

The Grain Growers' Guide

Winnipeg, Wednesday, July 19th, 1911

GRAIN GROWERS' GRAIN CO. ANNUAL

The Grain Growers' Grain Company, the greatest farmers' co-operative company in the world, has emerged triumphantly from another strenuous year in which every possible effort has been made by its enemies to injure it. The farmers of the Prairie Provinces deserve the congratulation of the democratic peoples of the world for the success which they have achieved, for the Grain Growers' Grain Company is but one of the outward manifestations of the movement for the square deal which is sweeping over the West today. To the many thousands who no doubt look to financial returns as the evidence of success the balance sheet of the company is a conclusive reply to the rumors that have been circulated so persistently that the Farmers' Company was destined to ruin. There are now almost 12,000 farmers holding shares in the company with a paid-up capital of approximately \$500,000 and the profit upon last year's business was \$70,000. But aside from the profits shown in the balance sheet there is a far greater profit shown in a tangible form in the pocket of every farmer in the West, whether or not he is a shareholder in the company. There is no doubt that the presence of the company's buyers at the government elevators induced the private elevator companies to pay several cents per bushel more than farmers would otherwise have received. The exportation of 10,000,000 bushels by the company direct to Old Country markets has also kept up the price of grain, and has compelled the speculators to forego a large share of the illegitimate profits which they have in the past been taking out of the Western grain growers. It is clear that the private elevator companies can pay over the actual market price for wheat at country elevator points in Manitoba, and buy apparently at a loss, and recoup themselves by means of the high charges in their terminal elevators. By shipping this grain to their own terminals after the close of navigation in the fall the elevator companies can, doing a legitimate business, sell for future delivery and hold it till the opening of navigation in the spring, at merely the cost of interest and insurance, which is very light, the insurance in the best elevators being only 20 cents per year per \$100 worth of wheat. Upon this grain they charge one cent per month, after the initial handling charge—which is about twice what it costs them. Surely this condition of affairs is a convincing proof of the need of the government taking over all the terminal elevators and operating them under an independent commission. If not, there is only one solution—the Grain Growers' Grain Company must acquire its own terminals at the Lake Front. Conditions must be secured by which the safety of the grain and its economical handling will be assured from the time it leaves the farm till it reaches the Liverpool market—no matter whether reciprocity becomes effective or not.

It was decided by the shareholders to recommend to the directors that a dividend of ten per cent. should be declared upon the paid-up capital, which is a splendid return upon the money invested. In addition there is almost \$100,000 placed to the reserve account, which makes the shares of the company worth more than twenty per cent. above par value. In view of these facts the shareholders recommended that henceforth the shares of the company should be sold at \$30 instead of at \$25 as in the past. All the money received from the shares sold will go into the treasury of the company and not into the pockets of a few big shareholders, as in the case of mergers.

The most important move of the year was the securing of a new charter from the Dominion Parliament, which was unanimously adopted by the shareholders present at the meeting. Under the new charter farmers may hold as high as \$1,000 in stock but the principle of "one man, one vote" is established by law, and no transfer of stock can be made without the approval of the shareholders in annual or special meeting. Thus the capital stock of the company can be increased and the activities of the company widened without any possibility of the control being secured by any individual or group of individuals. In fact, if it were possible for any one person to secure nine-tenths of the stock of the company he could not control because he would have but one vote at a shareholders' meeting. Under the new charter the company has power to buy and sell practically everything, and to go into the lumber business, milling or practically everything that enters into a farmer's needs or work. The new charter also allows the company to own and operate steamship lines, so that the future will probably see the company with their own steamers carrying the farmers' grain direct to the Old Country markets and bring back commodities which can be purchased so much cheaper in Free Trade England than in Trust-burdened Canada. The vision of the future of the company is a most attractive one, and as the co-operative movement continues to spread over the west, the Farmers' Company will be in a position to act as a great central buying and distributing medium for a large number of retail distributive centres at local points all over the prairies. The charter of the company will also, if the shareholders desire, permit the distribution of profits co-operatively, namely, in proportion to the business done by the patrons, but only after an eight per cent. dividend has been declared upon the paid-up capital and a certain amount has been set to reserve. Considering that with a small crop last year the Grain Growers' Grain Company handled over 18,500,000 bushels of grain, what will be the volume of business done during the ensuing year when every prospect is for the greatest crop in the history of the West? It will probably be upwards of 30,000,000 bushels, which means a tremendous amount of work, but even this mark may be exceeded as the farmers are beginning to realize the benefits accruing from their own company. There is a tendency to selfishness on the part of farmers when they can secure a large part of the benefits of the company without even being shareholders, but this is yearly being overcome. Farmers are daily seeing that only by working together can they protect their own interests, and that through the Grain Growers' Grain Company is the very best means of improving conditions in Western Canada so that every man will secure full remuneration for his labor and that the unjust profits of the speculator and the middleman will be eliminated. The good effects secured by the activities of the Farmers' Company are felt in every farmer's home throughout the length and breadth of the whole prairie country and even over all Canada. The company is an outgrowth of the organized farmers' movement, and the most promising child of the Grain Growers' Associations. The educational influence of such successful co-operation cannot be measured. It inculcates better business methods and a deeper interest in matters outside the immediate community in which the farmer lives. The strength, value and influence of the company depends upon the support it receives from the farmers. If the farmers continue

their support the time is not far distant when the whole grain crop of the West, totalling several hundred million bushels, will be in the hands of their own company from the time it leaves the farm until it is placed upon the ultimate markets. This same loyal support can build up immense co-operative milling industries, owned by the farmers, so that a goodly portion of their wheat can be made into flour at home, and the farmers of the West can have home-made bread at cost instead of paying more for it than is now charged after they protected millers have shipped it to Liverpool. The great aim of the co-operative movement is to perform at cost the necessary functions between the various peoples concerned. Any concern that is working with such an object in view has everything to gain and nothing to lose when the tariff walls are broken down and the people are given free access to the natural resources of the country which the Creator intended for the use of all men. Truly the men who conceived the establishment of the Grain Growers' Grain Company were men of vision and men who had the welfare of their fellow men at heart. They builded better than they knew, for this great Farmers' Company and its kindred movements are but at the beginning. The sod has but been broken. What the future has in store for the people of Western Canada through their own efforts no one can predict, but if they continue in the way they have set out he is dense who cannot see conditions more favorable to the common man than the Western pioneers of a decade back dared even to dream.

RAILWAY REGULATION NEEDED

It is quite evident that with the present feeling among the Western people Parliament will begin to pay attention to the railway problem of Canada in a short time. The exposure of railway discrimination against the West upon the part of the big roads by the Free Press is causing discussion in all directions and has proved conclusively that the West is being milked to the tune of millions every year by these railways. Considering how heavy a load the West carries on account of land grants and tax exemptions for the support of transcontinental railways, it hardly seems fair that an additional burden should be added in unreasonable freight rates. The Free Press proposes as a remedy to present conditions that the Railway Commission of Canada be given wider powers over the railways, and be allowed to investigate freely upon its own initiative without waiting for an application. This suggestion is certainly a wise one, and should command the attention of our legislators. Another recommendation, is that there should be an Eastern and Western board of three members, each with a vice-chairman, and that a general chairman should preside over both boards. This, of course, is a detail which can be worked out according to the needs of the situation, but certainly it is a gross injustice that there is not a single Western man on the commission. The chairman and the five commissioners are all Eastern men who know little of Western conditions, and yet very nearly half of the railway mileage of Canada is west of the Great Lakes. But even when the railway commission is given the full power to handle the railway question, as should be done, will the country get a square deal? Look at the famous investigation of the express companies which was made by the railway commission last year. It proved that the express companies were owned by the railway companies and were paying dividends upon stock that was watered to the