

# United Farmers of Alberta and Co-operation

By James Bower, President U.F.A.

The fundamental principles underlying the constitution of the U.F.A. is co-operation. A study of that constitution will show that co-operation does not mean to the U.F.A. a system of operation that has a tendency to breed class operation.

The U.F.A. definition of the word is given in clause seven, under the heading of "General Provisions", in these words:

"Co-operation is the great means by which we are to overcome the evil effects of hurtful combinations, and members are urged to avail themselves of every opportunity for profitable co-operation with each other, but we should never let this purpose breed a spirit of antagonism between legitimate local interests. Farming is a business and farmers should not antagonize other legitimate and proper business interests."

And in clause one under the same head we find this: "The members of the association are expected to extend fraternal care to one another, in sickness, misfortune or distress, and to their families in bereavement, but it is a cardinal principle that he who will not work neither shall he eat. Industrial habits are as important qualifications as any principles of benevolence or charity. We do not require the industrious to lightly bestow their substance upon the shiftless and improvident."

And again in the first page, clause two and succeeding paragraphs the aims and objects are outlined thus:

"To put forth our utmost efforts to secure the building and maintenance of granaries, elevators, warehouses, and cold storage in principal market cities and in all localities where practicable, so that farm produce may be held and controlled for an advantageous price instead of passing into the hands of speculators and combines."

A careful perusal of the constitution would prove to anyone that while the association is built on a solid foundation of union and co-operation, yet there is nothing socialistic in its make up, that is as the term socialism is generally understood.

The object of the association is not to blindly attack Capital but it is to intelligently attack Monopoly, and thus give effect to a purpose of giving to each individual that which he has rightly earned.

It is not my purpose in this article to give definitions of certain terms as understood by the U.F.A., yet there are many words in common used and frequently on the tongues of our members, which have to them a very decided meaning, but which to others have a very vague and contradicting interpretation.

Co-operation and combination may mean the same thing to some, but not to the U.F.A. Co-operation is that which by the uniting of forces present a solid front to the enemy. Co-operation demands a fair field and no favors. Co-operation came forward with a clear cut, decided purpose of all operating together to give to each individual all that rightfully belongs to him, thus inciting in each individual breast a desire to improve and excel, and thus make co-operation and competition practically synonymous terms.

Combination on the other hand is that which by secret conclave and by treading by the devious ways, known only to themselves, a number of conspirators instigated by purely selfish motives, treacherously assail the foundations of that principle, which true Christianity and humanity stand for, namely the Brotherhood of man. The underlying principle of combination is to take an undue advantage of others outside the combination, thus making combination and monopoly synonymous terms.

A comparison of the terms co-operation and combination might be summed up in this: Co-operation stands for living up to the Golden Rule; Combination stands for the opposite.

Getting down to the practical working out of co-operation schemes many diffi-

culties stand in the way. One of the chief being, that the law governing this, like too many of our laws, has been framed in the interests of monopoly.

## Law Does Not Protect

If we band ourselves together for co-operative purposes, the law does not give us the protection it should, as a result of this and to get this protection, co-operative associations have been compelled to become joint stock companies, and joint stock companies to my mind can never become truly co-operative, for the simple reason that the moment a producer or consumer becomes a stockholder in a joint stock company, then his interests become divided.

We should look at it first from a farmer's standpoint as a producer. If conditions were ideal the farmer would be able to get the full value of his product, leaving him free to concentrate all his energies on production, but as conditions are not ideal he co-operates with his fellows to secure this full value, which value should be determined by the price the consumer pays, less the true cost of making the transfer. This then being the primary object of co-operation, it can be plainly seen that it tends to secure to the producer that ideal condition.

But if the producer is forced because of existing laws to choose a joint stock company as his medium of arriving at that condition, then he is undertaking to do a work with an instrument that is not properly designed for the purpose, because as the primary object of the producer is to get the full value of his

offered the farmers special inducements (in the way of temporary higher prices) to forsake their own plants, and as a result these plants had to close their doors.

The same danger will always exist where it is attempted to bring about co-operation by means of a joint stock company, except perhaps, where at the outset dividends are entirely cut out, and a reasonable interest only being allowed, on the necessary capital invested.

The energy of the management would then be expended on securing to the producer the highest and to the consumer the lowest possible price.

## Each Member Becomes Responsible

The capital needed to operate a truly co-operative association may or may not be supplied by the members. Security for the repayment of that capital with interest being given by an agreement for each member to become individually responsible for payment, this being an absolute security to each member, that he shall not be called upon to make good any more than his own share of the indebtedness, his security being the binding agreement of all the other members, and thus it becomes, each for all, and all for each.

The proportion of the indebtedness of each member to the association, is easily worked out, pro rata according to the benefit each receives.

It also becomes imperatively necessary to the success of any co-operative association, that each member should bind himself in an agreement to patronize the association and not to play fast and loose

putting their stuff on the market in larger quantities, better prices have been secured. It is to be hoped that during the coming year other districts all over the province will organize in the same way. If this were done, then as a result of these districts working in conjunction with each other, an accurate, or at least a closely approximate list of all the produce in the province could be secured before the opening of the selling season.

It would then be easy to arrive at a proper conclusion as to what the selling price should be. I do not mean that the arbitrary price should be set, but by placing this large amount on the market through the proper channels, the highest price that the market could afford would be received and each individual member would have accurate information as to what that price should be.

In bringing this article to a close, I would like to say to those who are contemplating the formation of co-operative associations, that they will find in every community a certain class of men who will always be ready to use the association as a lever to get the highest prices out of the dealers, without bearing their share of carrying on the association. These men will boast that they are in a better position than those who are members, and from a casual glance they appear to be.

It takes a great deal of patience to try to reason with these men, but we must remember that old customs are hard to break away from, and the majority of these men when they have studied the question more fully will fall into line.

NOTE.—The following letter, which is self explanatory, has been received from Mr. Bower:—

## To Avoid Misunderstanding

Editor, GUIDE:—Since sending you the article asked for on "U.F.A. and Co-operation," I have shown a copy to a friend. This friend drew my attention to the possibility that I might be misunderstood, as some might think that I wished to imply that the Grain Growers' Grain Company, being a Joint Stock Company, is not a co-operative institution. If any one should have doubts as to my meaning, I would hasten to set them right.

In the first place the Grain Growers' Grain Company being practically a commission firm, acting as agents of the producers, the same danger does not exist, to the extent it would if they were exclusively engaged in buying direct from the producers and selling again at a profit.

Then I have been told by the management of the Company (and I believe that they make no secret of the fact) that it was not their original intention to build up their Company on Joint Stock lines, but on account of the existing laws governing their actions they could do nothing else. And I think therefore that a great tribute of honor is due the management, that they have risen superior to the occasion and have made such a success of their work, with an instrument not altogether to their liking, and that they are setting aside such a great portion of that big dividend as an educational fund to disseminate among the people truly co-operative ideas. When this has been accomplished and the laws properly adjusted it will then be possible to directly add that dividend to the price paid to the producers.

JAMES BOWER.

Red Deer, Alta.

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The Zeppelin airship company is planning a passenger service between Hamburg and London. The initial craft is to be a vessel 984 feet long and about eighty-five feet in diameter and capable of carrying 300 passengers. The vessel will be provided with eight motors, four for ordinary use and four for emergencies. The company plan a passenger service between Hamburg and Cologne and Hamburg and Baden-Baden.



Harvest Time on Farm of Rice Sheppard, Strathcona, Alta.

produce it is also the primary object of the joint stock company to get that produce for the lowest possible price, so as to make to the stock holders the highest possible dividend, thus in this way creating a divided interest, when the producer and stock holder is one and the same person, for as a producer he wants to sell his commodities for the highest price and as a stock holder he wants to buy from himself at the lowest price, so as to increase his stock dividends, and "No man can serve two masters." Cases of failure to accomplish a laudable purpose with inadequate means, is sufficiently amplified in the failure of the Ontario farmers packing plants.

Brought into being with the avowed purpose of getting for the farmers the full price his pork should bring, the management were compelled to attempt to do this in a very direct way; that way being to buy hogs from the stock holders at the lowest possible price with the object in view of giving back to the same stockholders the highest possible dividend on their stock, thus bringing their interests as stock holders in direct opposition to their interests as producers. That this attempt to burn the candle at both ends resulted in speedy failure.

A further weakness being the absence of any agreement between the stockholders to furnish a supply. The opposition packers taking advantage of this

as his temporary interest might appear. This may seem to cast a reflection on human nature, but we must take things as they are.

The same system of co-operation can be applied to the consumers' interests as well as to the producers', only here the present existing laws governing mercantile transactions appear to operate more adversely than in the other.

At their last convention the U.F.A. have gone on record as upholding the stand taken by the different co-operative associations to become organized in such a way that they can legally undertake commercial transactions.

## Success at Red Deer

In the meantime much can be done in the way of true co-operation. An experiment along that line has been carried on by the farmers of Red Deer. A complete constitution governing their methods of operation has been framed, and what was looked upon as an experiment has proved to be a complete practical success.

The only weakness yet shown being the inaction of some of the farmers themselves on coming forward with their lists in sufficient time for the management to place it on the market. This association has proved itself to be a reliable bureau of information to the farmers of the district as to the prices they should get, and by clubbing together in this way