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| J. F. Reid | .. | Orcadia |
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| George Langley | .. | Maymont |
| C. E. Platt | .. | Tantallon |
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| J. B. Musselman | .. | Moose Jaw |

TWINE ON CREDIT

A number of letters have come to the head office suggesting that arrangements should be made by the central to supply twine to locals on credit, and as many of our members will fail this year to secure the full benefit of the low prices which the association has secured on twine because they have not the cash with which to purchase this commodity, the question becomes one of the first importance.

The association exists to serve its members—all its members—as far as possible, and thru them society as a whole. It has no other cause for existence. In the development of your co-operative trading department, however, certain well defined principles have had to be laid down for the guidance of your management. Without adherence to these principles the movement must surely fail.

Members must bear in mind that the business of the central is the business of the association, and not that of a separate concern seeking to make gain for shareholders out of its dealings with the members of the association.

Borrow from Money Lenders

The businesses of selling goods and of lending credit are properly two distinct businesses. Goods are purchased from dealers or manufacturers, borrowing should be done from a money lending institution. The moment one begins to finance on the capital of those engaged in the business of distribution one borrows money without any control of the price at which the loan is secured. A farmer may borrow money from a bank for eight or nine per cent. per year, but no one engaged in trading can loan him money or give him credit at anything near this price. When a farmer uses the merchant's credit he has to pay many charges besides service and interest. The merchant's earning power is curtailed because of the locking up of his capital or his credit. For this he must remunerate himself in the price at which he sells his goods. To this he adds sufficient margin to cover safely all possible losses on credit accounts, the cost of bookkeeping, collections, etc. These items alone may amount to fifteen per cent., which, based on an average credit of three months, would be equivalent to sixty per cent. per annum. Back of this again the merchant has to pay an enhanced cost price for his goods.

The Wholesale Slice

The retail merchants of Saskatchewan owe the wholesalers many millions of dollars. This means that the majority of country storekeepers are controlled by various wholesale houses to whom they are heavily indebted, and therefore they cannot buy in the cheapest market. They must buy from the house that is financing them or the thumb screws are applied. This means an extra cost to the dealer of from ten to twenty-five per cent. on his goods. To this extra cost the dealer adds his regular margin of profit, so that the cost to the consumer is again greatly enhanced. If this extra charge for credit to the merchant is placed at only twelve and a half per cent., and is based on a three months' average credit, it adds another fifty per cent. per annum to the cost to the consumer of borrowing money from the merchant instead of from those whose business it is to lend money.

Credit at One Hundred Per Cent.

The money used to accommodate the farmer with a store account costs him an enormous rate of interest averaging fully one hundred per cent. per annum. To borrow money may be good business. To borrow it from dealers, however, is fearfully costly and must be avoided as far as is at all possible if farmers are to secure maximum returns for their labor.

Saskatchewan

This Section of The Guide is conducted officially for the Saskatchewan Grain Growers' Association by J. B. Musselman, Secretary, Moose Jaw, Sask., to whom all communications for this page should be sent.

Co-operative merchandising could not escape the same cost, at least in measure, if credit were extended on goods no matter how short the time. Only those securing wide margins of profit can extend credit.

The association has no capital to lend to locals. If it had the members would demand absolute security whenever it were to be lent. The same security will secure a loan from the local banks, who make a business of lending.

By co-operative action probably any local can secure from the bank on the joint responsibility of its members such credit as is required. Some locals practice this method, and it gives them money at eight per cent. instead of credit at 100 per cent. per annum.

This is a matter which rests with the locals themselves. One point needs to be borne in mind, and that is that no local, whether incorporated or not, has power to extend credit to its members.

J. B. M.

THE LEGAL BUREAU

At our Grain Growers' meeting last night a question was discussed in respect to the legal bureau. Our delegate said it was expected that all locals should contribute to this fund and a motion is on the minutes that a social be arranged for that purpose in the fall. I was in-

very general interest which came up at Hafford, Sask. In this case the secretary of the Hafford Co-operative Association was summoned to answer the charge of being a transient trader, trading without a license. The Co-operative Association appealed to the Central, which was represented at the hearing before a J.P. by Mr. Taylor, the Association's solicitor, and F. W. Green. A fine of \$50.00 was imposed. The Central has appealed the case and intends to fight it thru the courts, being fully confident that the decision of the J. P. is incorrect and will be quashed by a judge.

This is a case of the utmost importance in the face of the fact that at the present time an agitation is being put forward by the executive of the Retail Merchants' Association to secure legislation which will enable the towns and villages to impose a tax of \$100.00 upon all transient traders and this is beyond all doubt intended to make it possible for all farmers' organizations who attempt to break loose from the thralldom of the organized trade interests to first pay \$100.00 each to the treasury of the towns and villages who wish to force them to do their business thru the merchants resident therein. A tremendous struggle is ahead of the co-operative locals thruout the province as well as the unincorporated locals of the Association if the organized trade interests are to be prevented from



Halcyonia Schoolhouse prepared for Grain Growers' annual concert and supper

structed to enquire if the legal department was just for the purpose of giving advice, or taking up a case for a Grain Grower individually, or a Grain Growers' local, and if there would be any charges for services rendered. The cases in point are those peculiar to Grain Growers, such as fighting for our rights against railroads and other companies.

HAROLD WARD,
Sec.-Treas. Fishing Lake G.G.A.

Secretary's Answer

In your favor of recent date you raise the question of contribution by locals to our Emergency Fund or Legal Department and the scope of this department.

At the convention held in Regina the Central Secretary explained that in instituting the legal department in connection with the Central Office, it was not intended that free legal advice should be available for all members of the Association. This would be palpably impracticable, but that it was intended to provide the means whereby any member could secure sympathetic legal advice from a lawyer conversant with the Association, its government, its activities and its aspirations and that such advice could be secured at moderate cost.

The Association has undertaken in several cases to prosecute claims on the part of members when forwarded thru the local, provided such action is recommended by the local and the executive is of opinion that the question involved is one of general importance rather than a matter of merely local interest.

The Emergency Fund has been drawn on recently in prosecuting a case of

fastening permanently their iron grip upon the consumers upon the land.

A resolution passed at the convention pledged the locals each to give during the course of the year some kind of entertainment and to devote the proceeds of the same to the Emergency Fund or legal department of the Central.

I thank you for the interest which you are taking in this matter and hope for your fullest co-operation.

Yours fraternally,

J. B. MUSSELMAN,
Central Secretary.

PATRIOTIC HALCYONIA

Enclosed please find money order for \$277.80. We were trying to get a car of wheat and ship to the Belgians, but we were not able to do so. As the railroads are charging freight on wheat now we decided to sell and send the money. I expect there will be about one hundred bushels more to sell when it gets in the elevator.

At our last meeting I was instructed to send this money to you so you could forward it on to the Belgian Relief Fund at Winnipeg, so it would be coming from the Saskatchewan Grain Growers' Association.

I am also sending you a small photo of our Halcyonia schoolhouse taken the morning after our annual concert and supper. There were about 120 people present. You can see we go to a little pains to make things pleasant. It just took four of us about one hour and a

| DISTRICT DIRECTORS: | | |
|---------------------------|----|---------------|
| Dist. No. 1—W. H. Beasley | .. | Balbeck |
| 2—M. P. Roddy | .. | Bouleau |
| 3—G. E. Noddie | .. | Lampman |
| 4—R. M. Johnston | .. | Eastview |
| 5—J. W. Easton | .. | Moosomin |
| 6—F. W. Redman | .. | Grenfell |
| 7—C. O. A. Travis | .. | Govan |
| 8—Thorn M. Eddy | .. | Bethune |
| 9—John F. Reid | .. | Orcadia |
| 10—J. L. Rooke | .. | Togo |
| 11—T. Sales | .. | Langham |
| 12—Andrew Knox | .. | Prince Albert |
| 13—W. H. Liwall | .. | Wilkie |
| 14—T. M. Morgan | .. | Aqueduct |
| 15—Frank Burton | .. | Vanguard |
| 16—W. T. Hall | .. | Surbiton |

half to change this from a plain country school into what you see in the picture.

ARTHUR H. ORCHARD,
Ass't Sec. Halcyonia G. G. A.

WHAT OTHERS THINK OF US

(From Industrial Canada, Toronto, Ont.)
Farmers' Co-operate.

In discussing the recent Saskatchewan Grain Growers' convention, the Farmers' Advocate and Home Journal, of Winnipeg, says that its criticisms of public affairs are losing their former hostile, destructive tone and are assuming a co-operative, constructive attitude.

"A few years ago," says this journal, "one need not go back to the first convention fourteen years ago—the conventions were marked by strong criticism of the other factions that make up the nation, and of the governments, both federal and provincial. No doubt much of this criticism was deserved, but today, while it would still be possible to criticize, the work of the convention is largely constructive. Instead of criticizing the governments for legislation in force, new legislation is suggested to meet the requirements of conditions under which farmers work. Instead of berating commercial interests, the Association is taking means, thru co-operation, to secure more satisfactory trading conditions for its members. It has also committees studying financial and transportation problems."

Governing and administering the affairs of a country is, after all, a business proposition, and a country, like a business, runs more smoothly when the partners sink their differences and work together than when they disagree and waste their energies in petty civil wars.

Equity Twine



Equity Twine is made especially for
The Saskatchewan Grain
Growers' Association

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CANADIAN FACTORIES.
The manufacturer is meeting
the world's competition without
the aid of a protective
tariff. Therefore—

BUY EQUITY TWINE

We guarantee the quality.
Manufacturers are advancing
prices, but having contracted
for a very large quantity
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of Saskatchewan—not to make
profits. Your local secretary
has the prices. If your crop
fails thru

DROUGHT OR HAIL

the order may be reduced or cancelled

Saskatchewan Grain
Growers' Association

J. B. MUSSELMAN, Sec. MOOSE JAW, Sask.