

THE GRAIN GROWERS' GRAIN COMPANY LIMITED

The struggle the GRAIN GROWERS GRAIN COMPANY has had and the success it has already reached, has created tremendous interest throughout the country. We are constantly receiving letters and enquiries about the Company and its work.

We take this means of telling our friends what the Company is, how it is run, what it has done and what it hopes to do.

ELEVATOR COMPANIES.

Every farmer who has been selling grain in this country for the last fifteen or twenty years, knows the treatment he has had handed out to him in the disposal of it, chiefly by the Elevator Companies.

This condition of things has reached its worst degree, perhaps about five or six years ago. The farmer who wished to ship his own grain at that time, had every conceivable obstacle placed in the way of his doing so. He was compelled in nearly all cases to sell his stuff on the street.

The Elevator Companies who were the chief factors in the trade, by arrangements among themselves, were able in a very large measure to regulate the price they would pay for grain.

The farmer, since he was unable to help himself, was subjected to a heavy dockage and very often light weights. In addition every pretext was used that possibly could be used, to grade his grain down, and since the Elevator Companies had practically the whole trade in their own hands, the value he received was based more upon what they cared to pay him, than upon the value of his grain in the world's markets. This condition of things created very strong dissatisfaction.

REMEDY.

The matter was discussed at the Convention of the Grain Growers' Association held at Brandon early in 1905. After thoroughly discussing the whole question a committee was appointed to gather all the information possible during the year and report at the next Convention. The Committee appointed at once got to work and after a full examination of existing conditions, decided that the best way of overcoming the evils and abuses which existed in the trade, was to form a Company, composed entirely of farmers, that could study these evils and abuses at short range and think out the most effective way of getting rid of them. This was agreed upon, and early in 1896 the work of organizing a Company was commenced.

Mr. E. A. Partridge, of Sitaluta, was the chief organizer, and after several months of hard work, sufficient farmers had joined and paid up sufficient stock, in the Company, to enable them to start business as a commission firm.

GRAIN EXCHANGE.

At that time every person engaged in the trade belonged to the Winnipeg Grain Exchange. The rules of this body, through whose hands all the grain passed, were very strict, and severely punished any person who broke them.

While the Exchange had been created to carry out a legitimate purpose, that is, of gathering reports as to crop conditions in other parts of the world, also the gathering of prices from the other world centres, it had gone far beyond this legitimate purpose and was making conditions which tended more and more to create a monopoly in the Grain Trade and centre the control of it in the hands of a few men.

In order to get the trading privileges which membership in this company gave, the promoters of the Grain Growers' Grain Co. sought membership in the Exchange and

were granted it. Had they not done so, the rules of the Exchange forbade any other member to trade with them. It was necessary to be in a position to sell grain to exporters, as the Company was not strong enough to export directly to the Old Country markets. All the exporters were members of the Exchange.

COMPANY STARTS BUSINESS.

On September 5th, 1906, the Company received its first carload of grain, and had at that time a membership of about 1500 shareholders. The grain was soon coming to it in large quantities and the prospects ahead were very bright. As can readily be understood, the success the Company was meeting with created a spirit of jealousy on the part of a large number of the other dealers, who fancied if it were allowed to grow unchecked, it would through time bring about a change that would deprive them of the large profits they had been making.

TROUBLE WITH EXCHANGE.

It had been the intention of the Company to divide the profits earned, whatever they should be, co-operatively, in other words the man sending the larger portion of grain should receive the larger profits. This was claimed by members of the Grain Exchange to be a violation of the rules of the Exchange, and on this pretext the Company on the 25th of October, was expelled from the trading privileges they had enjoyed up to that time.

Everyone in the West is familiar with the struggle that it made through the winter, and knows how it won out through the pressure brought by public opinion upon the Government, who compelled the Grain Exchange to reinstate it in the following April.

BUSINESS A SUCCESS.

During this period while operating under a tremendous disadvantage, the Company was still able to do business largely through the loyalty of its Bankers. When this strenuous year closed the number of shareholders had grown to over 1,800 and there was a clear profit on the business sufficient to pay a dividend of 8 per cent. on the paid stock on each share, which was sent out as a cash dividend a few weeks after the first annual meeting. For the past year the success has been beyond the largest expectations of any of the officers or shareholders. For the year commencing July 1st, 1907, and ending June 30th, 1908, the Company handled 5,000,000 bushels of grain, and after all expenses were paid had a profit of over \$30,000.

No difficulties were placed in the way, as far as trading was concerned during the past year, and the management were often able from the large quantities of grain coming to their hands, to secure a better price than had they been selling only an odd car lot now and then. During the year the shareholders grew from 1,800 to almost 3,000. The profit earned was a little more than sufficient to pay \$10.00 on each share.

IMPORTANT BY-LAWS.

In order to satisfy every possible objection, the strongest by-laws that could be thought out, were placed upon the books of the Company to protect in every way the interests of the shareholders. The idea was to prevent in every manner possible, the chance of any individual or group of individuals securing a controlling interest in the Company, and to make sure that it would ever remain a Farmers' Co-operative Agency.

At first one of the most common things heard from farmers when they were asked to join, was, that the Grain Growers' Grain Co. would be just like other Farmers' Companies that had started and failed. A few men

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