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FARM AND DAIRY & RURAL HOME



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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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What Will Our Ontario Farmers Do?

Will They and the Farmers of Other Provinces Have a National Rather Than a Local or Provincial Viewpoint?

WHILE the time for final decision is probably several years distant, it is going to be necessary, sooner or later, for the farmers of Ontario, who are interested in the United Farmers' Co-operative Company, Limited, and in the organized farmers' movement in Ontario, to decide what action they will take in the matter of uniting more closely with the big farmers' co-operative companies in western Canada. Leaders in the farmers' movement in Canada are looking forward to the time when the business interests of the farmers of the three prairie provinces will be controlled by one large company with branches and sub-companies located in each province. The first move in this direction was made recently when the shareholders of the Grain Growers' Grain Company of Winnipeg, and the shareholders of the Alberta Farmer Co-operative Elevator Company, Limited, decided to unite their two companies in a new company to be known as the Grain Growers, Limited, which will have a capitalization of five million dollars. In the December 21st issue of Farm and Dairy, in an article describing the amalgamation of these two companies, it was stated that the shareholders of the Saskatchewan Co-operative Elevator Company, Limited, had not united with the proposed new company. It may be interesting to the farmers of Ontario to know a little more of the details of this important movement.

In western Canada there are three large farmers' companies which have made a great success of handling grain. These are the Grain Growers' Grain Company, of Winnipeg, the Saskatchewan Co-operative Company of Regina, and the Alberta Farmers' Co-operative Elevator Company, Limited, of Calgary. In addition to the handling of grain, the Grain Growers' Grain Company also deals in farmers' supplies of many kinds, as does the Alberta Company. In Saskatchewan, the Saskatchewan Elevator Company has made large profits in handling nothing but grain. The purchase of farm supplies is handled through the Saskatchewan Grain Growers' Association.

In Ontario, as our grain crops that are sold are comparatively small in value compared to the value of the finished product of the farm, such as beef, dairy products, fruit, etc., no effort has yet been made to handle as is done in the west. There is, however, a big demand for the handling of farm supplies. This is now being done by the United Farmers' Co-operative Company. It thus will be seen that there are a large number of interests to be harmonized before the work now being done by all these varied organizations can be done by any one big company, no matter how strong this company may be. In the past there has been a strong local sentiment of pride felt by the farmers in each of the three prairie provinces in the success of their respective organizations.

H. BRONSON COWAN, Editor-in-Chief, Farm and Dairy.

Were these various business organizations to be taken over by one company, the provincial character of their operations would not be as apparent as it has been hitherto.

The First Proposal.

When the proposal to amalgamate the various business interests of the farmers was made it was thought that this could best be accomplished by having two distinct big companies and several smaller ones. One company, it was suggested, would deal in nothing but grain. Under it there would be provincial companies in Alberta, Saskatchewan and Manitoba, each of which would control the elevators and the handling of the grain in their respective provinces. These in

turn would be represented in the large central company which would look after the export of the grain and other similar work.

In addition to the companies mentioned, which would handle nothing but grain, it was suggested that another large company might be formed with branches in each province to look after the purchase and sale of supplies for the farmers in all three provinces. The central company would run the timber limits, implement manufactories, flour mills, etc., that it might be found necessary to establish, and would sell the products at lower rates to the provincial companies, who, in turn, would dispose of them among their members.

This plan, when first proposed, was endorsed by the representatives of the farmers' companies in all three western provinces. Were this method to be adopted, and were the farmers of Ontario to decide to unite in the movement, we would still have the United Farmers Co-operative Company, Limited, which would buy most, if not all of its supplies from the large central company. This company would probably establish business connections in Ontario which would strengthen its buying facilities in the east.

Difficulties Encountered.

After this plan had been agreed upon tentatively it became necessary to go into the details more thoroughly. When this was done difficulties were encountered in the matter of deciding where the control of the provincial companies should cease, and where that of the large central companies should begin. There soon appeared reason to believe that there would be a conflict of interests between the large central companies and the provincial companies, which might make it difficult to make a success of the movement were the provincial companies to be retained. It was around this point that the discussion took place at the last annual meeting of the Grain Growers' Grain Company when the shareholders finally decided to unite with the shareholders of the Alberta Company in taking the first step towards the formation of one big central company which it has been decided to launch, and which it was proposed should do all the work that it was first intended should be done by about eight companies. So far the Saskatchewan Co-operative Elevator Company, Limited, has declined to identify with the new company because its shareholders apparently still favor the plan of organization first proposed.

The Two Methods Discussed.

The speakers of the Winnipeg meeting who favored the first plan of organization were Mr. J. B. Musselman, Secretary of the Saskatchewan Grain Growers' Association, and Hon. C. A. Dunning, who, until recently, was the manager of the Saskatchewan Co-operative Elevator Company.

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The Farmers' Business Organizations

THE following are the farmers' organizations now doing business in the prairie provinces and Ontario, the business features of which it is being proposed should be united in order to strengthen the whole farmers' movement.

The Grain Growers' Grain Company, Limited, of Winnipeg, which does the largest business, has a capitalization of about \$1,075,000, about 18,000 shareholders, and owns and leases some 180 elevators in Manitoba, a terminal elevator at Port Arthur, some four mills, and in addition sells grain on commission for its members, and also does a large business in the sale of farm supplies.

The Saskatchewan Co-operative Elevator Company, Limited, of Regina. This Company has a capitalization of \$627,000 and over 18,000 shareholders. It controls some 260 elevators in Saskatchewan and is building a terminal elevator at Port Arthur. It deals only in the handling of grain on commission.

In Saskatchewan the purchase and sale of farm supplies is handled by a branch of the Saskatchewan Grain Growers' Association. In all the other provinces this business is done by the Companies, instead of by the Associations.

The Alberta Farmers' Co-operative Elevator Company, Ltd., of Calgary. This Company has a paid-up capital of \$300,000 and employs 11,500 farmer shareholders. It controls 103 elevators. Like the Grain Growers' Grain Company, it also deals in farm supplies and has lately been handling live stock on commission.

The United Farmers' Co-operative Company, Limited, of Toronto, with an authorized capital of \$30,000. This Company, so far, has done nothing but handle farm supplies.

From the foregoing it will be noticed that there are two distinct lines of work being done by these Companies. One is the handling of grain, and the other is the purchase and sale of farm supplies.