

Farmers' Co-operative Stores

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of \$13,100 and 151 members. It now has a membership of 227, with a paid-in capital and surplus of \$40,377.13. Its total turnover in three years and six months has been nearly \$400,000, and the total net profits have amounted to \$30,802.85.

The running expenses have been about 8½ per cent. of the sales. Stockholders get 10 per cent. dividends on their individual purchases and 6 per cent. on their stock. Non-members who trade at the store get 5 per cent. rebate on their purchases. There are about twenty employees.

J. C. Caldwell is the moving spirit of the Jackson County Co-operative company, as well as being interested also in the co-operative creamery, farmers' co-operative elevator and First National bank, a farmers' bank, of which he is president. In talking with Mr. Caldwell about his business, he said: "Non-members used to throw away their sales slips. They laughed and called it an advertising dodge, a mere bluff. But when those who did save their slips and returned them to the store at the annual settlement time and received dividend checks, the scoffers suddenly began to quit throwing away co-operative store sales slips." The company is purely democratic. The bylaws provide for the Initiative, the Referendum and the Recall, and the company has, since its beginning, followed implicitly the instructions and advice of the Right Relationship League given through its auditing department and otherwise, and has at all times subscribed and paid for the official organ of the movement for all its members, the magazine "Co-operation," for the education of the members along these lines.

Thus it will be seen that the Jackson County store is run strictly on American Rochdale principles. The elevator and the creamery are run on the same plan. The elevator, which handles not only grain, but feed, flour, hay, coal, salt, fertilizers and farm implements, even threshing machines, is the oldest of the Jackson County co-operative societies and is a thorough success. The creamery company has not been running long, but it has 130 members, representing about 1,200 cows.

The bank, which cannot be strictly co-operative under the law, is kept in the hands of the many by a gentlemen's agreement among stockholders to limit holdings to ten shares.

These four co-operative societies have recently affiliated in a local association for mutual aid and to improve community conditions.

Lakefield is but a little country village of 1,200 inhabitants, but the proudest metropolitan centre in the land would do well to sit at her feet with open heart. For Lakefield has something to teach that the great cities of the United States and Canada have not yet learned, namely:

That the only business that is really worth-while is everybody's business—the business in which all co-operate and each profits in proportion to his individual effort.

Someone may say that this little town or city of Lakefield, with its 1,200 inhabitants, is exceptionally located or exceptionally fortunate, which may account for its success. I desire here to cite another instance of the remarkable results of the application of the co-

operative principle in the little burg of Grove Lake, Pope county, Minnesota. Grove Lake is located inland, seven miles from a railroad shipping point, and the Census Bureau gives it a population of 100. It is located in an ordinary farming territory where dairying has a good start. It is situated 133 miles northwest of Minneapolis. On May 12th, 1909, the Right Relationship League organized the Grove Lake Co-operative Company with 32 farmer stockholders, each of whom took one share of \$100.00 and paid a membership fee of \$5.00. At the end of the fiscal year of 1911 their business was audited by the League auditing department, and I submit herewith a few paragraphs from the auditor's report:

"The following is a summary of the nominal condition of the Grove Lake Co-operative Company as at close of business December 30, 1911:

Total Nominal Assets\$6,613.44
Total Nominal Liabilities 229.30

Excess of Assets\$6,383.94
The corporation is obliged as follows, for the excess of assets:
To Shareholders for Invested Capital\$3,200.00
To Promotion Fund 132.92
To Dividends 1910 unpaid.... 58.21
To Reserve Fund 115.72
To Undivided Earnings, 1910.. 1,446.67
To Undivided Earnings, 1911.. 1,430.42

Total\$6,383.94
The average gross profit on sales was 14.33 per cent.

The operating expense on sales was 7.19 per cent.

The net profit on sales was 7.14 per cent.

The net earnings on capital stock for the year 1911 was 44.7 per cent.

Total merchandise sales for 1911 were \$15,918.35.

"From this it will be seen that while the operating rate is favorable, the margin of average gross profit on the goods sold is comparatively low, indicating that the patrons were favored with low prices on purchases and received the benefit at the time.

"It is indisputable that this record and the condition of the affairs of your company, from the point of view of earnings and accumulation of surplus over dividends paid, is praiseworthy to a marked degree, and represents the most successful co-operative store in operation, to my knowledge.

"From the record of the progress of the Grove Lake Co-operative Company, I feel entirely safe in saying without fear of contradiction, that it is the ideal co-operative country store of the day, and is the best illustration of the proof and value of co-operation that I know of.

"According to the provisions of your by-laws, 10 per cent. of the annual net earnings should be transferred to the Reserve Fund and 5 per cent. to the Educational Fund."

A Young Boy

An instance of success and quick results is that of the Willmar Co-operative Mercantile Company, Willmar, Minn., organized by the Right Relation-

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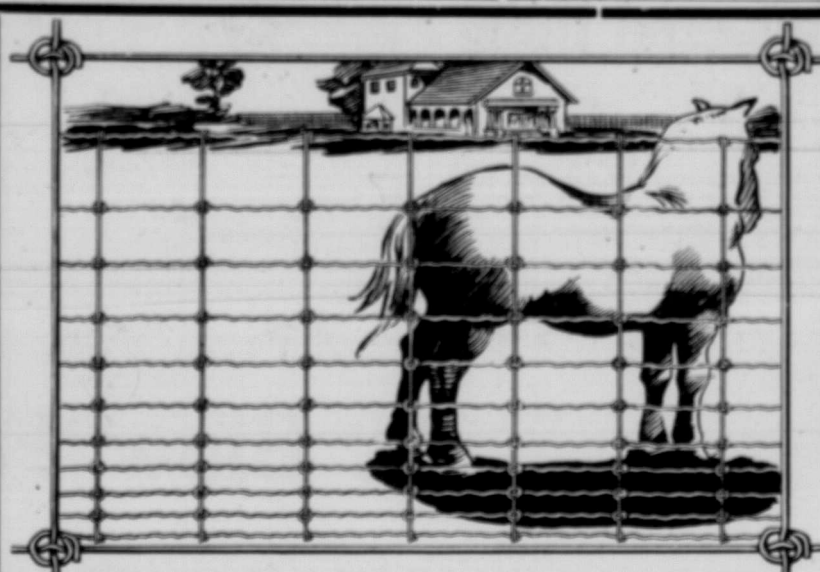
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ship League on July 3rd, 1911, with 175 members and a paid-in capital stock of \$13,200. When this co-operative company was formed it took over the stock of goods of one of the general merchandise firms of Willmar, amounting to \$22,180.

At the close of business December 31st, 1911, the net surplus or profits of the business as disclosed by the League auditor's report was \$3,278.42. The board of directors declared dividends payable at once—6 per cent. per annum on shares, 12 per cent. on the purchases of the members, and 6 per cent. on the purchases of non-members. The board also transferred 10 per cent. of the net earnings or \$327.84 to its reserve fund and has carried over \$797.13 as surplus.

Innumerable instances of like results could be cited, but space will not permit. The Right Relationship League, in spite of any or all its individual failures, has proven its case. It has

given the most invincible proof that, in its own field, business may be democratized. They have proven that that very business may at the same time become a school for the slow rebuilding of "Right Relationship"—of friendlier habits—on which a clean and efficient politics may at last be reared.

Thus, with their "state within a state," it will be seen that the farmers and villagers, working in their own little corners throughout the country, with their division of profits pro rata on individual business, their initiative, referendum and recall, are helping to pave the way for the march of "triumphant democracy." And this not only into the business world, but into the political world as well. For the moral uplift of humanity, the teachings of self-government to a would-be free people, and for the bringing about of a genuine brotherhood commonwealth, there is nothing under the shining sun we need more now than just—pure democracy.