

The Grain Growers' Guide

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PROGRESS OF CO-OPERATION

In this Co-operative Number of The Guide friends of the co-operative movement will find much cause for gratification. The greater part of this issue is made up of reports written by the officials of farmers' organizations in the West, telling what has been accomplished by co-operation in its various phases in their own localities. These reports show that co-operation has made great strides during the past year, and should be a source of inspiration and encouragement to co-operators throughout the country.

For the first time in our annual co-operative number we are able to publish reports of co-operative societies organized under the provisions of the Co-operative Associations Acts of Manitoba and Alberta. At the time our last co-operative number was issued, a year ago, the Alberta Act was before the Legislature, while the Manitoba Act, tho it had been on the statute books for over twenty years, had been lost sight of and only recently discovered. Both these acts provide machinery for the carrying on of both wholesale and retail stores upon co-operative principles, and a number of societies are now in successful operation in both provinces. Among these are the Oakville and Winnipeg Societies in Manitoba, and the Alexandra Society of Blackfoot, in Alberta, and interesting reports of the beginnings and progress of each of these societies have been contributed to this number by their officials. Saskatchewan at present has no law especially adapted to the establishment of co-operative retail societies, but during the past year a Co-operative Associations Act has been passed for the purpose of providing the necessary machinery for the organization of societies to handle agricultural supplies in car lots. The establishment of co-operative retail societies is a most important step in the development of the movement. In each case the establishment of a permanent organization has been preceded by successful efforts on the part of the Grain Growers' associations along the line of collective buying in carload lots. This practice has resulted in a large saving, and there are few live branches of the Grain Growers' associations or U. F. A. in the West that are not now engaged in this business to some extent. A few years ago, when co-operation, as far as western farmers are concerned, was in its infancy, some difficulty was experienced in securing supplies. The local storekeeper, naturally, did not take kindly to the idea of the farmers buying their flour, binder twine, or groceries direct from the manufacturer or wholesaler, and as a result of their protests the manufacturers and wholesalers refused to supply the farmer. There were a few firms, however, that were farsighted enough and fair enough to realize that the efforts of the farmers to reduce the cost of the raw materials of their industry and the necessities of life could not be defeated by a boycott, and if one firm would not supply them another would. Today the farmers are buying such large quantities of goods by carload lots that the wholesalers and manufacturers are eager to secure their trade and are paying special attention to their wants. Manufacturers of farm necessities have realized the fact that the co-operative farmers of Western Canada are their very best customers. In almost every case co-operative purchasing has been done on a cash basis, and the system has been found beneficial to both buyer and seller. Co-operative purchasing by carload lots, or less than carload lots is, however, capable of infinite expansion. There is prac-

tically nothing that is used on the farm on which a saving can not be made by a number of farmers clubbing their orders and buying in quantities. One of the first things in which the western farmers co-operated was binder twine, of which every community of any size uses a carload or more every fall. Then came fence wire, fence posts, coal, lumber, flour and feed. Now the farmers are co-operating for the purchase of apples and other fruits, both green and evaporated. Shipments of British Columbia fruit and Ontario honey are being brought to the farmers of the prairies for little more than half what the people in the cities near by are paying. Some Grain Growers' associations have bought sugar by the carload and formalin, coal oil, machine oil, groceries, seed grain, agricultural implements and pure bred sires have been bought co-operatively by western farmers during the past year at terms which have saved them considerable money. The possibilities of co-operative purchasing are, however, far from being exhausted. A large English tailoring firm recently advertised in The Guide an offer to give a reduction of 10 per cent. on orders for 10 or more suits of clothes. To establish a library by co-operation is a simple matter; tea can be bought by the chest; canned goods and pickles by the dozens; socks, mitts, shoes, watches, clocks or harness by the dozen. Almost the only thing that cannot be successfully bought in quantities direct is machinery of a kind that necessitates a local agency for the supply of repair parts, and this could easily be handled by a local co-operative warehouse. Co-operative buying will doubtless continue to develop until it takes in almost every necessity of the farm and farm home. It is necessary, however, at this point, to sound a note of warning and to observe that co-operative buying, or collective buying, as we prefer to call it, is not in the true sense of the word, co-operation. Co-operation means something more than getting supplies at lower prices, tho that in itself is eminently desirable.

Frequently those who are most in need of the benefits of co-operation cannot take advantage of carload buying because they cannot take a sufficient quantity or are not ready to make their purchases at the same time as their neighbors. To build up a truly successful co-operative institution a permanent organization founded upon certain definite principles is required. One of the first principles is that membership in the co-operative association should be within the reach of every honest man and the value of the shares, therefore, should be made as small as possible. In the Winnipeg society sufficient capital has been raised by selling shares of the value of \$3 each with a minimum cash payment of \$1. In country districts where the number of shareholders will be smaller a minimum of \$10 may probably be required. Then there must be a fixed rate of interest on capital, which should not exceed the local bank rate. A portion of the profits should go into a reserve fund each year to provide against possible unexpected losses, something should be devoted to educational purposes and to spreading co-operative ideals and then the surplus profits should be distributed among the customers of the store according to the amount they have spent. These things are all necessary in order to make the co-operative store a successful and permanent institution that will be the social centre of the community as well as a means of saving money. Such an institution, however, cannot be built up by

selling goods at cost, as is usually done at present when carloads are brought in, and in order to duplicate the success of the co-operative movement in Great Britain our western co-operators will find it necessary to adopt the British co-operative system of selling at market prices and returning the surplus earned in dividends on purchases. In saying this we do not wish to be understood as discouraging carload purchasing. It is a splendid thing. It is saving money for the farmers; it is enabling them to have more comforts in the home, to grow better crops, and to keep more live stock. It is also strengthening the farmers' organizations and binding their members together. It should be, however, only a first step towards an even better and higher condition, which will be arrived at thru the application of true co-operative principles to every department of the farmer's life and work.

CO-OPERATIVE LEGISLATION

The progress of the co-operative movement in the Prairie Provinces is much handicapped by the lack of a Federal Co-operative Bill, such as Mr. Borden promised very definitely when he toured the Prairie Provinces three years ago. In Manitoba, the Co-operative Societies Act has so far worked out very satisfactorily, and affords local groups an easy opportunity of organizing themselves into a co-operative society. The Alberta Act, we understand from the societies operating under it, is also satisfactory, and few, if any, difficulties have cropped up under it. The Saskatchewan Act, passed last December, is entirely different to that of the other two Provinces, and it is being used in a different manner. In Saskatchewan the Co-operative Act definitely restricts the co-operator to the purchase of commodities in car load lots and specifically forbids the operation of retail stores. The Government has appointed a registrar for the co-operative societies, whose work will be to assist in the organization of the societies and the conduct of their business. The Saskatchewan system is experimental, and the future will decide whether the farmers of that Province are satisfied with such restrictions as the Act provides, and also whether they are in favor of Government assistance, or prefer independent organization. There is no doubt of the good intention of the Saskatchewan Government in appointing the official to assist in the organization of societies, because with such help societies would spring up faster and the cost of living to the farmers would go down more quickly. The chief drawback to Provincial legislation is that it is not uniform, and handicaps the organization of big buying and distributing facilities in the three Provinces, and also prevents them from working together for mutual benefits, as they would be able to do under a Federal Act such as Mr. Borden promised. The great possibilities of the co-operative movement will be greatly handicapped unless this Federal legislation is secured.

FUTURE OF CO-OPERATION

The future outlook for co-operative organization and distribution thruout the Prairie Provinces is most encouraging. The co-operative spirit seems to have taken a strong hold upon the minds of men and women on the prairie. Undoubtedly, up to the present time the material aspect has appealed to them very strongly, and they have seen in co-operation an effective agency by which to curb and reduce the ever-growing cost of