

The Grain Growers' Guide

Winnipeg, Wednesday, April 12, 1916

CO-OPERATIVE FARM BUSINESS

Reports of local farmers' co-operative trading associations published in this issue of The Guide should be an inspiration to every farmer in the Prairie Provinces and should also be an eye-opener to the commercial world. Nothing illustrates more forcibly the improvement in business methods that is being brought about by the farmers doing their own business for the benefit of their own community. The reports published in this issue represent but a small portion of the business being transacted by local farmers' groups (either incorporated or un-incorporated) in the three provinces. But these reports are typical of the work being done and they also illustrate the very satisfactory growth in these local business organizations. For some years local groups of farmers have been buying many of their requirements collectively and distributing them at cost to their association members. More recently, however, the movement has been towards incorporation under the acts passed in Saskatchewan and Alberta. A new co-operative act was passed at the last session of the Manitoba legislature, putting all three provinces on the same basis in this respect. By incorporating the farmers have found they can transact their business more satisfactorily and develop a permanent organization of steadily growing value to the community. One of the important features of these reports is the development of co-operative livestock shipping, and the universal satisfaction and financial advantage which has followed this method. The Alberta Co-operative Elevator Company in the Calgary stockyards and The Grain Growers' Grain Company in the Winnipeg stockyards have linked up the stock shipping business thru the farmers' own channels from the farm to the abattoir and the result is certain to be a great saving to live stock raisers. Quite a number of local co-operative associations are buying or erecting buildings for their permanent use and it is only a matter of a few years until the farmers have their own warehouses, coal sheds and stores all over the country. It is very encouraging to note that the saving of the dollar is not absorbing all the attention of the farmers in this work. The establishment of rest rooms for the use and comfort of the women, and of circulating libraries, shows that the farmers have an eye open to the general well-being of the community.

The present community co-operative associations are the outcome of educational work which first resulted in collective buying and have now blossomed into co-operative trading associations. Five or six years ago the farmers found it impossible to purchase coal, flour, lumber and many other necessities by the car lot. The manufacturers and wholesalers refused to accept their business. Gradually, however, they realized that the farmers meant business and today thousands and thousands of car loads of material and supplies are going to local farmers' associations at rock-bottom prices affording a great saving over the old system. Even yet, however, the wholesalers of groceries, hardware, dry goods, etc. in most cases refuse to deal with these local farmers' organizations and are determined that their business must continue thru the old expensive channels. They undoubtedly will be able to handicap the farmers' associations somewhat, but unless they change their attitude they will find the farmers very shortly developing their own wholesale institutions and manufacturing establishments. The cost of distributing must be reduced and the organized farmers are determined to reduce it. The organized farmers have reason to be proud of the development of their business activities. In addition to these hundreds of local trading

associations they have built up The Grain Growers' Grain Company, The Saskatchewan Co-operative Elevator Company and the Alberta Farmers' Co-operative Elevator Company with a total paid-up capital of \$2,000,000 and assets of \$5,000,000. These three companies alone this year will handle considerably over 70,000,000 bushels of grain in addition to a large volume of livestock, farm machinery and supplies of various kinds. The Saskatchewan Grain Growers' Association is also developing in co-operative distribution of farm requirements. The Grain Growers' Guide which is also the property of the organized farmers is published in a \$150,000 plant erected by the farmers for the purpose of handling the farmers' publishing business. It is a satisfaction to state that the Grain Growers' Guide as well as the three big farmers' grain companies are experiencing the most successful year financially in their history. The financial force and the trade organization of the organized farmers is rapidly developing great strength and the day is rapidly coming when they will be able to cope with opposition from whatever quarter it may arise.

APPLES AND THE TARIFF

A conference was held at "Moose Jaw last week between the representatives of the apple growers in British Columbia and the organized farmers of the Prairie Provinces, at the request of the fruit growers. The purpose of the fruit growers was to arrange with the organized farmers on the prairies to buy large quantities of B. C. apples. As an exhibition of pure and unadulterated nerve the attitude of the B. C. fruit growers is something to challenge admiration. Without consulting with the farmers whom they expect to buy their apples they quietly slipped down to Ottawa a few weeks ago and induced the government to put an extra duty of 50 cents per barrel on apples making the total tariff tax now 90 cents per barrel. Their argument to the government was that their cost of production had increased and that the Prairie Provinces was their "natural market." After securing this prohibitive tariff tax aimed specially at the farmers of the Prairie Provinces they then asked to meet the farmers' representatives in order to sell them apples at prices enhanced by the tariff tax recently imposed. It will be remembered that when this apple duty was put on by the Dominion parliament, the organized farmers immediately declared that instead of helping the B. C. fruit growers it would injure them, because the prairie farmers would absolutely refuse to buy B. C. apples. At this conference the farmers' representatives adhered to their determination and told the B. C. fruit growers just what they thought of their action.

The grain growers of the Prairie Provinces have been plundered by the protective tariff for many years. They have never asked for any favors of any kind and they do not want any. The apple growers of British Columbia are handicapped by enormously high priced land which was boosted for the benefit of real estate speculators. They are also burdened by tariff taxes on everything they buy and in addition they pay excessive freight and express charges to bring their fruit across the mountains to the prairies. To make up these various losses they now have secured legal permission to plunder the farmers on the prairies and if the prairie farmers submit to it they are different people than we think they are. The proper and legitimate policy of the B. C. fruit growers should be to join with the grain growers to kill land speculation entirely, to remove the tariff burden, to bring down the cost of production and to reduce the freight

and express charges across the mountains. In order to give a little pap to the fruit growers of British Columbia, who do not exceed 30,000 people, the government has placed a tariff tax on the apples for all the consumers of the Prairie Provinces to the number of about 2,000,000. If the B. C. apple growers find that their dodge has injured instead of helped the sale of their apples to the prairie farmers we shall probably see them hustling to Ottawa very shortly to have this tariff tax removed. If the prairie farmers adhere to their determination they will soon teach the B. C. apple growers a lesson that it will take them long years to forget.

FREE TRADE FINANCING

One of the most remarkable features of the present war is the manner in which Great Britain is financing not only her own enormous expenses but is also assisting in financing a number of her Allies including the Overseas Dominions. In presenting his budget to the House of Commons last week, the chancellor of the exchequer, Hon. Reginald McKenna, stated that Britain had loaned to her Allies during the war the enormous sum of \$1,320,000,000, and in addition had loaned to the British Overseas Dominions an additional sum of \$260,000,000. The British government has realized that to bring the war to a successful conclusion not only must the British army and navy be in the best possible condition but that the Allies of Britain must also be financially able to put forth their best efforts. The British fleet has cleared the seas of enemy ships and the British army has reached an enormous fighting strength. But the money Britain has loaned to her Allies and the British Dominions has been equivalent to placing immense additional armies in the field. When it is considered that the war, according to Mr. McKenna's estimate, is costing Great Britain \$25,000,000 daily and that the Island Nation is not only able to meet this expense but also provide money for her Allies it naturally gives rise to the question of how it is done. Britain's financial record in this war is a remarkable tribute to the soundness of the British policy of Free Trade which has made her the greatest commercial nation on earth. By keeping her ports open, buying in the cheapest market and selling in the dearest market, British merchants and manufacturers have exploited every corner of the earth and accumulated immense wealth without the assistance of an iniquitous protective tariff. And even under the present strain and engaged in a life and death struggle the Free Trade policy has not been abandoned. Mr. McKenna stated in his budget speech as follows—

"The house will have noticed that I have not discussed the question as to whether fiscal duties might now properly be used for controlling and directing trade in a way advantageous to ourselves and injurious to our enemies. I and my colleagues are satisfied that any attempt in this direction would be met by insuperable preliminary difficulties in finding the necessary machinery to give effect to such proposals."

If Canada in its early years had adopted the British Free Trade policy the country would have been much better developed than it is today and our financial resources would have been very much greater.

FREE TRADE CAMPAIGN STARTED

All free traders will be greatly encouraged at the splendid opening of the campaign by the Free Trade League of Canada which took place in Winnipeg last week. Dr. Michael Clark, M. P. for Red Deer, Alta., came from Ottawa specially to start the campaign. Dr. Clark's addresses were powerful indictments