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EDITORIAL

PENALTIES OF SPECULATION.

The financial stringency at present prevailing so acutely in the United States, and, to a considerable extent, in our own country, whose people have the reputation of being more staid and conservative, has a lesson for those who are disposed to rush into speculation in schemes about which they know little or nothing. The desire to get rich quickly appears to grow upon a people in a time of general prosperity, and greater risks are taken in such a time because money is plentiful and easily available; but the lessons of the past in hazardous speculation, the wreck of fortunes, and the distress following, seem to be soon forgotten, and too many are ready on a recurring opportunity to take the plunge, with little forethought, and with the usual result that the prizes drawn are few in comparison with the blanks, while the gains, if there be any, are more likely to go to the shrewd exploiters of financial projects, who have learned from experience to protect and provide for themselves, frequently leaving the ordinary investors in the lurch. Dabbling in stocks or in mining ventures, plausibly represented by skillful agents as "reasonably sure sources of profit, has been the ruin of many who have yielded to the temptation to take the risk, while the winners have been few and far between. Speculation, even in such substantial quantities as town lots and farm lands, has seen the undoing of many persons when the prospect seemed to be a certainty. And this speculative mania, perhaps more than anything else, is causing worry, and may mean ruin to many farmers in the Canadian West at the present time. The desire to secure more land than they needed or were prepared to pay for, holding it for a probable rise in value, has found a few seriously embarrassed by a partial failure of crops and the action of the banking institutions of the country in withholding loans and declining discounts.

The lesson of the hour is that farmers, in the long run, are safer in keeping close to the business of farming, which, by careful and intelligent management, insures a profitable return in the average of years for their time and labor, and for wisely-made investments in permanent improvements, such as tile drainage and convenient buildings, and in live stock of improved breeding, quality and capacity for profitable production. The high prices at present prevailing for nearly all classes of farm products are evidently due not so much to a scarcity of such commodities, as a rule (for our market-places are crowded with them as never before), as to the rapidly-increasing population of our cities and towns, and the fact that production has not kept pace with the demand, proving that the high prices ruling are but the legitimate working of the law of supply and demand. Hundreds of thousands of additional people are, by immigration, pouring into our promising country, making it reasonably certain that the population will continue to increase, requiring more and more of the products of the farm for their sustenance. And, while the new West will largely supply the wheat needed for bread to feed the hungry multitude, the Eastern Provinces will be more than ever called upon to supply meat and milk, vegetables and fruit, for the production of which they are peculiarly adapted. And the farm lands of these Provinces, if properly cultivated and fertilized, by the feeding of stock and by judicious rotation of crops, in which clover and other legumes are given a prominent place, are capable of well-nigh doubling their present production. The part of wisdom for

farmers in these times is clearly to concentrate their energies on greater production from a given area, to give close attention to the quality of what they place upon the market, and to adopt the most economical means and methods of production to insure the most profit for the feed consumed by the animals kept on the farm, which is only one way—and the most sensible way—of disposing of the bulk of the crops raised. Railway construction and industrial enterprises have been going perhaps too fast for the available funds and the ability to do the work aright; and to this cause, more than any other, may be ascribed the present financial flurry, which, fortunately for the farmer, affects him less than any others of the community. But these enterprises will recover, and the construction of new railways will give employment to thousands of men who will have to be fed from the farms, and after them will come new towns and cities, calling for ever-increasing supplies from the same source. Now is the great opportunity of the men on the soil, who are certainly safer than those in the town, to redouble his energy and concentrate his study on the policy and methods of profitable production. We may also look for a turning of people from town to country, as the advantages of the latter become more highly appreciated and the opportunities which specialized farming offers become better understood, resulting in the enhancement of farm values.

THE BENEFITS OF CO-OPERATION.

No previous development in the fruit-growing industry has promised such large and far-reaching benefits as are being brought about by co-operative organization in packing and marketing. First organized as the possible solution of well-nigh hopeless conditions, these associations have been the means, in recent years, of doubling, and in some cases trebling, net profits to the growers, and even in the present season of inordinate scarcity and high prices for apples, they have proven of substantial benefit to their members. One of the leading co-operative apple-packing and shipping associations has this year sold practically its entire pack for \$3.00 and \$3.50 per barrel to an American buyer, which is fully 50 cents better than was paid by the same man for equally good apples in the same district to growers outside the association. He could afford to pay more to the association because he was sure of the packing and could secure thousands of barrels of assorted varieties without travelling all over the neighborhood to pick them up. This is but one instance of many that might be quoted. It is conservatively estimated that, taking the Ontario co-operative associations all round, their 1907 output should easily net an average of \$2.00 per barrel, or say \$2.50 or \$2.75, barreled, and delivered at station. At these prices, any farmer who will take decent care of his orchard can coin money faster than by any other staple crop, except, perhaps, strawberries, which are risky and entail a great amount of labor.

Then, too, besides the direct benefits in the way of prices obtained, the co-operative associations have encouraged spraying and up-to-date orchard practice, thus largely increasing the yields per acre of marketable grades. For instance, in the Norfolk County association, spraying has this year so completely controlled the codling moth that it is said to be the exception to find a wormy apple in the co-operative orchards, and this is a year when the codling moth has wrought widespread injury among the orchards in the southern part of the Province. Verily, the Canadian orchardist who sprays not is guilty of criminal folly, and deserves to send his apples to the

cider mill. By insisting on spraying as a condition of membership, as has been done in some cases, and by providing power spraying outfits, as attempted in a few localities, the co-operative organizations have rendered immense service, and deserve the loyal and hearty support of every fruit-grower. The good they are doing can hardly be estimated.

SPECULATION FOREIGN TO CO-OPERATION.

Unexpected as it may be, the present season of high prices for fruit has presented the most serious danger that has yet threatened our co-operative fruit-shipping associations. Many outsiders have offered their crop either by the lump or the barrel at prices that tempted speculation on the part of the officers, who, through their official experience, were in touch with the markets, and in a pretty fair position to size up prospects and buy futures in fruit. Naturally, it has seemed to these officers as though their associations might as well have the profits of the business as the independent operators. The idea looks good, and yet, if persisted in, is almost certain to prove the entering edge of a wedge that will disrupt the whole co-operative movement. So far, we have not heard of any specific cases where the officers have speculated on personal account, but if speculation on behalf of the association continues, the next step will almost inevitably be to speculate on private account, which is bound to lead to distrust, discord, and a conflict of interest, that would shatter the co-operative organizations.

A study of co-operation in Denmark, Britain and other countries where it has developed, shows that one of the rock-bottom principles was avoidance of speculative profits. The object of the true co-operative association is in direct contrast to that of a private operator or an ordinary company. The latter organizes with a view to making dividends out of the handling of the produce—somebody else's produce, for the most part. The true co-operative association, on the other hand, aims to unite the producers for mutual advantage in the packing and marketing of their own produce. It includes in its membership none but producers, and confines its benefits strictly to these. The co-operators seek to serve themselves as producers, rather than to reap a profit as speculators, jobbers or traffickers. Dividends and co-operation are as opposite as the north pole and the south. If the co-operative organization pays expenses and provides an economic service in packing and marketing, it does all it is intended to do. Whereas independent companies, engaged in pork-packing and similar enterprises, frequently cripple production by excessive tolls, the co-operative organization encourages and facilitates it by the lowness of its charges and the excellence of its service. To succeed, however, it requires the steadfast loyalty and patronage of the rank and file of producers, and this it is not liable to retain permanently if it extends its benefits even in degree to producers outside its organization, for these outsiders will sell to it in the years when they can make something by so doing, and in other years will leave it in the lurch. Thus, a co-operative organization, by dabbling in speculation of any kind, reduces the incentive to steadfast membership, excites the cupidity which leads away from co-operative principles, and is liable, in the end, to cause the officers to fall from grace and destroy the confidence of the membership by speculating for personal gain.

It is to be hoped that our co-operators will profit by past history and stick to the co-operative principle pure and simple, being content to attend strictly to their own business, and allow the other fellow to look after himself. Surely Canadian character is not so greedy and sordid