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FARM AND DAIRY & RURAL HOME



Trade increases the wealth and glory of a country; but its real strength and stamina are to be looked for among the cultivators of the land.—Lord Chatham

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The Possibilities of the Organized Farmers' Movement

Farmers Now Control One of the Greatest Companies in Canada—Significance of the Recent Big Merger in Western Canada—Should the Ontario Farmers' Cooperative Co. Join the Movement?

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THERE was effected recently in Winnipeg a merger of two big farmers' companies that may ultimately have an important effect on the organized farmers' movement in Ontario. In fact, the merger in question is likely to affect the organized farmers' movement in Canada by culminating in time in the formation of one big company which will control the business operations of the farmers in all the different provinces instead of having these handled as they have been hitherto by several provincial companies. Such at least is the frankly expressed expectation of certain leaders in the farmers' movement as well as of thousands of the rank and file, more particularly in the Western Canada.

The new company is to be known as the United Grain Growers Limited. It will have an authorized capitalization of \$5,000,000 and about 26,000 farmer shareholders. Its borrowing powers will be \$7,500,000. It will control all the business hitherto done by the Grain Growers' Grain Co. of Winnipeg; and by the Alberta Farmers' Cooperative Elevator Company, Limited, of Calgary.

Two farmers' companies, which have not yet joined the merger, are the Saskatchewan Cooperative Elevator Co., Ltd., of Regina, and the United Farmers' Cooperative Co., Ltd., of Toronto. The first was invited to unite with the other two companies, but so far has declined. It may ultimately decide to do so. The Ontario company has not been invited as yet to throw in its lot with the western companies, although there are indications that in due time it will be given an opportunity to do so should our Ontario farmers so desire. The suggestion that Ontario might desire to unite with the west was received with hearty applause when made recently at the annual meeting of the Grain Growers' Grain Company in Winnipeg.

Position of the Movement.

Ten years ago the organized farmers' movement in Canada—as we know it to-day—was in its initial stages. To-day there are four provincial farmers' companies, as well as at least four allied associations, three of which have between them some 48,000 farmer shareholders, who control assets valued at \$8,000,000, have a paid-up capital of \$2,000,000, and last year earned profits of \$1,814,000. The three companies referred to are all in the western provinces. The Ontario Farmers' Company, although already doing a most promising business, still has a considerable distance to go before it will be entitled to be classed

with the three western companies. However, we are getting there.

The recent merger has had the effect of uniting two of the western companies. Such action appears to have been almost inevitable, as the feeling has been growing, especially during the past couple of years, that the time has come when there should be a closer linking up of the various farmers' organizations.

western provinces. Stock was sold in all three provinces, and business connections established. Since then the Saskatchewan and Alberta Cooperative Elevator Companies have been established which has resulted in some overlapping between these two companies and the Grain Growers' Grain Co. The recent merger of two of these companies, it is expected, will eliminate considerable of this overlapping.

The Grain Growers' Grain Co. is a most powerful organization. Last year it handled 14,737,687 bushels of grain. Its profits, including several subsidiary companies, were \$775,000. Its paid-up capital is \$1,073,170. The company has some 18,000 shareholders of whom about 8,500 are in Manitoba, 7,300 in Saskatchewan, and the balance mostly in Alberta and British Columbia. The company owns 14 elevators in Manitoba, leases 5 from private parties and 175 from the Manitoba Government, with a good prospect that it will buy most if not all of these elevators from the government in the near future. It owns a terminal elevator at Fort William, which was destroyed by fire this year, but which is being replaced by a new one at Port Arthur, and it leases another large terminal elevator from the Canadian Pacific Railway. An important part of its business is done through the Grain Growers' Export Co., with offices in New York, a subsidiary company, which it controls and which handles grain for export. Last year this company showed profits of \$166,000.

In addition to the foregoing activities the company controls the Grain Growers' British Columbia Agency, a company doing business in British Columbia. It has a big cooperative department

and it owns its own printing plant and the Grain Growers' Guide in Winnipeg, as well as a large timber limit in British Columbia. Through its cooperative department last year it sold \$278,205 worth of farm machinery, \$180,419 of lumber, \$530,900 of binder twine, \$70,136 of barbed wire, \$53,336 of woven wire and other goods to a total value of \$1,963,591. Through handling goods in this way it is believed that the company has saved the prairie farmers hundreds of thousands if not millions of dollars in the lower prices at which such goods have been sold by competing companies. During the last 10 years the company has earned \$1,488,740 in profits, of which \$550,000 has been paid out to its shareholders. The president and general manager is T. A. Cregar, Winnipeg, who has grown with the company from the start, and who is still under 40 years of age.



Two of the Business Leaders in the Farmers' Movement.

The two men here shown were largely instrumental in the decision recently reached in Western Canada to unite the two big farmers' companies of Manitoba and Alberta in the new company that is to be known as the United Grain Growers Ltd., with a capital of \$5,000,000. On the left is Mr. C. Rice-Jones, manager of the Alberta Farmers' Cooperative Elevator Co., Ltd., and on the right Mr. T. A. Cregar, president of the Grain Growers' Grain Co., of Winnipeg. Both men have great visions for the future success of the farmers' movement.

The Farmers' Companies.

In order that the readers of Farm and Dairy may understand the position of affairs more clearly it may be well to take a little time to study the situation as it has developed during the past ten years. Let us start with the farmers' companies.

Ten years ago the Grain Growers' Grain Company was launched in Winnipeg. This, in a sense, is the parent organization. It was organized in order that it might help the farmers of western Canada sell their grain to better advantage. It has been a remarkable success from the start. Its success has been a great stimulus and aid to the other companies since organized.

When the Grain Growers' Grain Co. was first organized it was expected that it would serve the business interests of the farmers in the three