less than cost for just a single transaction, then go to our competitor. But if you want to continue to live in this community and purchase lumber at actual cost as long as you live here, help us in our fight in establishing a co-operative society. The farmers in this community stuck together most loyally, and now no line company who was familiar with our plan of organization would have the temerity to come here and try to establish a business."

The lumber trade is now on a flourishing basis. At the time of my visit the company had 14 open contracts on which it was supplying lumber. Assistance is given a farmer in making out bills of material, the plan followed being to have a cash payment made when the first lumber is taken out and the balance paid in at intervals while the contract is open or when it is closed. During the building season the lumber situation was somewhat unsatisfactory and for a time it was difficult to get shelving and finishing. Mr. Bowlus solved the difficulty, however, by making a trip to the B.C. mills and closing a contract for a large amount of lumber—so large that he will not let me give the figures—and having it delivered. That solved the lumber problem in Blackie for this year. It is the custom to charge the usual retail prices and distribute the profits according to the amount of lumber purchased.

The company handles a lot of coal. Most of this is taken right off the cars by the farmers who load their own wagon and save expense. The company has competition in the coal business. It was feared at the time of my visit that there would be some difficulty in filling coal orders during the coming winter and only 10 cars had been promised out of an order for 50. The coal companies, however, had promised definitely to send cars at stated intervals.

Running An Egg Circle On The Square

One of the activities of the association is the managing of a flourishing egg circle. The membership at midsummer was 61, 22 having been added this year. It was organized by the local U.F.W.A., of which Miss Wilderman is president. Mr. Bowlus officiates as secretary of the association. The clerical work of the circle is done by Miss Greer, the stenographer in the office of the association, who

takes particular pride in this branch of the work. The eggs are shipped to the Dominion egg marketing service in Calgary. The association had been shipping eggs to customers before the egg marketing service was installed. As soon as it was put into operation, however, its services were taken advantage of. The service has done considerable work towards improving the quality of the eggs that are being shipped. At first they were not up to the standard, and men were sent out to interview the customers and explain the method that should be followed to supply a first-class article and secure thereby a top-notch price.

The patrons of the egg circle deliver the eggs at the office of the co-operative association. Here they are re-packed in cases. A plan is made out on forms supplied by the service showing the exact location of each customer's eggs in the case, each customer being given a number by which his eggs are identified. The plan is shipped with the case. When a case is completed it is forwarded to Calgary, where the eggs are graded. It is customary to send a notice by post card notifying the service of the number of eggs shipped that day and the total number of cases in the shipment. After being graded the eggs are sold to the trade by the egg marketing service, and within a week the report comes back to the association showing grading of each patron's eggs and the money received for each grade. The patrons later call at the office and secure the money coming to them. Three grades are utilized, namely, highest grade, cracked and one's and two's, the latter being taken together. There is a difference of two cents between the highest grade and the one's and two's. Below this losses are all deducted.

The egg marketing service pays the express on the shipments. The association gets two cents per dozen for handling and to pay expenses, which include handling, drayage, postage and stationary. Instructions are given as to the probable cause of deterioration in any eggs that have fallen below the standard. The association also distributes pamphlets and circular letters regarding the care of eggs on the farm. There has been some dissatisfaction with the grading but since size is taken into consideration this has been usually found the cause of fresh eggs falling into lower grades. A report of each week's shipment is made out and forwarded post free to the poultry branch at Ottawa.

Large Quantities of Eggs Shipped

A considerable number of eggs are handled by the association. For the week of May 4-10 for example, 630 dozen of eggs, delivered by 31 members, were shipped. For this the association received \$222.25 and distributed \$209.30. One Saturday 10 cases were sent out. The average for the season runs from 10 to 18 cases per week. As the net prices received from the eggs run all the way from one cent to six cents per dozen above the local stores prices, it will be seen that a considerable amount of money is saved by the farmers through the egg circle. Besides this there is a big improvement in the quality of the eggs marketed. As a result of the work at Blackie egg circle activities were being taken up at the time of my visit in High River. One of the local stores was taking charge of the work there. There is a strong demand that the Blackie association take up the work of marketing poultry in addition to marketing eggs.

Some Co-operative Principles

There is a difference of opinion amongst the co-operators of Alberta as to whether or not a co-operative association, affiliated with the U.F.A., should confine its business to U.F.A. members.

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We're in this Co-operative Proposition Too!



The Office and Yards of the Blackie Co-operative Association, Ltd., which does a Flourishing Lumber Trade