

Business Enterprise of Saskatchewan Farmers

The adventure in business co-operation made by the farmers of Saskatchewan when five years ago they decided to erect and operate country grain elevators for themselves, with the backing of the Provincial Government, has justified the success predicted by the supporters of the plan.

In five seasons the Saskatchewan Co-operative Elevator Company has built up a business through which it now owns and operates 261 grain elevators in Saskatchewan; it has handled during the same period 93 million bushels of farmers' grain; it has met in full all its obligations to the Provincial Government; it has paid each year both cash and stock dividends to shareholders; has financed the erection of its Head Office building, and at 31st July, 1915, showed reserves of \$305,018.08. Its balance sheet for the year ended 31st July 1916 will be issued shortly, and promises to show a further and marked strengthening of its financial position. The Company is now building a terminal elevator at Port Arthur, Ontario, and financing the undertaking itself.

The establishment of the co-operative elevator system was the result of an agitation by the Saskatchewan Grain Growers' Association in the years 1908, 1909 and 1910 for relief for the farmers of the Province from existing abuses in the marketing of grain. They desired government ownership of country elevators. However, in 1910 the Saskatchewan Government appointed a Commission who recommended not Government ownership but a co-operative scheme, to which the farmers were agreeable. The scheme was adopted by the Legislature and made operative in the Saskatchewan Co-operative Elevator Act, passed in March 1911. The formation of the Company was quickly under way, provisional directors were appointed, twenty-five Locals were organized, a general meeting was held, and by the time the 1911 crop was ready for harvesting the farmers owned 46 elevators. They handled 3¼ million bushels of grain that autumn.

Ninety-one elevators were erected or purchased in the second year, a record unrivalled in the history of elevator building, and nearly four times as much grain was handled, namely, 12,899,226 bushels. 1913 saw a further increase of 55 elevators and 6,777,557 bushels of grain. In 1914 the Company handled 13,764,653 bushels of grain through 210 elevators, and during the same seasons of 1915-16 operated 230 elevators, handling approximately through its elevators and by platform loaded cars 44,000,000 bushels.

In 1911 the Company handled 3.16% of the total marketed portion of the Saskatchewan crop.

In 1912 the Company handled 9.78% of the total marketed portion of the Saskatchewan crop.

In 1913 the Company handled 12.39% of the total marketed portion of the Saskatchewan crop.

In 1914 the Company handled 15.41% of the total marketed portion of the Saskatchewan crop.

The Commission Department.

In June 1912, it was decided the growth of the business demanded that the selling of the Company's grain should not in future be entrusted to agents, however competent and trustworthy, and the necessary steps were taken to organize a Sales and Commission Department with offices in Winnipeg, Manitoba, which department has been most successful. A staff of about fifty is now employed at the Winnipeg office. To this department was entrusted by farmers during the season just past, the selling of 93% of the grain passing through the Saskatchewan Co-operative elevators, an entirely voluntary action of the part of shippers, no obligation whatever being laid upon those who store in the co-operative elevators to ship their grain when loaded into cars, to the Commission Department of the Company.

Season	Number of Shareholders	Number of Elevators Operated	Grain handled through elevators, Bushels.	Grain handled on commission, Bushels.
1911-12	2,565	46	3,262,426
1912-13	8,722	137	12,899,226	12,205,000
1913-14	12,575	192	19,676,783	19,449,000
1914-15	14,742	210	13,764,653	13,643,000
1915-16	15,922	230	39,000,000	40,000,000
1916-17	18,000	261	(approx.)	(approx.)

Upon the application of a sufficient number of agriculturists from any district, and the fulfilment of certain conditions, the directors may at their discretion, establish a "Local" of the Saskatchewan Co-operative Elevator Company, Ltd., at that point and erect an elevator. The aggregate crop acreage of the agriculturists applying must represent a proportion of not less than 2,000 acres for each 10,000 bushels of elevators asked for. When duly organized, each Local appoints a Local Board of Management.

Saskatchewan.

A Brief Review.

By HON. WALTER SCOTT,
Ex-Premier of Saskatchewan.

Since the boom days, from 1905 to 1913, when great activity occurred in land settlement, building construction and the distribution of farm supplies, trade has not been so active as during recent months, nor has business been conducted on a better basis than is being done at present. The recovery from the financial depression of 1914 is, of course, due to the great development of agricultural production and the enterprise of Saskatchewan farmers who are so largely the wealth producers of our province as to dwarf in comparison all other industries.

This improvement in trade is not, however, traceable to a return of the speculative spirit from which no province of Canada was immune. On the contrary the fact has now been pretty clearly realized that obligations have to be met out of earnings rather than borrowings, and recent events have shown that no class is more ready than our farmers to apply their revenue to the payment of their debts.

We had occasion in 1914 to exercise a very mild restraint upon a few creditors whose confidence in the future of our province was apparently no greater than their faith in humanity; but the abundant crop of 1915 together with moderation on the part of those who buy, combined with caution on the part of those who sell, will, I trust, forever prevent the return of such conditions.

Saskatchewan has a larger proportion of rural to urban population than any other Canadian province and is therefore quite dependent upon the manufacturing industries of other communities. Consequently the prosperity or otherwise of the Saskatchewan farmer reacts very directly and very promptly upon the commercial channels through which his trade requirements flow. And while a large part of the 1915 crop, valued at \$210,000,000, was applied to the reduction of old liabilities, a substantial sum is being used for the purchase purchase of commodities inseparably connected with agricultural operations. It is perhaps a little too early to predict what the harvest of 1916 will be, but it is safe to say that the outlook is bright for the realization of one of the "good" crops for which our province is famous. The wheat acreage is estimated to be 12 per cent less than in 1915, but the condition of the crop is so satisfactory that our Department of Agriculture is calling for twenty thousand men to help harvest it.

Therefore, trade is good and it is going to be better. Our prosperity is based on agriculture. We have no "war babies."

WALTER SCOTT,
Premier of Saskatchewan.

The General Meeting of the Company is held annually at Regina, to which each Local is entitled to send one voting delegate. There are nine Directors in office, chosen from among the shareholders, and elected by the voting shareholders. Three Directors retire and three are appointed at each annual meeting, the retiring Directors being eligible for re-election.

The amount necessary to build an elevator, is about \$8,400.00, and the shareholders or farmer co-operators subscribe the full amount. The capital stock is divided into shares of \$50.00 each. Each applicant for shares must be an agriculturist, and no one may hold more than twenty shares. The shareholders pay 15% at the outset, the Provincial Government furnishing the remaining 85% on the security of the elevator itself, and of the uncalled capital stock. The 85% is repayable to the Government in twenty equal annual instalments covering principal and interest, and up to date all payments have been promptly and fully met. Both as a co-operative plan and as a business enterprise, the Company has succeeded even beyond all expectations. The last balance sheet (year ended July 31st, 1915) shewed the

Authorized Capital at	\$2,225,000.00
Subscribed Capital at	2,042,650.00
Paid up Capital at	503,116.00
Reserves	503,018.08

The net profits for our season's trading are:—	
1911-12	\$ 52,461.60
1912-13	167,926.86
1913-14	285,181.61

The 1915-16 figures are not yet ready. The volume of business largely increased, and while the profits are not exactly determined, it is known that they will be much larger than ever before. A continuous audit of the accounts and inspection of the books and

(Continued on page 9).

Conditions in British Columbia

A Summary of Industrial and General Conditions as They Exist in the Third Year of the War.

By HON. W. J. BOWSER,
Premier of British Columbia.

I appreciate the privilege, accorded to me, along with other provincial premiers, of contributing an article for a special edition of The Journal of Commerce, in a "Trade Revival and Expansion Campaign."

I am glad to know that your valuable journal is engaging in a campaign of this nature, and that it intends to devote one special edition to the Western provinces. British Columbia, we think, is not always fully understood in the eastern provinces. We have peculiar and unusual conditions to deal with and these have affected the situation here very materially since, and immediately preceding, the outbreak of the war. We were then beginning to suffer a reaction from a considerable era of over-speculation in land and urban real estate. Our big railway programme, which caused a very large circulation of money, was draying to a close. The government had been engaged, as all our western governments had, in large public improvements. Municipalities had accumulated heavy liabilities in carrying out extensive betterments of all kinds. This large expenditure of money was ceasing. When the war broke out the situation was greatly accentuated. There was a great deal of unemployment and the non-employed had to be taken care of. All of our industries were seriously affected, which in turn reacted upon the commercial community. Our conditions were not unlike those which obtained generally throughout Canada, but owing to our geographical situation we could not recover so quickly. Eastern Canada was in a position, owing to its industrial organization and nearness to the seat of war, to begin almost immediately to benefit from the immense demand for munitions and supplies of war. We were not. For a whole year our industries received no orders and comparatively little since. And, worse than that, one of our greatest industries, lumber, which normally had been producing about \$30,000,000 a year, was faced with a serious situation. The Middle West, our principal market, offered few orders and local building was stopped. The export trade, in which a new and large demand was created by way of the Panama Canal, could not be taken advantage of for lack of ocean bottoms and the temporary closing of the Canal itself. Private individuals, business men, municipalities and the government were carrying heavy overhead fixed charges, with greatly reduced revenues. I have presented you the dark side.

In the second year of the war everything was changed for the better. Mining in 1915 reached its high water mark of prosperity and is going still stronger. The lumber industry has greatly improved, owing to demand in the Middle West, and the prospects of the export trade, through the government's policy of encouraging shipbuilding, are stimulating the coast mills everywhere to increased production. There are now ten ships under construction contract to look after the trade, and further contracts are under consideration. In eight or nine months we shall have at least twelve ships ready for charter. The fisheries are exceedingly prosperous and 1915 was the banner year for agricultural production. Owing to heavy enlistments the question of unemployment has been completely done away with. Notwithstanding what might be called the hard times, British Columbia, since the war began, has contributed about 33,000 men to the Army, has helped largely in Belgian and French relief, has contributed very large sums to patriotic and Red Cross funds, and is now organizing extensively in connection with the employment of returned soldiers. We have a considerable way to get back to our former flourishing financial conditions, but we are going well in that direction, perhaps on sounder lines. Our slogan now is "production," and we shall not in future regard far as our land can pay dividends on the basis of real estate as a basis of prosperity except in so what it can produce.