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REPORT
OF
SECOND DAYS' PROCEEDINGS OF
THE CONVENTION OF
U. F. A. SECRETARIES

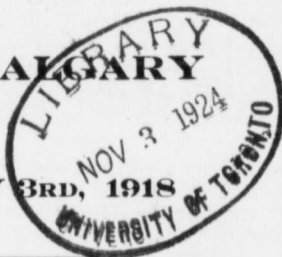
FOR THE SOUTHERN HALF OF THE PROVINCE

HELD AT

PAGET HALL, CALGARY

ON

WEDNESDAY, JULY 3RD, 1918



FOR THE NORTHERN HALF OF THE PROVINCE

HELD IN THE

**FIRST PRESBYTERIAN
CHURCH, EDMONTON**

ON

THURSDAY, JULY 11TH, 1918

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REPORT
OF
THE CONVENTION OF
U. F. A. SECRETARIES



FOR THE YEAR ENDING 1911
PUBLISHED BY THE SECRETARIES
OF THE U. F. A.

Report of the Convention of U.F.A Secretaries

HELD AT PAGET HALL, CALGARY, ALBERTA
ON WEDNESDAY, JULY 3rd, 1918

Afternoon Session.

Time 2.30.

Besides the attending secretaries and visitors, there were present at the meeting:—

Mr. C. Rice-Jones, 1st Vice-President of the United Grain Growers, Ltd., Mr. P. Baker, 1st Vice-President of the U.F.A., Mr. Higginbotham, General Secretary of the U. F. A., Mr. Parker, Director on Board of U. G. G., Mr. Turnbull, Superintendent Co-Operative Supply Department, U. G. G., Mr. McRory, Superintendent Livestock Department, U. G. G., Mr. Molyneaux, Special Representative, U. G. G., and Mr. Wingate, Director on Board of U. G. G.

Mr. Molyneaux, acting as chairman, made some opening remarks and Mr. McRory was the first speaker. He gave a general address on livestock shipping, dealing with some of the difficulties and problems and advising the Locals that if they made up their minds to enter into co-operative shipping of livestock they would find that these problems would automatically or almost automatically adjust themselves. He stated that in the Livestock Department of the U. G. G. they had had unusual instances creeping into the situation, but at the final close they found that, with very few exceptions, from a dollar and cent standpoint they could make it pay. If there were any gentlemen present who believed they could work out a co-operative livestock shipping institution in their locality, he would be most pleased to meet them and arrange for some way to assist them in the work of organization. In closing, Mr. McRory stated that in the work as a whole the central office appreciated far deeper than a mere expression of words just what the various communities have done towards building up the livestock department and appreciated to the full the loyalty they had at all times received from these communities.

Co-Operative Trading.

Mr. Turnbull addressed the meeting on this subject. It was the first time, he said, that he had had the privilege of meeting and talking with the representatives of the U. F. A. Locals. For the past two years and a quarter he had taken pleasure in working in the Co-Operative Supply Department of the U. G. G., formerly the Alberta Farmers' Co-Operative Elevator Company, and in that Co-Operative Supply Department they had an organization the motto of which is "Service" and while things may go wrong from time to time he wanted them only to remember that they at this end were striving at all times to do the best they can. He then gave a brief outline of the business which has been conducted in the Co-Operative Department from

the 1st of September, 1917, up to 31st of May, 1918—9 months. In that time they have shipped 3,690 cars, consisting of:—

325	cars of flour and feed.
21	" poles.
301	" posts.
377	" hay.
1763	" coal.
126	" barbed wire.
6	" bale ties.
7	" wire fencing.
80	" salt.
37	" cement, lime and brick.
184	" apples.
18	" cordwood.

He was unable to give the number of cars of machinery shipped out but the volume in dollars and cents out of the Calgary office amounted in the 9 months to approximately \$550,000.00. The total for all commodities from Sept. 1st, 1917, to May 31st, 1918, amounted to \$2,429,000, while the total for the year, ending August 31st, 1917, had been \$1,520,000.00—an increase in 9 months in dollars of approximately a million over the entire previous year.

It might be said that the increased value of the commodities naturally increased the business. That was quite true, but in keeping with the increased value they had more goods to handle, more overhead expense, and the showing at the end of the 9 months was such that they had increased business at increased expense and had as good a showing, as far as the Directors were concerned, as they had last year. Mr. Turnbull then asked them if there was any information they wished regarding the commodities handled or anything the Co-Operative Department could do to assist them in the handling of their business at the different Locals. He would be glad to answer any questions, but if they wished to go into details he would like to have them go to the office where they had all the information on hand which he would be very glad to supply.

Questions—(Mr. Jenson of Innisfail)

The question was asked as to whether the Co-Operative Department was having any more success in getting barrel salt. Mr. Turnbull stated in reply that at the present time it was impossible to get any shipments of eastern salt, which is the only salt handled in barrels, under approximately 4 to 6 months. They had found last year on a visit to the largest salt works that the output had been taken care of by the jobbing houses and packers. If they bought from the jobbing houses they would have to pay them profit, and seeing an opportunity of securing salt elsewhere, they had bought more salt brought in from California than they had been able to get in two or three years from Eastern Canada. The American salt in barrels is too dear to bring in to enable them to compete against the salt brought in from the west in sacks. The question was then asked as to whether there had been and criticism in regard to the quality of the salt handled. Mr. Turnbull replied that they had no criticism as to the quality. Somebody asked why the salt was so wet and Mr. Turnbull stated that on account of it being handled in winter the sacks are sometimes frozen together and have no chance to dry, having to be shipped in a moist state. He could not promise anything sure, but he hoped to give them a perfectly dry salt in all qualities which will be brought in from Salt Lake City. A delegate stated that he had heard from many sources lately that the salt supplied is a very poor quality; also that it is so damp it rots the sacks and there is considerable trouble in handling it. This man thought that the trouble was that the salt

was not as good as the Eastern Canada salt. Mr. Turnbull stated there was no salt to be got from the East. He also remarked that this was the first complaint they had had regarding salt, but the delegate said he did not mean it as a complaint but was merely looking for information in order to see whether the complaints he had received were justifiable or not. Mr. Turnbull said the only way to find that out would be to bring in samples of the salt on hand and have them analysed and compared with the Eastern Canada salt.

Coal—(Mr. Cowley of Sibbald)

Mr. Turnbull was asked if he could supply coal other than Monarch on the Goose Lake Line—Sibbald—and replied that he could not answer that question just then, as they had been working on that proposition for some little time. He remarked that during the past two years there had been a cry of "wolf" all over Alberta regarding coal but the actual shortage never did develop. "To our knowledge," he said, "there is no point at which we have an elevator and which we are, therefore, supposed to serve that was actually at any time so short of coal that people really suffered. To overcome the possibility of a shortage and to insure our customers a supply of coal at the time they needed it the Directors decided to arrange and did arrange for a supply of coal from the Edmonton field, from Drumheller, and from Lethbridge and Crow's Nest. What we were particularly anxious to obtain was the Imperial Coal from Lethbridge, because the Galt coal is only produced at the will of the C. P. R. and must be spread over three Provinces to keep in force the old time contract. So far as Drumheller is concerned we take part of the output of the Monarch mine. Up to last week the preparation was all by hand mining, but recently arrangements have been made by the Government whereby from this time on the coal will be better prepared and naturally of better quality."

Mr. Cowley, secretary, stated that the coal department had taken orders from his local for 150 tons of Newcastle coal and now could not supply it—or that was the information received from the office. If they did not supply it it means there is going to be dissatisfaction, and at any rate he wanted definite information to take back to his local.

Mr. Turnbull replied that it was not possible for the Company to make contracts with every mine doing business in the Province. Last winter they figured up that they were getting coal from 24 different mines. They have had as many as eight different kinds of coal at the station at once, simply to try to please the customers. In making these arrangements they had done so with a view to benefiting the customers as a whole, and if the members of the Sibbald Local were committed to the use of Newcastle coal they could arrange within three days for a supply for that station. If exceptions were made in one case they must be made in another. The secretary stated that the people were not satisfied with Monarch coal. Mr. Turnbull replied that it was practically the same with coal as with flour, there were so many different grades of each brand. In flour they handle seven brands with as many as three grades to the brand and he cited an instance of where one person buying flour would not have Purity because it was not good enough, but took Gold Medal which is a second or third grade flour. People have their little personal likes and dislikes and you cannot get away from them. We are anxious to give you what you require in your district if we can possibly do so, but the coal situation is this, that we cannot always get a certain kind of coal for a certain station. This condition will always be found no matter how large the Company grows, up to such time as they are in a position to more largely control the output of coal in this Province. If the Company were to buy a mine there would be some parties who would declare that the coal from the Company's mine was not as good as they had

been used to. If we can get Newcastle coal for Sibbald we will get it, but it will mean we will have to fight for it.

Mr. Jensen of Innisfail remarked that he thought the principal trouble as far as coal is concerned is in the minds of the people buying it. "I have sold coal to a dealer and have known a person, who would not have the same coal from me at any price, go to that same dealer, pay him a higher price for the coal and be perfectly satisfied with it."

Binder Twine.

Mr. Turnbull spoke on this and said they were not feeling quite as pleased as they were a year ago in view of the fact that a number of the U. F. A. local orders which were placed with them had been cancelled on account of better prices being quoted by the opposition. He explained the binder twine situation:—"Some years ago, before the Company handled any twine, the toll taken between the factory cost and the price you paid was considerable. With the entrance of your Company into this binder twine game the margin was close, getting narrower every year. This year the big interests have concluded that it is time to do some squeezing and there seems to be a determined effort to name prices which will cause us to lose business and at many points where the difference in price has been 8 and 10 cents per 100 lbs. we have received cancellations and the business has gone to the opposition. So far as the employees of the Company are concerned that hurts. So far as shareholders and representatives of the U. F. A. are concerned it is your own business to buy where you get what you consider the best value, but twine 8 cents per 100 lbs. cheaper at this time may not be the cheapest in the long run. I would ask you to keep in mind, when I am speaking of the business of the Company, that it is your Company, for I take it that the majority of the men before me are shareholders of the U. G. G. due to the fact that they have assisted in the formation of the A. F. C. E. Co., and you have just as vital an interest in the success of the Company as we employees. There is one thing certain that if any large body of business is lost to the Company we, naturally, through having provided for what we figured were the requirements of our customers, will have a heavy carry-over. That carry-over is your affair. If we have not got enough twine we are asked why. If we have too much we are asked why we did not sell it."

Mr. Frantzen of Nanton asked to be allowed to ask a question which was deviating from the matter on hand:—"Is it or is it not a fact that the large manufacturing companies located in Canada are permitted to import twine free of duty—the International Harvester for instance?" Mr. Turnbull replied that there is no duty on twine.

Mr. Ewing of Irricana remarked that he was of the opinion that the cancellations of binder twine were due more to the fact of shortage of crop than to the prices. Mr. Turnbull replied that he was judging from the letters that had come into the office stating "We have got a better price on twine, etc." There were some cases where the orders had been cut down on account of crop shortage, but quite a few cases where the orders had been cancelled owing to lower quotations having been received.

Mr. Ewing then spoke to some length on the managing of co-operative associations. He was of the opinion that in order to have them work out satisfactorily it was necessary to have enough money to pay a manager to run the business. With regard to prices—their association wanted to buy to the best advantage. They tried the U. G. G. but it was the impression of their Association that the U. G. G. was all right if you were a shareholder; otherwise it was of no benefit. After getting prices from the U. G. G. on machinery they looked around; they got hold of the International Harvester Agent and got their prices, and found that with their prices they could make a profit. The U. G. G. offered them 4%. However, they bought some U. G. G.

machinery, as some of the members wanted it. Regarding twine, they were able to buy cheaper elsewhere. Wire—they did some business on wire with the U. G. G. but found out afterwards that they might have bought it cheaper from another concern. Mr. Ewing stated that he thought the general opinion throughout the Province regarding the U. G. G. was that it was all right for the shareholders, but it was of no benefit to those who were buyers. He thought some scheme should be worked out whereby the Co-Operative Association would reap the benefit according to their patronage. That was the system they were looking for.

Mr. Turnbull referred to a discussion he had had with Mr. Ewing last year on the question of handling machinery at his point and he had told Mr. Ewing at that time that it was not possible to allow them a sufficient discount on machinery to enable them to pay a manager. Mr. Ewing had told him then that they figured on taking on an agency that they thought would pay them, but since that time they had sent the U. G. G. some orders, so some of the prices must have been attractive to his customers. Regarding wire, Mr. Turnbull stated that a member of Irricana Local had phoned and asked him to reduce the price one cent per spool but he had replied that he had no authority to do so. Mr. Turnbull stated he would like to go into this matter with Mr. Ewing at the Office, as to whether or not they had actually been able to buy cheaper elsewhere. "At the present time," Mr. Turnbull said, "we have probably the best assortment and stock of barbed wire that is obtainable in any part of Canada today. We purchased sufficient to provide for the needs of our customers."

Mr. Rice-Jones then asked Mr. Ewing if, in handling the International Harvester machinery, he could supply the shareholders as cheaply as they could buy it from the U. G. G. Mr. Ewing replied "In some cases I can and in some cases I cannot. We have to guarantee our shareholders a percentage of profit. They are likely to pay the price and get the profit back."

Mr. Rice-Jones said he would like to know if, taking all the machinery purchased at Irricana, the farmers will get the machinery at a lower price by having the I. H. C. agency or by buying it from the U. G. G. "I have been told," he said, "that we were selling plows \$40 and \$50 less than the opposition. Drills were also mentioned as \$40 less. Regarding the percentage we offered on machinery—the situation is this: It costs a lot of money to get a machinery business established. Up to the present the Company has not made a dollar out of machinery. The way we have felt about it is that the Locals ought to be willing to help out and bear their share of the necessary expense of establishing the farmers in the machinery business. We could not afford to pay more than 4% when not making a profit. We have recently made arrangements to increase that percentage and expect to increase still more and I hope we shall get established on a basis where we can pay a co-operative dividend to the locals that wish to trade on that basis." Mr. Rice-Jones asked Mr. Ewing if he understood him as feeling that the farmers who were not shareholders received no benefits from the U. G. G. or the A. F. C. E. Co. Mr. Ewing replied that the shareholders received a dividend while non-shareholders did not. Mr. Rice-Jones replied that the shareholders only received a small dividend on the investment in the Company. He did not wish to argue against the patronage dividend system, but he thought the Company ought to get credit for having been of some benefit to non-shareholders for this reason:—The profits are not divided up, but have been used for branching out into other lines and every line developed benefits every farmer in the Province. Shares are today worth \$40.00 (par value \$25) but they will not sell at \$40. It is an understood fact that the shareholders receive nothing except a reasonable interest on the money they have invested in the Company. This surplus, which nominally belongs to the shareholders, has been used for various things, for instance the Hospital Elevator at Port Arthur, the Timber Limit, financing co-operative supplies,

etc. The U. G. G. had a stock of machinery well over a million dollars and there had never been a dollar of stock subscribed for the purpose of carrying any commodities. It is only by reason of profit that this machinery business can be financed and every farmer, whether he has bought U. G. G. machinery or not, has benefited by the fact that the Company is in the machinery business. Farmers in the United States pay as much, and sometimes more, than the farmers in Canada are paying for machinery handled by the Company after it pays 35% duty. No farmers' organizations in the States are able to buy machinery, largely because they have divided up their profits and have no way of financing their machinery business.

Mr. Henderson of Pincher said he considered this was a very important question that was being discussed. The argument brought forward that the U. G. G. only serves those who are subscribers is an argument very largely used. He himself had every confidence in the Company and there was no one more loyal to it than he would be, but secretaries found they had to purchase goods where they could do so to the best advantage. He believed, however, that there was no Company in a better position to buy than the U. G. G. and if something could be done to create a more sympathetic feeling between the representatives of the U. F. A. and the U. G. G. he thought it would be a great thing. Somehow the locals did not look upon the U. G. G. as a wholesale point from which they should do all their purchasing. Mr. Turnbull asked this question:—"How many of the locals would be willing to turn in at, say the 1st day of September next, an estimate, within 25%, of their twine requirements for 1919 and guarantee, if we bought that quantity of twine, their estimate less 25%? From year to year we have had to take our figures and figure on the increased acreage, the crop estimates, etc., and go out in the market and contract for a definite quantity of twine, hoping of course that our efforts will enable us to get rid of it. Just as soon as the locals will come in with a definite proposition and say "we want so much," we will know how much to buy, but without any definite and positive objective there is a risk being taken and a certain profit must be added to cover that risk. It may mean the difference between the opposition price and ours to cover that risk." Mr. Henderson stated that the Company were very reasonable in their treatment. Last year their Local had purchased their twine from the Company and were not able to sell it. They had some \$2,000 worth of twine on hand. They wrote to the office here and were told to ship it back and the amount would be refunded. There is no other Company, he said, that would have done that.

Another of the secretaries, Mr. Mangles of Youngstown, then spoke on this question and stated that as a wholesale purchasing point the U. G. G. are not performing any real and useful service to the locals in this connection. In reading Mr. Rice-Jones report on his trip, he said, it struck him that in a great measure the non-success of our friends across the line was caused by lack of management and the proper spirit of co-operation. He did not want the U. F. A. locals to make the same mistake. If those Associations in the States had had proper management, proper system, and built right from the ground up, in a great many instances all their troubles could have been avoided. In trying to get the best method of co-operative trading, he thought they should never forget what true co-operation means. True co-operation means "Service." In an effort to build up a system the first consideration should be efficiency, economy, and equity—those are the things that are going to count in the distribution of the wealth of the world. His personal views were that the best system to be built up for the Co-Operative Associations was the branch system. Have one central organization and assistant branches in the country. Centralize the management and concentrate the purchasing. Someone may ask how can each branch get its share of the profits. He did not wish to infer anything antagonistic but he thought they could have a concern to manage this—or per-

haps it could be run under the management of a subsidiary company under the control of the U. G. G. or by a department of the U. G. G. This department would put in a branch to whoever would subscribe the necessary capital. Say there were 10 branches. These ten branches would have the benefit of the brains of the very best men the farmers could produce. The profits of this subsidiary company would give the usual 8% dividend. The profits above that could go to each one of those branches according to the business which they had done. In this way the branches would get their equitable share.

The chairman then announced that the time had come for the discussion of the formation of Co-Operative Associations, the meeting would be open for same, and Mr. Baker was asked to take the chair.

Mr. Higginbotham then read the following resolution:—

“Whereas there is a feeling among some of the rank and file of the organized farmers of Alberta that the educational organizations have no direct voice in determining the policy of their official organ, the Grain Growers' Guide.

Therefore, be it resolved that this convention of secretaries of the U. F. A. recommend the appointment of an advisory board whose duty it would be to advise the editor of the Grain Growers' Guide re questions of editorial policy.

And that the Board be composed of one member from each of the provincial organizations, one from the United Grain Growers, and the Secretary of the Canadian Council of Agriculture.”

This resolution was moved by Mr. Macomber, seconded by Mr. Love of Strathmore and carried without a dissenting voice.

Mr. Rice-Jones was the first speaker on the subject of co-operative trading. He referred to last year's meeting of secretaries where this question was also discussed, mentioning that at that meeting a committee of five had been appointed to advise regarding the working out of some plan. He then went on to say: I brought the matter up on the Board of the U. G. G. I am sorry to say that there has been a feeling that the question of co-operative trading has been the farthest off from the minds of the members of the Board of the U. G. G., but I want to say that during the last two years at every meeting of the Directors this question has been discussed—there has not been a single meeting but what it was brought up at. I used to think it was a mighty simple question to decide on some plan of action, but I can see now that it is not as easy as it looks. After the meeting last year I sent out a circular to the secretaries asking for suggestions. I received 35 or 40 replies. In a number of them they dealt with the matter very fully and showed that they had made a study of the question, but there were many differences of opinion as to the right way. The Board of the U. G. G. is just as anxious as anyone to find some satisfactory arrangement that will be suitable to everybody concerned. It is your Board—you elected it, and if there is anything wrong it is up to you. I don't really think that the need for any co-operative dividend plan has been very great until this last year or so and I do not think we have lost anything by not having it—especially since I have visited the Farmers' Organizations in the States. I do not think we have lost anything by having started out in this other way, because you cannot pay out a co-operative dividend and build up a reserve fund at the same time,—that is, not as fast. We all realize that the Company's reserve fund has not been any too big in consideration of the business it has handled. If we had paid out one-half in co-operative dividends the development would have been held back just that much. Personally I am of the opinion that the best way is to get more stock subscribed, but it is not so easy to do that.

Another thing, I know there are a number of men who do not think the co-operative dividend plan would work in this country. I am not one of these, but we must realize that all do not see alike and give the other man a hearing. In the pamphlet which I sent out I have suggested four or five different ways of organization. One Local replied that they did not want co-operative trading, but wanted the Company to continue handling through the elevator. We must consider the Locals who do not wish to come in on the co-operative dividend basis. My personal opinion is that we have got to work from the point that dividends would not be paid to individuals excepting through local associations. I have not been able to discuss this yet with our Board of Directors but it will come up before the next meeting of the Board. Regarding the grain end of the business, we could not pay a co-operative dividend on that because we are members of the Grain Exchange and their rules prohibit it. It must be borne in mind that the Grain Growers' Grain Company, ten years ago, was expelled from the Winnipeg Grain Exchange because they announced their intention of paying a co-operative dividend. They got back on again on account of an election in Manitoba, but they had to agree not to pay a co-operative dividend.

Three of the men at least who are on our Board at this time—from Manitoba—were on the Board of the Grain Growers' Grain Company when they decided to pay the co-operative dividend. I think if we wished it we could work out an arrangement whereby a co-operative dividend could be paid on the grain, but a large percentage of our business here is special bin business. None of the Organizations in the States pay any co-operative dividend on Special Bin business—only on the purchased cash grain. If a man gets his grain handled on a commission basis he is not entitled to any dividend. A Patronage dividend from the point of view of the Grain Department at the present time would probably cause trouble with the Grain Exchange. This will be discussed at the next meeting of the Board of Directors.

Co-Operative Supply Department. It might or it might not be necessary to work out a plan to organize it into a subsidiary company. There are also other ways. The stock of the Company can be named in series. For instance, Series A—present stock. Series B—stock subscribed by trading locals in a central buying department—would carry a patronage dividend. Series A would not. I would like to get the views of many of the men here. The main consideration should be to decide on something that will build up an organization that will be here 100 or 200 years from now—not something that may die out in 5 or 10 years.

Mr. Frantzen of Nanton was the next speaker and addressed the meeting as follows:—

On the 11th June we sent out a circular letter from Nanton to all the Co-Operative Associations in Alberta which we could find record of. This letter stated that a committee appointed at the last meeting of the secretaries of the U. F. A. held in Calgary last year had not made its report at that time and we very much doubted whether they would do so or not, and stated that the Nanton Local was bringing to this meeting of the united secretaries a resolution to start a central buying agency for the purpose of catering to the co-operative business. Mr. Rice-Jones has made the report for the committee and I wish to tender my apology to him for the statement made in that circular letter.

To begin with, in bringing this resolution to this meeting I wish to commence at the beginning and work up until we get to true co-operation. There is a certain amount of wealth in this world, one kind of wealth that once used cannot be reproduced and another kind that can be reproduced from year to year. I do not consider the wealth that cannot be reproduced,

viz. minerals. The other wealth is the agricultural product. You farmers are the producers of that wealth and it is only just and reasonable that you should have a say in the distribution of it. Do you know, and many have said so from time to time, that there is an organization started to get this production away from you unless you get it into your hands. You would like to have an equal chance to say how you are going to dispose of that wealth. The first thing that has got to be provided for in your household is the buying of food. It is true that you produce practically all the food that you consume. At the same time in order to get this food you must sell your grain or your cattle, then go out and buy from the stores. The old system of paying toll to the miller for grinding the wheat is changed. Today the miller buys his grain from the elevator companies and manufactures his goods and sells them. The distribution of food stuffs is the first thing that the farmer has to provide for; consequently he must provide for his labor. Labor has to be paid and you have to pay it one way or the other. Now then labor is linked with your product in such a way that you cannot exclude it nor can you avoid it. The laborer and the farmer stand together in the production. It does not matter whether we labor in the field or in the factory where the machinery is produced that you are using on the farm. A few years ago this question of co-operative trading was taken into consideration by the U. F. A. locals, with the result that the secretaries of the U. F. A. were instructed to buy a carload of posts, lumber, wire, etc., and distribute them to those who wanted them. I will give you an experience in the Nanton local:—The secretary received the goods, financed them, distributed them and in case of shortage he had to pay for it out of his own pocket. He used to go into town and pay his expenses and come back with nothing but the memory of a well done job. Consequently they decided it would be better to establish a Co-Operative Association to handle this end of the work. This was two years ago. At that time I was on a homestead in B. C., but when they wrote me that they were not quite ready to transact business but thought they could make use of my services I came back to Nanton. I was asked to get an office and set out to take orders for salt, coal, lumber, anything the farmers wanted. Also to write hail insurance. In the first month I did not get many orders for lumber; no orders for coal, and on twine only received enough to take up a half carload and the rest had to be shipped back. We lost \$35.00. A man came to me and asked if we were going to engage in the lumber business. I said "Yes." He said "you might as well begin at once. I will send you a few cars of lumber and we will give you 60 days' time with extended time until you can pay, you to pay us 8% on what is due after 60 days." I said "All right" and put in an order for the lumber. After the first month I went to the Directors and asked for money to transact the business. I had to have capital. I got a hundred dollars. The people were led to believe that if they paid \$5.00 apiece they would have all kinds of capital to transact the business. You must have capital for a co-operative business—it must be paid in, otherwise you have nothing to buy with. If you can get the orders in right along it is all right, but as Mr. Turnbull stated it is absolutely necessary for some orders to be put in 6 months or a year before you want the goods. You must be able to buy any time if you want to get in on the ground floor. If you have to wait you must pay the price.

I believe that we have 80 Co-Operative institutions and although 80 is hardly enough, we might be able to make some effort to start the ball a-rolling. My plan was this, to have as many Local Co-Operative institutions as it is possible to organize, have \$25.00 shares for stock, with 20% paid up. Sell \$50,000 worth of stock—pay up \$10,000. (Capitalization \$50,000.) Out of the \$10,000 paid up, invest 20%—or \$2,000—with your central buying agency. Get a man to conduct the buying for you. If you are going out to buy one car of lumber, or shingles, etc. you cannot get

the price you can get if you are going to buy a thousand cars of these materials. It is with the reduction we get through the Central Agency that we expect to finance it. A reduction of a small amount on a thousand cars of lumber would give you almost enough to operate your Central Agency.

Foundation of the Institutions. Each stockholder has got his say at the stockholders meetings, which would take place semi-annually. Each man pays in 20% of his share on each share of the stock that he is taking up.

Mr. Frantzen then dealt with the subject of financing, giving details of the financial end of their business in the Nanton Co-Operative Association and finished his address with the reading of the resolution before referred to. This resolution is as follows:—

“Whereas, each Co-Operative Association in Alberta is at present trying to work out its own problem and trying to save for the consumer a certain amount of the overhead profits, and—

Whereas, we all know that this can be done mainly by eliminating the middle man's profits and as this can be done only by buying in large quantities,—

Be it hereby resolved:

1. That we combine our efforts and establish a Central Buying Agency under a Board of Directors selected from members of Co-Operative Associations for the purpose of buying for all, those things required.

2. In order to finance this Institution we pledge ourselves to furnish 20% of our paid up capital for its immediate support and that we allow the interest and accumulated profits to stay with the Central until the Directors have capital enough to work with and that these profits be accredited to the respective Associations making them.”

Mr. Frantzen then made a few remarks regarding the form of book-keeping to be followed in these Institutions. It should be a system absolutely alike throughout the whole Province and he would recommend the synoptic system. It would be absolutely necessary to have auditors who could either go from place to place and audit the books or they could have the accounts sent in to them. Everything must be audited.

The above resolution introduced by Mr. Frantzen was seconded by Mr. Chareris of Vulcan.

A motion was then made and seconded to the effect that a time limit be set for each speaker in the discussion of Mr. Frantzen's resolution.

The question was then asked by Mr. Parker, “How many Co-Operative Associations are actively doing business at the present time?”

The chairman replied, “I am informed that there are about 14 or 15.”

The question was asked as to how many Co-Operative Associations there are in the Province, and the chairman—Mr. Baker—replied that there were about 74 on the books of the Provincial Registrar with 14 or 15 actively doing business.

Somebody asked Mr. Frantzen if they did a credit business at Nanton, and he replied that they had. They had \$5,500 outstanding but since the first of June they had reduced this amount by \$4,000. Our total paid-up capital the 1st of June was \$2,420, our undivided profits amounted to \$2,300 and our surplus reserve to \$2,500—a little more than the total paid-up capital.

Mr. Wingate asked Mr. Frantzen if he meant that this \$50,000 was to be subscribed by each Co-Operative Association, and Mr. Frantzen said yes, that was what he meant.

Mr. Wingate then asked if there was a prospect of getting \$50,000 subscribed in Nanton with 20% paid up. Mr. Frantzen replied that he had not the slightest idea. We have eighty stockholders and about eighty more to come in, but I do not think we should have any trouble in subscribing \$10,000.

Mr. Wingate:—"I take it from Mr. Frantzen that they have about \$2,400 paid up, \$2,300 in undivided profits and \$2,500 of a reserve fund, a total of \$7,200 and a credit account of \$4,000. If this credit increases as it has been doing, that is, \$4,000 since the first of June, the business would not be in very sound shape.

Mr. Frantzen:—"I said that the credit had decreased from \$5,500 down to \$1,000, not increased."

Mr. Rice-Jones:—"Do you mean that each Institution should be capitalized at \$50,000, or do you mean \$50,000 subscribed capital?"

Mr. Frantzen:—"I mean capitalized at \$50,000 with 20% paid in and 10% to go to a Central Buying Agency."

Mr. Johnson of Vulcan then spoke. He is in charge of a Co-Operative Association quite close to that of the last speaker, Mr. Frantzen, and he certainly admired the method in which he was conducting his business. Personally, it struck him strange that after subscribing to the U. G. G. the Association should have to subscribe to another concern. He had a very strong suspicion he said that the U. G. G. was becoming an organization too undemocratic to suit the Locals. There is a feeling throughout the country, as an organization covering three Provinces and consequently having Directors in three Provinces, that it is beyond the control of the Local Associations. It seems to be, he said, that it is unnecessary for the farmers as a body to have to start in and do over again what we have already done. I believe there is a sincere effort on the part of the Management to solve this problem and I hope that they will arrive at some plan which will give the Associations a closer control over the policy and the profits of the Central Trading Association. We can buy the bulk of our commodities to better advantage elsewhere. I cannot understand why this should be, because having been in the office of the U. G. G. for some time I know that the Co-Operative Supply Department is organized with the idea of primarily serving the Co-Operative Associations and individuals through the local elevator. If the U. G. G. desire to act as the Central Commercial Institution for the organized farmers in this Province, it will be necessary to further organize a separate department and give it a measure of democratic control more susceptible to outside influence and more closely in touch with that influence. I think they will have to give a certain amount of credit. We do buy lumber from the manufacturers in B. C. and get time on it, at the same price as the Crown Lumber can buy it. We can get 60 or 30 days or we can get a discount. The U. G. G. are not in a position to extend us any credit. They are not conducting a credit business and have no credit department. The question of supplying Local Co-Operative Associations is an entirely different proposition from that of supplying to individual farmers. It means an entirely different organization from a different viewpoint altogether.

Mr. Fraser of Claresholm, a visitor to the Convention, wished to make some remarks and it was voted that he should do so.

He stated that he had been engaged in co-operative work at Claresholm and was heart and soul interested in it. He felt that there had been a falling away of the interest of the members, as referred to, but he realized the difficulties of those who were at the head and no one had more confidence in the Manager than he had. There was one thing they would have to contend with and that was great competition. There are multi-millionaire

companies to compete with and it would be necessary to build up a reserve fund to be able to fight them. One thing they should not forget was that the most important thing in fighting these large concerns was to hold the confidence of the membership solidly behind. Once the leadership loses the confidence of the individual in the country, the Company is going to fail. His idea was that there was no more vital way of holding the confidence of the farmers than by that little bit of dividend they get in the form of a cheque from their own Company. He would not be in favor of doing away with that. He referred to the handling of machinery and considered that if a supply of machinery could be kept on hand the Locals could handle four times as much machinery as they now handled. Regarding the policy and profits of the Company he thought that the individual members should have more of a voice in the matter of how they should be dealt with and the responsibility not left to a few men. They should have an annual meeting where the members could meet and offer suggestions as to the policy of the Company and how the profits should be used. These suggestions could then be boiled down by the Directors. He referred again to the matter of dividend and thought it should be paid even at a loss to the Company.

Mr. Baker asked the question of Mr. Fraser, "You state you prefer giving a dividend even if the business was conducted at a loss. Where would you get your money?"

Mr. Fraser replied that he was referring to what Mr. Rice-Jones had said regarding handling machinery at a loss, but he thought they should pay a little dividend anyway to encourage the farmers.

Mr. Stenson of Macleod was the next speaker. He stated that most of the men in Macleod were members of the U. F. A. and also of the U. G. G., and while they wished to see the Associations do well still they also wished to see that the U. G. G. did not enter into anything that will endanger its safe and useful position. The U. G. G. in its various operations has been a very useful and valuable institution to its members and it is perhaps owing to the retail work that the U. G. G. has done that the farmers want to go further into the retail business. But the U. G. G. does not handle all the commodities that the farmers look for; and in dealing with the wholesalers we have found also that we can purchase from the jobbers commodities which are handled by the U. G. G. but we can get them at a lower rate from the jobbers. That is something which the shareholders find it hard to understand as to why the jobbers can give them better prices than their own Company. The U. G. G. has got to form some basis upon which they can supply the Associations wholesale with the commodities or they have got to admit that they are willing to let this business go out of their hands to other wholesalers. He did not think they would do that, for if they did the shareholders would immediately lose faith in their Company. He did not come prepared with any definite idea in mind, he said, but the great desire of the men in Macleod was that the Local Associations and the U. G. G. should get closer together if possible, and would like to see some scheme developed in the near future whereby the U. G. G. can take up its position as wholesalers for the different associations.

Mr. Macomber of Queenstown then gave a short address. Their co-operative association started about a year and a half ago, he said, and they had had their troubles and difficulties too. They started out by getting supplies from the U. G. G. but found they could not meet the competition by doing so and while they still buy some things from the U. G. G. there are many lines which they buy where they can do so to better advantage. They would like to see the U. G. G. either form a subsidiary company or put in a new department as a buying organization, so that they could meet any competition and have a margin left for their shareholders. At the present time he believed that something along the lines as outlined by Mr. Rice-

Jones would be more practical than Mr. Frantzen's scheme. It did not seem to him that that scheme would be any improvement over the system as it is now. If the U. G. G. is willing and would meet them half way, he said, he would be in favor of giving them a chance to do that.

Mr. Parrish of Cardston spoke on the subject and stated that he thought there had been too much criticism of the financial end of the business and they had overlooked the fact that there were many provincial and national problems that the Organizations as a body could deal with to advantage. The average farmer is not a man who makes a study of these problems. As far as the U. F. A. Associations were concerned he thought they should hold together, they should have unity above everything else, for if not they were going to fall short in the big problems. He thought they should be very cautious in making any move in a new direction and that they should be able to find a plan that would reach the Locals and still maintain that strength that they desired to maintain at the Head. With a strong Head the big concerns would recognize them, he said, but they must be united in order to be that factor in the shaping of the affairs of this country that they hoped to be.

Mr. Jensen of Innisfail then spoke to the effect that they all seemed to have agreed that it was difficult to do business with the U. G. G. on account of the prices. That had been the experience of their association in co-operative buying. In co-operative selling there is an advantage, in co-operative buying it had been a strain on their loyalty to try and send business in the way of the U. G. G. He would like to hear the real reason as to why this should be so.

Mr. Baker stated that Mr. Rice-Jones would now answer the questions that had been asked.

Mr. Rice-Jones, when he rose to speak, said there may have been some statements made which appeared to be considered in the nature of questions which he had not made note of. Some of them were not questions but were statements. Two or three made the statement that there was feeling that the U. G. G. was getting too big and at the same time one gentleman quoted the Old Country Trading Associations. I notice that last year the Scottish and English Co-Operative Societies amalgamated, their business last year being over \$900,000,000.00 with a profit of over \$100,000,000.00. Our Company is just about the size of a pea beside that. If we are too big, I do not know where the Old Country Co-Operative Association get off at and it will take us some time to get as big as they are. I do not think we need worry about the size. Mr. Frantzen made a statement regarding lumber and he understands the lumber situation. Under the present war conditions if you wanted to buy 100,000 cars of lumber you could not get any reduction. The Government war orders are so heavy and they are offering such large prices that the Coast mills care very little whether they sell their lumber to anyone else or not. We are having the greatest difficulty in getting shipments of lumber. Dealing with the prices, one reason why our prices on lumber are not satisfactory to the Trading Locals is that we handle principally Coast lumber which is always a higher price. We cannot get mountain lumber because the mountain lumbermen's association is one of the closest associations on this continent and they will not sell to the U. G. G. because we sell direct to the farmer and have no retail lumber yards. That is the reason we cannot offer lumber to the Trading Associations at lower prices. Regarding prices in general our prices have been on the whole satisfactory. There will never be a time when all our prices will be the best, but there will always be sometimes when the other man will quote a lower price. For one thing we try to have one price and do not make prices to suit conditions. I am free to admit that we should have, before this, made a greater difference in the price at which we sell our goods through the elevators and the

prices charged the Co-Operative Associations. But then of course there is another viewpoint in that connection. Some of the Co-Operative Associations will only pay a dividend (co-operative) to men who are shareholders. There are some shareholders of the U. G. G. who are not shareholders of the U. F. A. Associations and some of these may raise the point, "why should you stop shipping stuff here to the elevator and force me to buy from the Association when they charge me more and I am a member of the Company?" I think everyone should join the Associations. One thing I would like to see and that is representatives from the strong Co-Operative Associations sent to our Annual Meeting, representatives with the sentiment that represents the feeling of the Association.

Somebody asked Mr. Rice-Jones why it was that our prices were higher than those of the opposition, and Mr. Rice-Jones replied "Frankly speaking, because our prices are used to get the other man to come down. Our prices are shown to the other man when he is asked to quote."

The question of credit business was brought up and Mr. Rice-Jones dealt briefly with this subject stating that the shareholders of the Company had always stipulated that the business must be an absolutely cash business. This has been one of the main factors of the success of the Company.

The question was asked if our mill at the Timber Limit will have any effect on the lumber situation, in providing the Local Associations with lumber. Mr. Rice-Jones replied that in some cases it would, but in certain parts of the Province it would not, owing to the freight rates.

Mr. Frantzen of Nanton asked to make some remarks in this direction and stated that the difficulty in the handling of lumber was on account of the lumber combine. He had been in the lumber business for 29 years and he stated that the combine was so strong that you can do nothing with it until such time as you are in a position to bust it right open.

Somebody asked why the rest of the Locals were not actively in business. Mr. Rice-Jones replied that some of them were not actually dead, handling perhaps a car of one commodity during the entire year.

Mr. Baker stated that there were three factors as regards dead locals.

1. Poor management.
2. Credit system.
3. Lack of sufficient capital to do business with.

These were the three principal causes of the non success of Locals.

Mr. English spoke briefly to the effect that he thought it was the duty of everyone to support the commercial organization that was in operation at the present time. He then moved that the resolution that was before the house be tabled and thought that the proper place to take it up was at the meeting of the shareholders of the U. G. G.

This motion was seconded by Mr. Jenson of Innisfail, and carried.

Evening Session.

Time 8 p.m.

Mr. Rice-Jones took the chair and opened the evening session.

The first speaker was Mr. Georges of Leo U. F. A. Co-Operative Association. He gave a general outline of how they conducted their business, stating that they handled general merchandise and as they were so far from the railroad it did not pay them to handle the heavier lines. He was asked the question if they did a credit business. He replied that they gave some credit but in each case they took a man's note for the amount of credit given. He also stated that the overhead expenses amounted to about 12%, and they were doing approximately forty to fifty thousand dollars worth of business in a year. There was no other store in their town and they had no trouble buying from the wholesalers. They did not cut prices below the regular retail price, but if they did he thought they would have trouble in purchasing their supplies. He stated that while they started with a small amount of capital they had an advantage not usual to such associations commencing business, as they purchased an established business for \$4,700 with an agreement to pay for same out of the profits made by the Association.

A lady delegate from Blackie made a few remarks to the effect that as it was hard for both the men and women to get away together she thought that the next time the men ought to arrange to stay at home and let their women folks attend.

Mr. Rice-Jones called for remarks from the different managers of active Trading Associations and asked Mr. Field from Ponoka to address them.

Mr. Field said that their Trading Association was only started three months ago and he had come to the convention to learn rather than to put forth any ideas. They had in stock at the present time flour, sugar, salt, cement and a few cars of lumber. He himself was manager as well as secretary. Their paid-up capital was less than \$500.00 and so far the Association had been self sustaining, but they badly needed more capital. He would like to hear from some of the others.

Mr. Molyneaux then addressed the meeting. He said that one of the biggest difficulties was that there was never enough paid in capital in those Associations to give the manager a fair show to see what he could do. He stated that Mr. Craigen of Leduc had worked out a plan of getting more capital. They had a contract drawn up by Mr. Brownlee and also arranged to furnish a bond to the Associations and in 7 or 8 weeks they had sold about \$11,000 worth of capital stock, a large percentage of it being paid up. One of the most important things is to get the members interested enough so that they will put their money into the Associations. It is important also that the manager keep a set of books, so that he will be able to give the Directors a complete statement of the financial condition of the Association every month. One of the difficulties the manager of a Co-Operative Association has to contend with is that the shareholders expect him to be an expert in every line and it is very hard for him to compete with those who have made a specialty of certain lines. Mr. Molyneaux stated that the success of the Leduc Association was entirely due to the support given them by the officers of the U. F. A. Central Office and the United Grain Growers and that while on some occasions they may have been able to purchase different commodities from other firms at a lower rate they always felt that when buying through our own organization our interests were being protected.

Mr. Rice-Jones then called on Mr. Lloyd of the Lethbridge Farm Products for a few remarks. Mr. Lloyd spoke of the difficulties they had encountered in the handling of alfalfa in the Lethbridge country and they found it necessary to form a co-operative association of their own which helped greatly to solve their problems. He also spoke of the difficulties of

trying to run a business without sufficient funds, especially in handling hay and potatoes where there was considerable risk. It was not so easy to get more capital, Mr. Lloyd said, and one of the plans they had taken was the issuing of debentures. They had specially needed money for the building of a warehouse and the debenture money was put to this purpose. He mentioned that he had been interested in the various remarks regarding paying a dividend. That was the least of his problems. The trouble was to get the dividend. In a co-operative business, he said, the shareholders always knew the cost and therefore knew what profit was being made, whereas if they bought from another concern they would not have that advantage.

Mr. Renkenberger of Barons was the next speaker. At the present time their association is inactive and the reason for this was due to poor management. The lines handled by the association were coal, flour, binder twine and oil, and while he believed the manager was honest in all his efforts he did not just understand how to run a co-operative business. He pointed out that at his point most of the farmers preferred dealing with the Elevator Company through the Elevator because they had their warehouse and supplies right there and could better handle the goods. He then spoke of binder twine and stated that they took the agency for Plymouth twine and had to personally guarantee payment for the amount of the order.

Mr. Rice-Jones then asked Mr. Rankenberger if in handling Plymouth twine they had to take all they ordered.

Mr. Renkenberger said "Yes" we had to take it," and Mr. Rice-Jones remarked that that was one way in which the Company was at a disadvantage, as they had made a practice of taking back the twine from the Associations which was unsold.

Mr. Wood of Carstairs then addressed the meeting and gave a general outline of their Association's business stating that they handled the following lines:—Groceries, wire, salt, posts and a line of oils, gasoline and machinery. They have also been very successful in handling livestock, and handle practically all the livestock that comes to their point. Mr. Wood pointed out that their business had been largely due to the competent manager, Mr. Lanteau, who had had considerable business experience in Montreal—as well as being a farmer in the Carstairs district before taking up this work. Mr. Wood in speaking of paying a dividend said that he believes in leaving all dividends with the Association until such time as it is on a sound financial basis, excepting a stock dividend.

Mr. McPherson, president of the Vulcan Co-Operative Association, was then asked for his experience. He gave an outline of the business, stating that they handled lumber, posts, feed, flour, hay, and implements. We have been handling the John Deer and this year are also handling the U. G. G. machinery. Lumber is their main commodity. "We have found difficulty in getting people to take shares in the Association. They deal with the Association and give them the business but refuse to take shares. While this enlarged the profits of the shareholders they would prefer to have everyone take shares in the Association and become members. At the present time there are three competitive lumber yards but we are still getting the majority of the business."

Mr. Rice-Jones then asked just what percentage of the lumber business the Association at Vulcan handled, to which Mr. McPherson replied he should think about 50%, with three other yards in competition. Mr. McPherson then stated that they got fully 50% of their business from non-shareholders. They did not lose a great percentage of their shareholders' business but in some cases they had become dissatisfied and some of the business was lost.

Mr. Brownlee of the Legal Department of the U. G. G. and the U. F. A. was then called upon to speak.

Mr. Brownlee stated that the Legal Department had been created about a year ago, he believed, in the honest effort to be of some service to the farmers' communities. He had been in charge of the department since that time and could say in all sincerity that he had found the Directors of the U. F. A. and the U. G. G. constantly on the alert to do what they could to be of assistance to the farmers. Mr. Brownlee advised the secretaries that any time they had any problems all they had to do was to write to the Secretary of the Central Office of the U. F. A., or write to the Legal Department, and they would be properly attended to. "I think I can say," Mr. Brownlee went on, "that the farmers have received some very valuable advice from the Legal Department. There has been an honest attempt to do the farmers' work and settle cases wherever possible and in every way to work sincerely and conscientiously for the benefit of the farmers' communities. The very best advice that I can give to the farmers can be given very briefly. First of all do your business or try to do it in a systematic way. Do not trust to a loose way. As a rule the farmers do their business in a very easy-going, free-handed manner. I presume that is because they are not dealing in legal contracts and have not had their suspicions aroused. Next, my advice is, if you have a matter to settle, no matter how good friends you are with the other party, reduce it to writing and see that it is in a proper contract. In that way you can avoid law suits. You as secretaries going out into the country, try to spread that little bit of information. No matter how small the contract, put it in writing. One little word for the lawyers—and some of us are not such bad fellows after all. Do not be afraid to consult a solicitor. We are not all working for money. A solicitor when called to the bar takes one of the most binding oaths which any member of any profession is called on to take and there are a great many solicitors who are fulfilling that oath with all the conscience that they have. And I would say this that the Legal Department does not want to take the business away from others. We are at all times willing to refer men to the solicitors who are nearest them. I will be glad to see you at the office any time and to work with you in the one great purpose which we all have of furthering the work of the U. F. A. and the U. G. G. The organizations are one and the same, working for a good object and we as members are trying to do the work which the great organization is striving to do."

Mr. Johnson of Vulcan then read the resolution as framed up by the committee appointed for same. This resolution is as follows:—

"Whereas, it has become widely known that in many cases it is impossible for Co-Operative Associations and Trading Locals of the United Farmers Associations to buy from the United Grain Growers, Limited, at competitive prices, and—

Whereas, this condition threatens to bring about a cleavage in the ranks of the organized farmers, and—

Whereas, there is no essential reason why the United Grain Growers organization could not, under proper conditions, be used as a wholesale central buying agency for our local co-operative associations, and—

Whereas, all the local Co-Operative Associations as well as the United Grain Growers, Limited, are the outgrowth of the United Farmers Association organization,

THEREFORE, we the United Farmers Association Secretaries of South Alberta, in convention assembled, recommend that a subsidiary company or separate department be organized to act as our wholesale

buying agency, and that the control of such subsidiary company or department be vested in a committee or Board to be selected by the Trustees of the local co-operative associations, the Board of Directors of the United Farmers Associations and the directorate of the United Grain Growers, Limited."

This resolution was moved by Mr. Frantzen and seconded by Mr. Jenson of Innisfail.

Mr. Frantzen then stated that in moving this resolution he wished one thing understood, that this organization is a U. F. A. organization. Likewise is the U. G. G., but the U. G. G. has taken other functions and they want this organization to be based solely upon the organization of the U. F. A. The institution they were now trying to organize was to be based on the individual farmer and individual member of the U. F. A. and they wanted the Central Agency of this institution to be based on this organization as well.

Mr. Johnson then stated that the action of this convention should be carried before the convention at Edmonton, and he would like to be sure that this would be carried before them in some way.

Mr. Lloyd of Lethbridge spoke a few words to the effect that as far as he could see the scheme appeared to be that the Trading Associations should get a more favorable price than the individual farmer and he did not think it was in any way unreasonable.

Some remarks were made concerning this resolution and it was then passed.

Mr. Rice-Jones asked if they thought the Railways coming in would affect the Trading Associations. In Manitoba it had practically put them out of business. Mr. Macomber said he thought the resolution would cover that ground.

Someone asked if the Co-Operative Societies, as discussed, were to be under the auspices of the U. F. A. or if they were to be separate institutions, and the reply was made that those who wished could be independent just as they are now. There were already one or two points where they did not want a Local Association, but said that was what the U. G. G. was there for.

Mr. Rice-Jones said that he would like to say a few words before he left, that his idea was that the U. G. G. already had all the machinery to do all the business that the farmers will ever want to do. It is apparently not connected just right, but it can be connected right if they would all get together. He was a little sorry to hear some of the remarks regarding the U. G. G., "I have had the idea," he said, "that we have been working in the interests of the farmers of this Province, and I think a little careful scrutiny will show that we have done considerable good and that we have saved the farmers hundreds of thousands of dollars. It may not have been saved in the way that many of the men would like to see it, but it has resulted in a good strong Company with a mighty good basis to start off on for co-operation. I can assure you on behalf of the Board of the U. G. G. that we are just as anxious as any man in this audience to organize on a basis that will be satisfactory. It will be necessary for us to give consideration to each other's needs, to give and take a little in the working out of the plan, and once started we can change it as we go along."

At this point Mr. Baker took the chair.

One of the secretaries rose and said that as Mr. Rice-Jones and Mr. Baker were shortly to meet the Canadian Council of Agriculture in Winni-

peg he would like the matter to be brought before the Council of drawing the attention of the Government to the seriousness of the situation as regards seed grain. If at all possible, they wished that enough seed for 1919 should be kept out of the 1917 crop. If not possible to do this, to do the next best thing and hold in Alberta a sufficient amount of the 1918 crop for seeding purposes.

Mr. Johnson made the suggestion that the matter of hay be brought to the attention of the Council of Agriculture and some effort made to have the Government appoint inspectors and see that all hay shipped in was inspected.

One of the delegates spoke of the high price that the farmers in the southern part of the Province had to pay for their hay and he thought something could be done to help this. Mr. Jenson then said that he came from a country where the farmers wanted to get the best price they could for their hay.

Mr. Baker made some remarks regarding the baling of hay and stated some of the difficulties in connection with same. He also stated that their Executive would endeavor to get the question of handling hay put on the right basis.

Mr. Higginbotham suggested moving a vote of thanks to the City for the use of Paget Hall.

Mr. Jenson of Innisfail moved that a vote of thanks be tendered the City for use of the Hall. This was seconded and carried unanimously.

It was then moved and seconded that a vote of thanks be given to the officials of the U. G. G. for the part they had taken in the convention.

It was also moved and seconded that a vote of thanks be given to Mr. Rice-Jones and Mr. Baker for the way the convention had been conducted by them.

A movement was then made to adjourn.

Report of The Second Day's Proceedings at the Convention of the Secretaries of the U.F.A. for the Northern Half of the Province

HELD IN THE FIRST PRESBYTERIAN CHURCH, EDMONTON,
ALBERTA, ON JULY 11th, 1918

Morning Session.

Time 9.30 a.m.

There were about seventy-five delegates and twenty-five visitors in attendance at the meeting, the chair being taken by Mr. P. Baker, First Vice President of The United Farmers of Alberta.

In calling the meeting to order the Chairman stated that before proceeding with the program for that day, he had a matter to present to the Convention which was probably more U. F. A. business than U. G. G., being the matter of hog grades effective July 8, 1918, as follows:—

Selects -----	Market Price
Lights—110-150 lbs. -----	3c Cut.
Lights—under 110 lbs. -----	5c "
Heavy—270-310 lbs. -----	1c "
Heavy—300 lbs. and up -----	3c "
Sows, Smooth -----	3c "
Sows, Rough or Thin -----	6c "
Piggy Sows -----	6c "
Stags -----	6c "
Cripples -----	1c to 5c "

Mr. Baker said that this did not look to him to be fair and said that a resolution had been drafted to this effect and then proceeded to read it to the Convention, viz:—

RESOLUTION

Moved by Mr. C. R. Eleason of Wetaskiwin and seconded by Mr. E. E. Drummond of Ponoka, as follows:—

"The Secretaries of Northern Alberta in Convention assembled beg leave to recommend to the Executive and Board of the United Farmers of Alberta as follows:—

That immediate action be taken to obtain relief from the situation now existing, due to the arbitrary fixing of the cuts in effect at the Alberta Stock Yards.

That they ask for a thorough investigation of the whole subject at an early date so that as few as possible of the hogs subject to cut may be marketed under the present conditions.

And while we recognize the fact that the Alberta hog markets are higher in price on Selects than are other markets in North America, we are of the opinion that there is an unfair rate of cuts on other grades.

We would also suggest a system of grading under Government control."

The Chairman then made a few explanatory remarks in connection with the resolution under discussion, his remarks pointing to the interference of the packers in setting a cut in price on all grades other than Select which would discourage the farmers in putting high priced feed into the rougher grades of hogs, such as brood sows.

Mr. Baker stated further that he had recently had a conversation with Mr. McGregor of the Food Control Department, who assured him that he had taken this matter up some months ago and that recently he had again urged the Government to take action. He stated that Mr. McGregor had further informed him that the Live Stock Commissioner, who was at that time on an inspection trip through the West, would not return East until this situation had been taken in hand.

Mr. Baker then made a statement to the effect that the Executive of the U. F. A. had already discussed the question, and the Secretary had been instructed to take immediate steps on this matter with the Calgary representative of the Dominion Government, Mr. McGregor having informed Mr. Baker that a recommendation from the U. F. A. would be necessary and of great value in pressing this matter. Mr. Baker stated further that Mr. McGregor had informed him that on account of the packers keeping the Select price higher than it should be, they were able to get away with a price below their value on the rougher grades of hogs.

Rev. R. H. McPherson, delegate from Ryley, then addressed the meeting, remarking that he considered something should be done regarding this matter without delay.

The resolution was then voted upon and was carried unanimously.

CO-OPERATIVE TRADING

Mr. Brearley, Assistant Manager of the Co-Operative Supply Department of United Grain Growers, Ltd. at Calgary, was then called upon by the Chairman to address the meeting on the subject of co-operative trading.

Mr. Brearley made some opening remarks to the effect that he had come up to this Convention rather for the purpose of getting ideas than taking up the time of the Convention. He said he was very pleased to have this opportunity of meeting them all, and as stated before, hoped to get some ideas in connection with co-operative trading from them, the balance of his address being as follows:—

It would probably be best for me, first of all, to give you an idea as to the volume of business which has been done in this Department. About three years ago our Co-Operative Supply Department was organized. Since that time there has been a gratifying increase in business, and we hope and trust that with your help it will go forward at the same rate as it has done

in the past. Last year the total turnover in the Co-Operative Supply Department was about \$1,520,000. This year, up to the end of May, the total turnover was \$2,429,000, being an increase of practically one million dollars for the nine months' period over the whole of last year. The number of cars handled by us during this nine month period was 3,700, consisting of:—

325	cars	of	flour	and	feed.
21	"	"	poles.		
301	"	"	posts.		
377	"	"	hay.		
1763	"	"	coal.		
126	"	"	barb wire.		
6	"	"	bale ties.		
7	"	"	wire fencing.		
80	"	"	salt.		
37	"	"	cement, lime, brick	and	builders' supplies.
184	"	"	apples.		
18	"	"	cordwood.		
443	"	"	lumber.		

In regard to machinery, I have no figures to show the amount handled in terms of carloads, but the volume of this commodity handled, in dollars and cents, was \$550,000.00.

You will see from these figures which I have given you, that we are keeping quite busy. We have a motto down there in Calgary that a satisfied customer is the best advertisement that we can get. We do not always satisfy them but are trying all the time to overcome difficulties and are in a better position every day to give service.

I think probably the better way for me to get your ideas will be for you to ask questions, and in that way I shall be able to get your viewpoint. You can get mine by the answers which I will give you.

There is, however, one thing in regard to the twine situation which is of very vital importance at the present time. You no doubt received a circular letter which was sent out by our office in Calgary, making a reduction in the price of twine. This was brought about by the fact that our competitors are out to cause discontent this year if they possibly can and it is up to you to stay with your own Company. The prices quoted by our Company are in a great many cases given to our competitors, and they, naturally being anxious to get the business away from United Grain Growers, make their price lower, and thus get the business away from us in some cases. We do not fear fair competition but do not think it is square for our prices to be given away to the competitors. This is what we have to contend with.

At this point the question was asked by a delegate as to what price has been quoted on twine this year.

Mr. Brearley replied that the prices quoted were as follows:—

26¼c L.C.L.

26c in carload lots, all points South and East of Edmonton.

and that the difference North of Edmonton would be just the increased freight rate.

Mr. F. D. Johnstone, the delegate from Irma, said they had been quoted a higher price at that point, viz:—26.60c. Mr. Brearley then asked Mr. Johnstone whether they had yet received the reduced price. Mr. Johnstone replying that he was not sure about this, and asking whether there had not been twine held over from last year.

Mr. Brearley stated that the fixed prices now for twine were as follows:—

G.G.G. twine—26c lb. for a minimum car of 24,000 lbs.
Plymouth twine—26.25c lb. for a minimum car of 24,000 lbs.
G.G.G. twine—26¼c lb. in less than carlots.
Plymouth twine—26.60c lb. in less than carlots.

Carload shipments to U. F. A. Locals based on 24¼c at the head of the Lakes, Plymouth 25¼c, the average freight rate from the Head of the Lakes to any point in Alberta South and East of Edmonton being from \$1.00 to \$1.15 per hundred.

Mr. Brearley:—"I should like to ask just what you people are doing with regard to twine and what has been your experience."

Mr. Johnstone, of Irma stated that at that point they have been buying from the U. G. G., they being the only ones who could afford to handle it last year, and that their Local saved at least 5c per lb.

Mr. Johnstone of Irma said that the International agent was very active at their point this Spring and tried very hard to get some business from them and that the farmers there had ordered 10,000 lbs. from the I. H. C. this year and would have to take the full amount.

Mr. Brearley stated to the meeting that they would find that in every case where they ordered twine from another Company they would be compelled to take the full amount ordered irrespective of crop conditions. He stated that the crop in the Southern part of Alberta is this year more or less of a failure and that he was glad to know this was not the case in the North. He further stated that the Company had carried over 350,000 lbs. of twine last year but do not know what is going to happen this coming season. He said that according to reports in the papers, Mr. Hoover, Food Controller in the States, is supposed to have bought several million pounds of raw sisal at several cents per lb. over the market price of last year, which will have a tendency to make next year's market price lower. He said the U. G. G. wish to get rid of all the twine on hand and not have any carry-over.

Mr. Hallsell of Killam:—"Before we got the Grain Growers' price on twine, we got prices from two local dealers. We were quoted a little lower price by the opposition—not very much but a little. However, our members decided to buy from the Grain Growers in spite of the fact that they could have bought the twine cheaper from the local dealer."

Mr. Brearley:—"It is very gratifying to know that. We do not often run across Locals that will do that."

Mr. Hallsell:—"It has, however, hurt your business to some extent. Last year we were able to handle 60,000 lbs. of twine but this year can only handle 35,000. It has strained the loyalty of the members a little too much this year, as the local dealers have been able to quote as cheaply as the Grain Growers and have already obtained orders from farmers in that district. We have had to send word to the U. G. G. to cancel 12,000 lbs."

Mr. Brearley:—"You will have to bear in mind that our competitors will be very glad to see the farmers' organizations and companies get a black eye and get them quarreling with each other. In some cases they do beat us on prices. As a general thing, the margin of profit is low and of course it takes so much of a margin in order to carry on the business. Taking all things into consideration, where the prices are the same we think we should get the business."

The question was then asked by one of the delegates present as to what was the difference between the price of the twine handled by the I. H. C. and that handled by the U. G. G.

Mr. Brearley replied that he did not have the exact figures, that they apparently quoted a price to meet the case. He said that before our price was reduced, the average was 10c per hundred below us where meeting our competition; where there was no active trading local or no elevator at a point, we found they are from one to two cents per lb. over our price.

Mr. B. Allen, delegate from Edgerton:—"My object in speaking is to say that at our last business meeting in June, we were asked to order a car of twine from the Farmers' Elevator Company. The next day the I. H. C. agent from Metiskow came out to see me and tried to secure our order. I told him we were going to buy our twine through the Farmers' Elevator at Edgerton. The I. H. C. agent then informed me that he would make the price at Metiskow same as at Edgerton. There has been considerable difference between the I. H. C. and U. G. G. prices at these two points and the International agent stated to me that this was due to the freight rate. This difference, however, did not seem to be reasonable to me for such a short haul."

Mr. Arthur Bevan, delegate from Cadogan, stated that the price quoted by the local dealer was just 1c lower than the Grain Growers' price.

Mr. Brearley stated that he could assure the delegates that the G. G. G. twine was just as good as is used in Western Canada. He said that those buying Plymouth twine are paying an extra 35c for the name "Plymouth," rather than for actual difference in quality. He said that the Company have received no kicks on G. G. G. twine in the past and that he was sure if they would give it a trial they would use it another year, it being equal to the Plymouth twine in every way.

Mr. A. J. Morrison, delegate from Cummings:—"Does this reduction apply to orders already placed?"

Mr. Brearley:—"Yes."

Mr. Brearley then proceeded to read to the Convention the circular sent out recently by the Co-Operative Supply Department of United Grain Growers in connection with reduction in price of twine.

Mr. Morrison then said that at his point they had been quoted a price of \$26.60 for 550 ft. twine by the I. H. C., while the Elevator Co. had quoted them a price of \$26.35, and that they had placed their order with the U. G. G. The International agent had then made the request that they should tell him the best price they had been quoted and he would meet it. He said, however, that their Co-Operative Shipping Association (Vermilion) had decided to buy their twine from the U. G. G. in spite of lower prices they might receive from other sources.

Mr. Bellanger of Girouxville:—"Why could we not get the price of twine earlier?"

Mr. Brearley:—"I have never known the price on twine to be so long delayed before. As a usual thing, the price on twine is published in April. This year it was well into May. It has probably been a case of one fellow waiting for the other fellow to come out into the open. He also said that in view of conditions at the present time, it would probably be better to get rid of the twine without any profit at all rather than carry it over to next year. Of course we could not foresee the present crop conditions in May. Owing to lack of rain, we can now see there will not be an average crop. For this reason the Management decided that it would be better to take less profit and get rid of the twine."

Mr. Bellanger then stated that they were quoted a price of \$27.35 by the U. G. G., while the local dealers had quoted \$27.25. He said last year the U. G. G. were 5c below the local dealer.

Mr. Johnstone of Irma stated that there was a second car of twine shipped into their point last year which has been carried over at the elevator, and he wanted to know why it was necessary to pay the advanced price on this twine.

Mr. Brearley replied that by pooling the carry-over and taking into consideration the cost of the present twine, the Management in Calgary after full consideration, had arrived at the present year's prices.

Mr. Johnstone then stated that he was not complaining about the price and thought it would probably pay the Company to carry over twine every year.

Mr. Brearley replied stating that we could not speculate on the future prices of twine, as they were very uncertain.

The question was then asked by one of the delegates as to whether the United Grain Growers were handling fruit this year.

Mr. Brearley replied that he had no definite statement to make on this but that if it were possible to get apples, etc. from the State of Washington, we would do so. He stated that Mr. J. H. Turnbull, the Manager of the U. G. G. Co-Operative Supply Department, was at the present time at the Coast and that it was his intention to go to Washington before returning to size up the situation. He stated that Mr. Turnbull had been in Washington once since the beginning of the year and also at the United States Capital, trying to get information as to what they were going to do in regard to cars. Mr. Brearley stated that transportation facilities are all up in the air, and the U. G. G. did not know, if they bought the fruit, whether they could get it across the line. He stated that if it were not possible to secure fruit from Washington, steps would be taken to get it in B. C.

The question was then asked by one of the delegates as to whether the U. G. G. handle small fruits from B. C.

Mr. Brearley stated that the Company had last year handled Washington peaches and plums, which came through in excellent shape.

Question:—"How about this year?"

Mr. Brearley:—"It depends on whether we can get cars. We will know this later when Mr. Turnbull returns."

Mr. Johnstone of Irma stated that he understood there was to be an embargo on fruit.

Mr. Brearley stated that all he knew in connection with this was what he had read in the press.

Mr. Johnstone stated that local storekeeper's price at Irma was last year 55c per box higher on apples than that of the U. G. G. and that the apples received from the U. G. G. were better quality.

Mr. Bredin of Grande Prairie then stated that a week ago he had discovered that the apples received from the U. G. G.—Winesaps—were still in perfect condition.

Mr. Baker:—"What about the salt proposition? I have been told by a man that the sacks are different in size and that the weight does not hold out."

Mr. Brearley:—"The salt we are handling at present is California salt. It is impossible to get barrel salt from the East. We have tried it out and quit trying a year ago. We had orders placed for six months and there was absolutely no sign of getting delivery. Mr. Turnbull made a trip to Vancouver and made a connection with some people out there to handle California salt. We know that the sacks are not uniform, some being 50 lb. sacks, some 100 and some 125 lbs. They claim it is impossible to get a uniform sack and that they have to take what they can get under war conditions. We may possibly in the near future be able to make a connection with a Salt Lake City firm, from which point we could get perfectly dry salt. There have been some objections made to the fact that the salt comes through wet and freezes in the winter, but we have got to remember that these are war times and we cannot always have things as we would like and we have therefore got to make the best of it."

Mr. Baker:—"What do you suggest as the best method of overcoming short weight?"

Mr. Brearley:—"There should not be any shortage in weight. The gross weight should be correct. If not, we want to know about it."

Mr. Gurney of Islay, then asked whether the U. G. G. would ship salt in to local elevator points without an order for a full carload.

Mr. Brearley replied that this was overcome by shipping in a carload to several adjacent points. The car would be billed to one point, who when they had taken out their supply, would ship it on to the next point.

Mr. Gurney said they had tried last Winter to make up a carload order but were unsuccessful and that they had had trouble in getting through an order for less than a carload shipment.

Mr. Brearley remarked that it was entirely up to the local operator—we would send in a carload lot if the operator thought he could dispose of it.

Mr. Gurney said that the local dealer's price on salt was lower than that of the U. G. G. He stated that a week or two after the arrival of the car from the U. G. G., they could have bought the salt cheaper through the local dealer.

Mr. Baker then addressed the meeting and said he would like to bring up another matter which had been discussed at the Calgary Convention and had been of intense interest to the delegates. This was the question of the Company not making a difference in prices to Co-Operative Trading Associations, and prices through our elevator, or if the individual farmer was buying direct from our catalogue. He said that in conversation with Mr. C. Rice-Jones, Acting General Manager of United Grain Growers, he had learned this, that the Company feel they have been just a little slow to take advantage of that situation; that there were none, or at least very few, of these Trading Associations in existence when they began to handle co-operative supplies through the Elevator Company and that they have not yet met the situation but are prepared to now go fully into it. Mr. Baker said that the discussion at the Calgary Convention had grown out of a circular sent out by the Nanton Co-Operative Association asking for the formation of a central buying agency that would practically be a competitor of the United Grain Growers.

Mr. Baker then referred to the amount of money which could be saved by the individual farmer by buying different supplies from the U. G. G. He cited his own case in connection with the purchase of a gang plow, for which he paid the U. G. G. \$175.40 laid down at home. He then went to the Cockshutt Plow Co. and asked for a price on a similar outfit, which was \$203.80 at home. Mr. Baker said that in conversation with Mr. W. D. Trego of Gleichen, he was informed that the only difference in the two plows was that the LaCrosse plow sold by the Grain Growers was just a little better quality. He stated also that he had sold or rather consigned a carload of mixed feed grain to United Grain Growers last year and that there was \$262.60 difference between the U. G. G. price and the price offered him by the opposition at his point, in favor of the U. G. G. This car was consigned by him to United Grain Growers and handled by their Commission Department.

Mr. Brearley then made some remarks to the effect that the Board of Directors of the United Grain Growers were in session at the present time and that the question of co-operative trading would be thoroughly discussed by them. He said that this was the first opportunity that the Acting General Manager, Mr. Rice-Jones, had had of giving his ideas on his trip through the States to the full Board. Mr. Brearley said he thought this matter could be left in the hands of the Directors, for them to devolve some scheme. He said the Company were perfectly alive to the fact that they would have to get out and meet this competition more than has been done in the past; that Co-Operative Associations are increasing and that they are really entitled to more of a difference in price between what we can put the stuff through the elevator for and what we can sell at direct to them. He said he had no information as to what the Directors would do, that this was out of his province, coming under the executive end of the organization while he was in the commercial end of it.

Mr. G. V. Gaudin, of Killam, then addressed the meeting, saying that Mr. Brearley's explanation covered the question he was going to ask. He said further that the Chairman had intimated to the Convention that by buying from United Grain Growers, purchasers received extra benefits in the way of dividends. He wanted to know whether this did not only apply to U. G. G. shareholders and whether co-operative dividends were divided up on a patronage dividend basis.

Mr. Brearley replied that at the present time there was no patronage dividend paid, dividends only being paid to U. G. G. shareholders on the basis of paid-up Capital Stock, and that the Company wanted to have every farmer in the Province a U. G. G. shareholder and a U. F. A. member.

Mr. Moan, of Wetaskiwin, then spoke, saying that he was specially interested in the question brought up by the Chairman. He stated that, speaking for their local Co-Operative Association, he might say that it was practically impossible for them to patronize the Grain Growers and compete with the prices quoted in town. He said that they were able to buy every commodity cheaper from wholesalers than from the U. G. G., and consequently it was pretty difficult to undersell the merchants. He considered that for a Co-Operative Association to be a success, they must sell at a lower figure than the local merchants, as price is the most important feature in co-operative trading, the question of getting goods at the very lowest price being a very serious one in the country.

Mr. Morrison of Cummings then remarked that he did not consider that it was necessary for the local Association to sell at a lower price. He considered that any U. F. A. member with any judgment would stay with his own organization. He said that at his point the question was discussed of organizing a separate Co-Operative Association or buying from the U. G. G.

and they decided to stick to their own Company, as at present they have every confidence in the office of United Grain Growers. He said they had not done much yet but are getting ready to build stock yards at Vermilion, the money all being subscribed. He said in closing that they have decided to buy direct from the U. G. G. first, last and always and trust to their honesty, in which they have perfect confidence.

Mr. Moan replied to this that the sentiment brought out was all right in theory but did not work out in practice. He said they could appreciate the sentiment and that a good percentage of the men of the different Locals would patronize the Grain Growers but that it was a matter of education and a large number of farmers either do not realize the facts or are so selfish that they make a big fuss if they cannot get goods cheaper.

Mr. Morrison then suggested that if it were not for the farmers' company, where would they be today? He said that if the opposition cut their price, it was to put the U. G. G. out of business and if they succeeded in doing so, they would then make their own price.

Mr. Gregoire of Eye Hill:—"It has been said in the Convention that we must trade with United Grain Growers. We must in a way. We are in the position this year in our part of the country that we have no crop. Would the Grain Growers sell me flour, coal, etc. and carry me over? The local dealer in town is a friend of mine and will trust me until next year. Shall we kick this man out of town, who gives us credit, and support the U. G. G. who do not?"

Mr. Morrison:—"Don't you pay for that friendship?"

Mr. Gregoire:—"What has built up the country, cash or credit? Credit has built up the country. If it were not for the local man, the farmers could not have gotten along. The Grain Growers is the right place to purchase when we can afford it. We have to look ahead. I am sure we won't be protected by the Grain Growers when there is a crop failure. The way I see it, we need both the Grain Growers and the local dealer."

Mr. Johnstone of Irma then stated that they were getting results from the Elevator Company in other ways too. He said that one of his neighbors took a load of oats to Irma and for some reason or other went to the opposition Elevator Company with them. He said the opposition had bled them white in years before the farmers had their own elevator. He stated that when this man got home he looked at his ticket and also looked in the daily paper and found that he had been paid 3c per bushel under the market price. The next time he went to town he went back to the opposition elevator man and asked him whether there had not been some mistake, the agent saying he had made a mistake and looked at the U. G. G. price instead of his own. Mr. Johnstone stated that the U. G. G. prices were 3c per bushel above the opposition prices at Irma. He referred to points where the line companies had no opposition from the U. G. G. and said that while the farmers might be paying a little more for some things, they were getting it back a great many times over in the price of grain at points where they had elevators, as they always received the market price for their grain.

Mr. Baker then said that he had discussed with Mr. Rice-Jones the difficulties some Locals are having in purchasing from the U. G. G. on account of the opposition offering lower prices on different commodities, and that Mr. Rice-Jones had assured him that the Company would do the best they could to overcome this and would try to make their prices such that they could compete with the opposition; that this point is recognized by the Company and that an honest effort was being made to meet the situation.

Mr. Baker then referred to the credit proposition and stated that one man had said that he was charged for credit by the U. G. G., which he did not get, that the opposition made him pay for it but gave him credit. Mr. Baker said he would like to know just what was meant by this remark.

Mr. Brearley stated that he could not understand just what was meant by this remark and would like a further explanation.

Mr. Gregoire replied that if he bought from the U. G. G. he had to pay for the goods when he received them and that if he bought from the local man he was given credit and was satisfied to pay for that credit. He said that if he had not been able to purchase from the local dealer on time, he would not be in the country today.

Mr. Brearley stated that it was a debatable point as to whether credit had done the country good or not. Speaking from his own experience, having homesteaded seventy-five miles from a railroad, he stated there were men in there who got machinery on time and never did pay for it as they could not stay long enough to do so. Other men who paid as they went are in the country today. He said there were arguments on both sides as to whether credit is best or not and that he was not going to try to settle the question there, as it would take too long.

Mr. W. R. Forbes of Kerriemuir stated that he believed that the United Grain Growers was a good Company and working in the interests of the farmers and that it was good for the country to have such a Company as the opposition could not charge just what they pleased as long as the farmers' company was in business. He said that the farmers' company was a check on the big interests and kept them from robbing the farmers and that even though the farmers' company might charge more for some commodities, they charged less for others.

Mr. C. R. Eleason of Wetaskiwin then stated that he agreed with the remarks made by Mr. Moan, also of Wetaskiwin. He stated that if the Association stayed with the Grain Growers, they would be losing money all the time. He stated that when organizing their Co-Operative Association at that point, Mr. Molyneaux was present, and that when they were speaking of an elevator and enquired whether they could get shares in United Grain Growers and build their own elevator and handle co-operative supplies through the Company, Mr. Molyneaux had replied that at that time the U. G. G. were unable to build any elevators and that it would be better for them to organize their own Co-Operative Trading Association and purchase their supplies in that way from the Company. He said that if they had shares in the U. G. G., they might have gotten back in dividends what they were losing, and as it is, they will be losing on their dealings with the Company and getting no dividends. He stated he would like this point discussed.

Mr. Molyneaux replied that the reason he had suggested a Co-Operative Trading Association in preference to an elevator at Wetaskiwin at the present time, was the fact that it would be practically impossible to get an elevator this year, as the cost of material, building, etc. was bringing the cost of one of the standard houses up to \$14,400 which a few years ago would cost around \$7,000. He stated it was impossible for the Company to secure machinery enough to equip even five or six houses if they were to be built. He said that their Trading Association was organized on practically the same basis as Leduc and was absolutely under their own control, giving them the privilege to buy or deal where they liked. He stated that he noticed Mr. Bolton of Leduc was present and that he thought Mr. Bolton would bear him out in his remarks, that the Leduc Association was getting along well and that they bought practically everything from the U. G. G. He said while

discussing this matter, they were just getting to the point where it would be in order to discuss the resolution passed at the Calgary Convention, and that it was desirable that all get together and work out some scheme to better the present conditions of trading through the Company. He said he considered the resolution in question covered the ground pretty well, and assured the meeting that they could rest assured that the Directors of United Grain Growers were not satisfied with the present method of doing business, and he trusted to their help and support at the present time to get things in such shape that they might be of assistance to the Directors in working out a better plan of trading, either in forming some subsidiary company to the United Grain Growers or Wholesale Department of the United Grain Growers. He stated that the Directors were at the present time considering this in Winnipeg. He said that the resolution passed at the Calgary Convention had been drafted by a Committee appointed for this purpose.

Mr. Baker here remarked that the principal man on this Committee at Calgary was a man from Nanton named Frantzen, who had previously circularized all Co-Operative Associations with a view to getting a new organization established which would have been in direct competition to United Grain Growers, and that this resolution represented Mr. Frantzen's mature thought on this matter. He stated that Mr. Frantzen seemed to be an expert in this line and that he had been very frank in his discussion.

Mr. F. E. Dixon, of Buffalo View, then addressed the meeting, referring again to the credit question. He said he would like to know if it were possible for the U. G. G. to compete with other companies on credit business. He stated that in his part of the country lots of farmers were well fixed but some times find themselves better fixed with stock than money, and that they could go to other companies and get credit and pay in the Fall when they had sold their stock. He wished to know why it would not pay the Grain Growers to accept some interest and charge extra, same as others did, for the chance they took, and allow credit to people who required same. He stated that he was sure, all things being equal, that the farmers would rather deal with their own Company than with the opposition.

Mr. Brearley replied that the credit question would come up, along with the co-operative trading question, in Winnipeg, and would be discussed fully there. He stated that he had read in the papers that the combined co-operative business done by the Co-Operative Societies of England and Scotland had been \$900,000,000 for the past year, and that these Societies are run on a strictly cash basis.

Mr. Dixon then remarked that the local dealer at his point got most of the business just for that reason—because he gave credit.

Mr. Brearley stated that he understood Leduc was probably the best organized Co-Operative Trading Association and that they do not do a credit business.

One of the delegates then asked if this did not open up the question that the whole system of credit is wrong. He stated that he thought the United Grain Growers were not the people to get credit from, that the banks should give the credit.

Mr. Bredin of Grande Prairie said he was just about to make a similar remark. He stated that the United Grain Growers are a business organization and are dealing in commodities other than money, that the banks are dealing in money, and that the farmers should get the money from the banks to buy from the Grain Growers.

INVITATION TO EDMONTON EXHIBITION

Mr. Baker:—"We have with us Mr. McIntosh, President of the Edmonton Exhibition, who will speak to us for a few moments."

Mr. McIntosh:—"I come before you this morning at the request of the Edmonton Exhibition Association and particularly at the request of two of our best Directors, Mr. Clare and Mr. Rice Sheppard, who is also a Director of the U. F. A., to extend to you an invitation to attend the Exhibition as our guests. Mr. Clare and Mr. Sheppard have been provided with tickets for you. If any attending the Convention would ask these gentlemen, they would be pleased to give you tickets."

I would like to say in coming before you and inviting you as our guests to our Exhibition, we do so not only because it is a pleasure but because we want your co-operation in the work which we are doing. We realize that to make a success of the Exhibition, we must have the co-operation of every organization in this Northern part of the Province at any rate, and if possible, the co-operation of every organization in the whole Province, and we realize further, Mr. Chairman, that we cannot have better support or better help than the co-operation of the U. F. A. We are doing this, as I say, as a matter of business. We appreciate the help that you are giving us. Without you we could not have an Exhibition. We appreciate your work and co-operation and ask you to continue to do in the future what has been done in the past to get up a good Exhibition."

Mr. Baker:—"I may say on behalf of the friends here that we accept your invitation, and am glad to note that you have differentiated between things that are real and the others. I think I am safe in saying that this organization will help to make the Exhibition a success from year to year."

CO-OPERATIVE TRADING (Continued)

Mr. Brearley:—"In regard to the Company giving credit. It was the idea of the original Board of Directors, the Company being a new Company and being a company of organized farmers, that the only way in which they could do business and hope to make a success of it, was to do business for strictly cash. That policy is still being carried out. If times change, it may be that the ideas of the Directors will change with the times, but personally I am a firm believer that taking everything into consideration, cash business is best. If you begin to establish a credit business, you have got to increase the selling price, as it costs so much to run a Credit Department. If we had to establish a Collection Department in Calgary, it would mean the taking on of considerably more help. That all costs money. Naturally the consumer has to pay for increased cost. Of course it is a question for you to decide but I think if we can get along at all on a cash basis, it will be better for everybody in the long run. This is my own personal opinion. I do not know the views of the Management on the subject. This will be discussed in Winnipeg by the Directors during the present session of the Board of Directors."

Mr. Rice Sheppard:—"I think that probably my Local expects me to take some part in the discussions, being a delegate. As I understand it, in respect to the Company's business, having been a Director of the Company for some years, the real difficulty in respect to the Company giving credit is this, that we are growing by leaps and bounds."

Undoubtedly you have heard of the difficulties of financing such an institution. It is difficult to borrow the money required for doing a cash business as it is. Supposing we entered into a credit system, then of course it means that larger stocks must be carried, and a larger amount of business

than could be coped with for the time being would be rushed upon our Company. We must have a gradual growth—a growth not faster than we can find means of financing—to carry the institution on successfully and not fall into pitfalls. I think the bank is a good place to get credit but unfortunately the districts which are mostly affected by the drought are the places where credit cannot be had. I was informed on the Goose Lake Line that they could not get credit from the banks. One man could only get \$500 with \$45,000 security. I believe the Company is doing the right thing to run a cash business for the present at any rate. What we have got to do is this, we have got to insist on the banks giving credit. The way to do this would be to get the Bank Act changed. It will be a fight for our rights. The trouble now is that the man who does not need money can get it but the man who does need it cannot get it. We must have a national banking system of some kind, so that the Government can come to the assistance of people at times like these. We should go to the banks for money and pay cash to the Company.”

The question was asked by one of the delegates as to whether the farmers could not run a banking system of their own successfully.

Mr. Brearley:—“As Mr. Sheppard has said, when a man needs money the most and goes to a bank, he gets the cold shoulder. As far as the United Grain Growers getting into the banking business is concerned, it is better at this time to carry on what we are now doing and do this right and then when the right time comes, to branch out into other spheres when we are able to take care of them. I think at the present time it would be a very foolish move on our part to insist upon the Company doing a credit business.”

The Chairman then read to the Convention the resolution from the Calgary Convention on Co-Operative Trading, as follows:—

“Whereas, it has become widely known that in many cases it is impossible for Co-Operative Associations and Trading Locals of the United Farmers' Associations to buy from the United Grain Growers, Limited, at competitive prices, and—

Whereas, this condition threatens to bring about a cleavage in the ranks of the organized farmers, and—

Whereas, there is no essential reason why the United Grain Growers organization could not, under proper conditions, be used as a wholesale central buying agency for our local co-operative associations, and—

Whereas, all the local Co-Operative Associations as well as the United Grain Growers, Limited, are the outgrowth of the United Farmers Association organization,

THEREFORE, we the United Farmers Association Secretaries of South Alberta, in convention assembled, recommend that a subsidiary company or separate department be organized to act as our wholesale buying agency, and that the control of such subsidiary company or department be vested in a committee or Board to be selected by the Trustees of the local co-operative associations, the Board of Directors of the United Farmers Association and the directorate of the United Grain Growers, Limited.”

It was moved by Mr. Gaudin, of Killam and seconded by Mr. Hallsell, also of Killam, that the resolution as read be adopted.

Mr. Johnstone of Irma moved that this resolution be not accepted on the grounds that the farmers would sooner deal direct with the United Grain Growers, there being no seconder to this amendment.

Mr. Morrison of Cummings:—"Where is the money coming from to organize this Company?"

Mr. Baker:—"From United Grain Growers. Seeing that we are all one family, the ideal situation would be 'Every United Farmer in Alberta a shareholder of United Grain Growers.' The Company is at the present time selling debentures in Manitoba, the idea being to get every man on the farm enlisted in this farmers' company, and every man who is in the financial institution, in the educational, so that we are all one family. The commercial company furnishes the money. It is to avoid the difficulty of having to do some little credit business which cannot be done under the present method, by organizing a subsidiary company or a separate department to overcome these difficulties."

One of the delegates from Killam then made the remark that they would never all be one family until the United Grain Growers has a co-operative association paying a patronage dividend.

Mr. Baker replied that this could not be done until they have a larger membership and the company gets stronger.

Mr. Morrison of Cummings said he objected to the remarks of the delegate from Killam who said he would not become a member of the U. G. G. until it was a co-operative company.

The delegate from Killam replied that it was not necessary for every one in England and Scotland to be a member of the co-operative company there. He said he had been informed that it would entail too much book-keeping to pay patronage dividends. He stated that he thought too much sentiment should not be brought into this and that it should be run along strictly business lines. He also said he objected to interlocking Directorates.

Mr. Baker stated that he did not believe in interlocking directorates either but that he thought the directorates of the two companies should meet in conference and go over all these problems together. He said that the U. F. A. had organized the commercial company and they are their servants, and that these things should be gone over together. He said that the U. G. G. are seeking to solve their problems for them, and that the family idea was an ideal one and that family linen should not be washed in public.

Delegate:—"Re buying apples in Washington, we are asked by the U. G. G. to buy goods from them. At the same time they are going to Washington to buy apples, whereas they could be bought in Eastern and Western Canada. If the company were as patriotic as they want us to be, they should buy apples at home instead of going South to buy them."

Mr. Brearley:—"We presume you want the goods as cheap as possible. The freight rate is against the Ontario apples. Last year we could not secure a supply. We cannot buy boxed apples in Ontario and barrel apples will not keep as well. It would not matter in any case how much crop Ontario has, we would be able to get fruit cheaper from Washington or B. C."

Same Delegate:—"It seems to me you are standing in the same position as we are standing, asking us to buy from you at higher prices, while at the same time, you will not buy from our own country because you can buy cheaper in the States."

Mr. Brearley:—"Would you be willing to pay an increased price and buy from the U. G. G. if they bought apples from Ontario in preference to bringing in fruit from Washington?"

The delegate then remarked that he considered the same thing applied to buying machinery from the U. G. G.

Mr. Brearley stated that the only way the Company could hope to compete with the opposition would be by the farmers sticking together and to their own company.

A delegate then remarked that he thought the company should buy apples from Washington, as in that case the tariff was paid to the Government.

Mr. Messinger of Sedgewick then spoke, saying he was greatly interested in the apple question. He said that two years ago a resolution had been passed against buying B. C. apples for the reason that if the company bought apples from Washington the Government got advantage of the duty put on them particularly to help out the B. C. growers. He stated that he had intended before this discussion closed, to ask—although the representative from the Grain Growers had assured them that efforts were being made to secure fruit from Washington,—that the Convention pass a resolution urging them to use every endeavor to bring in a supply of apples this Fall. He said that otherwise he was afraid that the farmer, if he got apples at all, would have to pay a price which would prevent many boxes of apples going into homes of farmers where they are needed. He urged the Grain Growers particularly to try and secure fruit from Washington this Fall. He stated that the former U. F. A. Provincial Secretary, who was now a fruit grower in B. C., had said that B. C. apples would be \$4.00 a box this Fall, and that last year the U. G. G. had supplied the finest apples at \$1.85 to \$1.95 a box at Sedgewick. He said he could see no reason for an increase of 100% in price.

Mr. Brearley assured the speaker that every effort would be made to get these apples from Washington. He said it was more a question of transportation than anything else at the present time.

Mr. Eleason of Wetaskiwin then stated that there was a motion before the house which should be discussed until disposition of same was made. He said he would like to know, in connection with the resolution in question, as to where the capital was to come from, whether it was intended to subscribe new stock or how it would be handled.

Mr. Baker stated that the plan set forth in the resolution, in working out this connection between the U. G. G. and the local co-operative associations, had been suggested by Messrs. Frantzen, Johnson and Jensen, who said that they were now in competition with themselves, being shareholders in United Grain Growers as well as shareholders in their local co-operative associations. Mr. Baker stated that the plan worked out by them appeared to be a workable one but was only tentative, and that they could safely trust to the Directors of the U. G. G. to work out a scheme which would be in the interests of all concerned, that the company was not looking for big dividends, and that he believed that the men managing the financial company wished to serve them and the whole community and if they could trust them enough, things would be worked out to their satisfaction.

On being put to a vote the resolution was carried with only three dissenting votes.

Mr. Brearley then addressed the meeting in connection with the lumber situation, and said it was a matter of transportation. He stated that he had been out to the Coast recently and found that the Dominion and American Governments are being served first, which he considered only right, they having the pick of all the material they want, the farmers on the prairies having to take what was left. He said that during the period of three

months, February to end of April, very few cars came through from the Coast, although we had had a man on the ground in Vancouver and a man pounding the head office of the C. P. R. and C. N. R. at Winnipeg to get cars through. He said that there was a shortage of logs in B. C. which was brought about by a scarcity of labor, but that shipments were coming through faster at the present time, but that if there had been a big crop, he did not believe that they would have been able to get a carload of lumber through from the Coast after September 15th for any money, that the cars are not in the country to take care of it. He referred to the Mill which was at the present time being built at Hutton Mills and that he hoped it would be in operation in a month or six weeks, the completion of the mill having been held up through not being able to get machinery from Seattle. He stated that when the mill got into operation it would only affect prices in the Northern part of the Province, but he did not know how much as that had not been determined as yet, depending on the cost of operation. He stated that he hoped it would have the effect of reducing the cost of lumber considerably. He stated further that it would not have much bearing on any points South of Red Deer and that the Company has shipped 443 cars of lumber during the nine month period.

Mr. Brearley concluded his remarks by saying that he was glad to have had an opportunity of meeting them all and that any time they had any difficulties they were at liberty to write to the Head Office and they would endeavor to give them all the information required and be of any assistance possible.

Mr. Sangster of Leduc then spoke regarding the banking system, saying that there was farmers' money enough in their local bank every minute to supply the farmers' wants, for which they are receiving nothing and the banks are receiving 8% and some times more. He said he considered we could do the banking through our own Company and that a rural credit system should be established.

Mr. Baker replied that a rural credit system was under consideration in Saskatchewan at the present time and that the matter was also under consideration by the Canadian Council of Agriculture.

RESOLUTION

The following resolution was then moved by Mr. C. R. Eleason of Wetaskiwin and seconded by Mr. Drummond of Ponoka, viz:—

"Resolved, that we, the U. F. A. Secretaries of Northern Alberta, in Convention assembled, being in the best position to know the sentiment of the members, wish to go on record as deeply resenting the action of the Executive in passing the notorious resolution of May 13th without first obtaining the opinions of the Locals."

Mr. Morrison of Cummings then stated that he thought this resolution was entirely out of order at the present time, as the matter had been fully discussed the previous day, and he thought the Chairman's explanation should be sufficient for this body. He said that he moved an amendment that it be not discussed, this amendment being seconded by Mr. Messinger of Sedgewick.

Mr. Moan of Wetaskiwin then moved that the resolution be put, this being seconded by Mr. Ralston, the resolution being voted down, there being only six votes in favor.

One of the delegates then remarked that there was not enough difference in price to warrant buying from United Grain Growers, as the local man could quote practically the same price in carload lots as the U. G. G.

He said that he had been told by men who had been to the Coast that this lumber could be secured at a great deal lower price than it could be bought at from the U. G. G. and wanted to know what was the reason for this.

Mr. Brearley asked him whether he knew the U. G. G. price had been given to the opposition before they made their quotation and the delegate replied that he did not know this. Mr. Brearley said this was the experience the company has had in most cases of this kind, that the Grain Growers' figures are made the basic price for the opposition. The delegate replied that the opposition had not secured the U. G. G. price from their Local but may have secured it from some other source. Mr. Brearley then stated that the Grain Growers' price is from \$70.00 to \$125.00 per car less than the opposition price if the U. G. G. figures are kept out of it.

The question was then asked by one of the delegates as to why we did not obtain mountain lumber.

Mr. Brearley replied that this was practically impossible owing to the combine which the mountain lumbermen have. He stated that they have a large Trust of their own which it has been impossible to get into and for that reason the Company secured all its lumber from the Coast, and with the exception of shiplap, the Coast material was a good deal better.

One of the delegates then remarked that if this was true—that the Company was getting this lumber at \$16.00 per thousand—that he considered they were charging too much for it.

Mr. Brearley replied that this was incorrect as we were buying on a 19 to 20 dollar basis rather than \$16 as stated and this was the basis upon which all companies operated.

Mr. Baker then referred again to the Military Service Act and the resolution of the Executive of the U. F. A. in connection with same, and stated that this was now a dead issue, stating that what they were being censured for was because they took Provincial action in connection with a national question. He said he understood—if the matter had not been misrepresented to him—that a farmer in Ontario, before the Order in Council, making it a crime to pass opinions on the actions of the Government and fixing a very severe penalty for this offence, was passed, had dropped a very simple statement which he has heard possibly fifty times from the lips of men in Alberta, regarding "Prussian" rule in Canada, and that this Ontario farmer had been arrested and tried and fined \$500. He said he was merely dropping this hint by way of a warning to the farmers not to discuss national issues after they have become law.

Mr. Drummond of Ponoka then stated that the resolution, of which he was the seconder, was not intended to censure the Government but the Officers of the Executive.

Mr. Baker stated that he accepted Mr. Drummond's explanation and that he thought the Convention also understood what was intended.

Mr. Messinger of Sedgewick then stated that he would like to know whether it was the intention of the Secretary to forward copies of the Minutes of this meeting to the various local Secretaries, as he thought this should be done, to which Mr. Higginbotham replied that this was his intention, as the Locals were not all represented at the meeting.

It was then moved and seconded to adjourn and meet again at two o'clock p.m.

AFTERNOON SESSION

The meeting was called to order by the Chairman at 2 p.m.

Mr. Baker then suggested sending some expression of sympathy from the Convention to the friends in the South and the drought-stricken districts. He said "We, who have some little surplus, should be willing to make an effort that it might reach them without any third party, which might add extra expense to it."

It was then suggested that the Secretary be asked to draw up a resolution to this effect, but Mr. Higginbotham requested the Chairman not to leave the framing of this resolution to the Secretary, as he would rather have this come from the Convention.

Mr. Morrison of Cummings then moved that a Committee should be appointed to draft this resolution, but that it should read as expressing interest instead of sympathy. Mr. Bredin of Grande Prairie seconded this motion.

Mr. Forster, one of the U. F. A. Directors, then addressed the meeting, stating that he was from the South, and that while they would appreciate a vote of sympathy, he thought it would be rather "rubbing it in" and that he did not think a formal resolution of this sort was necessary.

Mr. Baker assured Mr. Forster that it was not so much with the idea of expressing sympathy that the resolution had been suggested, as it was of expressing interest and the offer of assistance, to which Mr. Forster replied that that put a different light on the matter.

On being put to a vote, it was unanimously agreed that a Committee should be appointed for the drafting of this resolution, the Chairman then appointing a Committee consisting of Messrs. Morrison, Bredin and the Secretary, Mr. Higginbotham, to draw up this resolution and present same later to the Convention.

Mr. Baker then stated that we had with us Mr. J. E. Brownlee, Solicitor for the U. F. A. and the U. G. G., who had consented to address the meeting, remarking that he considered that Mr. Brownlee had caught the true spirit of co-operation and that he was not asleep on his job as the Company's Solicitor. He then called on Mr. Brownlee to speak.

Mr. Brownlee:—"Mr. Chairman, Ladies and Gentlemen, I am sure I thank the Chairman for his kind remarks. I only want to say that since I have been associated with the organized farmers' movement, I have every day been more and more convinced of this, and I don't think this is an idea which is confined to the farmers of the Province but I think that it is an idea which is becoming more and more widespread among all classes of people in the Province, and that is that in working out the great problems which will confront this Province as a whole in the years to come, there is no force which is going to be such a power to fight as the organized farmers of Alberta. Possibly, as a Solicitor in the City, I am in a better position than some of the rest of you to get in touch with the feeling of the great mass of people who reside in the cities and who are not closely associated with the farmers' movement. I want to say this on behalf of those people, that I have found nothing but the most friendly spirit, and everywhere I have been where I have met the best thinking men and women in the cities, I have found that same thought expressed time and time again, that as a farmers' organization you have the responsibility to a large extent of shaping the future social and economic life of our country, and there is the hope that you will exercise that power in the future as wisely as you have in the past.

Now I am not here this afternoon to make any lengthy speech. I have been asked simply to come here and say a few words on the Legal Department which was formed by the U. F. A. and the U. G. G. working together, a few months ago. I simply want to say that the great idea underlying the formation of that Department, as I believe this underlies the whole idea of the U. G. G. and the U. F. A., was that of service. It was felt that service could be given to the farmers throughout the Province. In the first place, it was felt that possibly some means could be devised whereby farmers residing throughout the Province, some distance away from the centres, might receive as reliable advice as possible at a fair cost, and it was necessary for the farmers to organize a Legal Department of their own so that there could be no chance of any opinion being colored. I want to say just one word here which may assist this Department somewhat. I gather that you men are the Secretaries of Locals throughout the Northern part of this Province and to a large extent any enquiries which may come to this Department from the Northern part of the Province will come through you. I will simply ask you to try to remember and impress upon those making enquiries, that we in Canada have no codified system of law. In the United States they have this system in operation. As a result, if a question comes up in which any person may be interested, we cannot go to any code and say such and such is the case. We must go into the matter and consider the facts carefully and then look up the precedents already established by the courts to see what the attitude of the courts has been in similar cases. In other words, our laws are made to a great extent by court decisions. For that reason there may be two cases which are closely parallel and yet because certain facts in one are not similar to the facts in the other, the decisions in the two cases might be entirely different. For that reason many people wonder some times at what appears to be the inconsistency of our courts of justice. I am going to take the liberty of saying that I believe implicitly in the honesty and integrity and the complete freedom from class opinion of our courts. If at any time it may occur to you that there has been some discrepancy in some decisions, if you knew all the facts, I think you would realize that one case differed from the other in certain ways. Be sure to give the Legal Department all the facts of the case. It is rather hard by correspondence to give an opinion on certain cases. In some cases there has been a great deal of correspondence pass between the enquirer and the Legal Department because facts have not been sufficiently given. Please be sure to give every detail. Nothing is too small in placing a case before an Attorney. Secretaries of Locals are entitled to advice on questions free of charge. Any member of the U. F. A. and also of the U. G. G. may send in a question and get an opinion as ably as can be given by those in charge, for \$1.00.

A number of delusions have been expelled since the Legal Department was formed. One was that farmers have no litigation. It was the idea of the Legal Department to if possible in some way prevent litigation. The only statement that I can give by which litigation can be decreased in this Province is that men should try and conduct their affairs in a more business-like manner than they do. I say that with all respect to all men here and elsewhere. The fact remains that the farming community, possibly because they are living in a spirit of the best of fellowship with their fellow men, possibly because their business affairs may not seem to be of the same importance as the business affairs of companies with whom vast sums of money are at stake, conduct their business affairs in a more loose manner than other men. If I could impress upon every man here and he could carry out in his community and impress upon the members of his community, the necessity of putting every business transaction—even between close friends or the members of one family—I should have accomplished my purpose in coming before you today. If it is a business transaction or any transaction at all, it is worth reducing to writing. Too many agreements are left "in the air" and this often causes hard feelings among friends. I believe that

litigation in this Province could be cut down 75% if all over this country men would learn that one thing, that there is no contract, no business relationship which is too small to put in writing. I would ask the Secretaries to impress this upon their Locals. This would be of more importance to them than anything else.

It is also felt that possibly a Legal Department could be of some assistance in helping you to work out legislation which is necessary from a farmer's standpoint, and I want to emphasize one thing here, and lest any one should think that I have been purposely asked to say this, I wish to get this idea out of your mind at once, it is of my own free will, but I want to refer you to the fact that a few years ago probably the greatest source of litigation in this Province was from the sale and purchase of farm machinery, and you will all remember how when a Salesman would come to you from a company who were selling you say an engine, the Agent could make out that the engine was anything but what it was, but when you came to get it and found that it did not come up to expectations, you were helpless in getting back at them, as they had a carefully worded agreement. Machine companies were well organized and farmers disorganized. I do not believe we could possibly have had the Farm Machinery Act on the statute books today if it had not been for the strength and the influence of the organization which you have developed. Some farmers have expressed distrust at United Grain Growers because they say it has become a big corporation and is powerful and is ignoring the interests of individual farmers. I want to press home the idea that organizations cannot become too big, cannot become too powerful. The larger they become, the more powerful they become, the more they can do for you, and it is only since United Grain Growers become a strong financial institution and has joined hands with the United Farmers of Alberta, as a great body of public opinion, that the most has been done for the farmers. At the last session of Legislature it was very significant that the combined influence of the commercial organization and the social and educational organization has a tremendous influence on the Government. It has been an ideal to me to watch the spirit of harmony which has existed between the two organizations, and I wish to urge this plea that whenever something may come up that threatens to cause a feeling of irritation between the two bodies, to remember that we are one great movement, although two departments, working for one great purpose, and cannot accomplish this work unless our efforts go hand in hand. I speak this message from my experience and in many cases which have come before the Legal Department since its inception, we could not have accomplished what has been done if it had not been for the combined influence of these two organizations. The Farm Machinery Act, as stated before, was put through by co-operation between the two organizations.

I will give you one instance—a certain one of our Locals had trouble over a set of scales. Leaving the matter in a careless way and without attempting to insist on their rights, they had completely waived any legal right which they may have had against the manufacturers of the scales. They put the matter in the hands of the U. F. A. and Mr. W. D. Trego and I met representatives of The Ontario Wind Engine and Pump Co. As a result the Local got complete redress—simply because that company knew there was a power behind which counted.

Down in the South country, recently, a case came before the courts in which there was a sharp conflict between the sheep herders and the farmers' organizations. The Judge gave a decision in the interests of the sheep herders. This matter was taken up by the two organizations and the Legal Department was given instructions that if they felt that the farmers' case was right, to fight it to the finish. We felt there was a correct moral issue to sustain and the organizations have given their un-

qualified support to the movement, and the appeal is now before the Court and we hope will be heard soon. There are many cases where the individual farmer could not secure redress but if supported by the farmers' organizations, he would be placed in a much better position to secure a favorable decision.

I am glad to be here and meet you and shall be glad to talk to any individuals who may wish to see me. I would ask you for your cordial support as I want to make this Department a means of service and real benefit to yourselves and the members of the farmers' organizations." Applause.

LIVE STOCK

The Chairman then called upon Mr. Molyneaux, special representative of United Grain Growers, Ltd. to address the meeting.

Mr. Molyneaux:—"Mr. Chairman and Gentlemen,—I don't think that I can tell you a great deal this afternoon in connection with the Live Stock Department which will be different to the real conditions which exist in all of your Locals. I believe that I have spoken on this subject at several points represented by Secretaries who are here today. However, gentlemen, it is a question that is a big one, especially to the farmers of Northern Alberta, or this district. The marketing of Live Stock has never been up until the present time, and is not today, on a system or basis where the farmer who produces Live Stock is receiving the market value for it. Some farmers today are receiving market value but they are only a few who have got things started on what we will call the up-to-date system of marketing Live Stock.

To begin with, at a great many points the U. F. A. is not properly organized or organized strongly enough to get the farmers educated to the value and necessity of co-operation. If we want to bring this whole Province on a basis where the farmers will receive full value for what they produce on their land, and buy their supplies at the right prices, we need a lot of education among our members, and the first thing, I believe, for every Secretary to do is to secure the support of all the farmers in his district before he starts out to accomplish any great results in any particular line. There are several Locals represented here today who have made a success of live stock shipping and are on a good basis at the present time.

Do you know that the old system which we referred to of marketing live stock was a very expensive one? It has not only existed here in Canada but has existed in other countries as well, having existed in the United States to a great extent until 1908, when the Live Stock Shipping Associations were practically first formed, the farmer taking great pains in producing the very best product possible on his farm, sending his boys to agricultural schools, going to visit experimental farms and studying out ways and means of producing live stock so that it could be produced at the very lowest possible cost. Right up to here his farming activities were all right, but after he had everything in nice shape and was ready to place this product on the market, the old system simply said that he waited until the local butcher or the local drover came along and asked him if he had any cattle or hogs for sale, and if he wanted to sell them he would say "Yes, I have so many cattle or hogs" and the drover or butcher, who was in a particular line of business for himself with only one object in view, to make as much money as possible out of the product which he purchased, naturally replied "What will you take for it?" Now the farmer knew how to produce the stock, but even in the present day, with all of the good that is being received by young men by attending agricultural schools or colleges, very few farmers really know the value of this product when it is ready to go on the market. In reply he would only have to say "Well, what do you

think they are worth?" It is only natural that the man who is ready to purchase this live stock should make a certain price and it is only natural that that price would be from 15 to 30% below its actual value. There was room for compromise and the farmer would say he would not take that but would take so much, meeting him half way, and they might make a deal. When the deal was made, the farmer would not know whether he received full value for this stock or less than it was worth. I know this has been worked in many Locals, know that there are only a few parts of the Province where farmers are receiving full value for their stock, and know if you Secretaries were to go back and call a meeting of all the members of your Local together, where you have not shipped live stock before and would say that you are shipping say from four to eight cars of live stock per month and propose getting together and forming a Live Stock Shipping Association and ask them to pay you \$100 or \$200 per month for conducting same. I believe they would vote you down right away, because we still have the old system of doing business in our Locals, where the Secretary has in the past been a very good fellow and put forth all his time and efforts, in a great many cases without any returns, but the farmer who votes the Secretary down and who offers to handle this four or eight cars of live stock per month, does not stop to consider that he is paying a mighty big salary to the men who are telling him what his live stock are worth.

I have made a close investigation at a point not far from Edmonton. In 1917 there was an average of about eight cars of hogs shipped from that point each month. During the year practically between ninety and one hundred cars of hogs were shipped out, and practically one hundred cars of cattle, and considering everything on a very reasonable basis—what the live stock buyer at that point considered only a reasonable profit for handling—we discovered that the farmers of that district had paid the local drovers about \$17,800 for handling their stock. Those same farmers are marketing their stock today on the co-operative plan and believe pretty much in their up-to-date system, and we are not paying that much by any means.

What we have got to do as Secretaries is that we must first remember when we are appointed Secretaries, and I am not telling you anything I have not gone through, that there is a big responsibility placed upon you. I don't know whether they think we are the best fellows in the district or are the only fellows willing to work for nothing, but it is one of those two things, and it is only natural when you feel that this responsibility is placed upon your shoulders, that you want to see how much can be accomplished when you are placed in that office.

When one of the U. F. A. Central Office Directors came to Leduc in 1916, held a meeting attended by twelve farmers and decided to organize a U. F. A. Local, one of the things he impressed upon us very carefully was that the success of a Local depended entirely upon how the Secretary took hold of the work. I did not pay much attention until I was elected Secretary. Then I began to think "I guess that fellow meant something and I shall have to get to work." It would be impossible for me, as Secretary, or for you as Secretary in your district, to accomplish any great results, unless you can get the full support and co-operation of all of your members and Directors and all farmers in that district and get them all to work with you, because no individual can accomplish any great results unless he has the co-operation of the farmers. At Leduc we soon had two hundred farmers who were interested in the activities of the Local. Last year we had over 425 or 430 members who did not only have a dollar or two in the organization but made it a plan to get to every individual member and say "Our Association is shipping live stock; we believe in the system; we believe by you placing this stock on the market through your organization that you will receive its full value every week in the year; and we would like to

impress upon you not to expect more than its value on our special shipping day" and the test came. It came a good many times and I am sorry to say that all did not stick and they never will stick, all of them, but if you can get a percentage of them to stick so that you can carry on to a successful finish, we will accomplish what we are out for today. When a Secretary organizes a Live Stock Shipping Association, there is no big job in doing so. It is simply a matter, first, of getting the members of the U. F. A. interested in live stock shipping. Explain to them that if they ship live stock to the open market, that there are buyers on that market who must compete with the actual conditions on the market as it exists each day and they must come out in the open to do it, whereas if the same buyers were to go from one farm to another in the country, the conditions would be altogether different because he would get you alone and would deal with you according to your ability to sell your stuff. If you have a certain grade of cattle that would bring perhaps a few cents more on the market than off-colored stuff, he does not make any special difference in buying them but looks over the bunch. He knows his business thoroughly, he knows what the stock weighs when he looks at it and when he makes you an offer, he knows just how much profit he will make. When you ship live stock to the open market, where each buyer is placed in keen competition, it will be sold according to quality and you will receive the market value all the time.

After getting your Live Stock Shipping Associations organized, you have still great trouble ahead, not because they wont all ship on that particular day but you will find that your friends will try to hand you a "package" once in a while and some of the boys who you think are most loyal to the organization will give you the biggest one. At Leduc, although we thought they were all good fellows, on one occasion, it being a very cold day for taking in hogs, one of the members arrived with a load of hogs, he being well wrapped up. We weighed and graded his hogs and when he returned with the empty sleigh to be weighed, a boy came and told us that he had thrown a rock from his sleigh. We went out and found the rock and discovered that the rock weighed sixty pounds. He was a U. F. A. member and was trying to get even with himself.

We also found on one occasion that a farmer drove on to the scales with a big load of hogs, and had his partner with him. When he came back the partner had gone, having taken twenty-five pounds of butter to the store with him. We were buying butter, man and all.

You will have all these things to contend with. If you were to put this man out of the organization, you would not accomplish what you set out to do. No doubt this should be done but you must use diplomacy to handle that man and see that he stays a member of the organization, and teach him. This is a big job. Very few people who have not gone through the game as Secretary realize the responsibility. After all, it is the game, gentlemen, and it is what is in the game of carrying out what we believe is right, what we believe will accomplish helping the other fellow who at the present time I don't believe is able to help himself. That is the part that makes it worth while and that is what ninety-nine out of a hundred Secretaries are working for today. We know we have a good cause and know we can accomplish something for the farmers of Alberta if we can teach them the necessity of belonging to the U. F. A. and supporting it as an organization from every standpoint, and with that loyal support of our members, with all the activity that we can possibly put into the organization as Secretary, we can build up our local commercial organization for handling live stock, co-operative supplies and other things, so that we will establish a business and a method and means of handling farmers' product that will not be only for today or next week but will last after you and I have finished up the little bit we can do to carry this to a successful finish.

I will not take any more of your time. Mr. McRory, the Superintendent of our Live Stock Department, is going to carry on from here as to the handling of the live stock from the time it leaves your local point until the cheque is returned to the individual shipper. I might state this, we are out to try in our humble way to assist every Secretary in this Province to get the live stock shipping on this basis, which we confidently believe is the system which will be in effect if you and I give it the right support, to handle 100% of the live stock of this Province in a short time, and by the up-to-date system we can cut out all self appointed agents and speculators who are around the Province today and are making undue profits."

The Chairman then remarked that the farmers' organizations have now passed the stage where men laugh at them. He said he believed they were now pretty thrifty youngsters and were going to pull through all right. He stated that in Saskatchewan they had almost jeered when an elevator system was first thought of by the farmers, while in a few years this had grown from nothing to over 310 elevators scattered throughout the Province, being one of the greatest elevator systems on the North American Continent. He said that it was an old story how the farmers had been treated in the grain business but that the United Grain Growers now stands as a monument of their labor.

Mr. Baker then gave it as his opinion that Mr. McRory of the United Grain Growers, was a very capable man and should be given a chance, and called upon Mr. McRory to address the meeting.

Mr. McRory:—"Mr. Chairman, Ladies and Gentlemen,—I don't know whether I can measure up to the standard which has been placed against me by the Chairman, but if I should not, if I should fail in any particular, I should like you to get the understanding from me right now, that it is not because there was not an earnest effort behind that duty.

I was much struck in listening to the discussion, and if you will permit me just for a moment or two, I should like to make one or two references to the discussion which has gone before in connection with other Departments. I would like to deny the accusation which was made here yesterday, that farmers are not business men. I believe that one particular speaker who stood at the back of the hall, made a distinct line between farmers and business men. Now as I happen to have been both in the days gone by, in the ordinary term, I would like to call that gentleman's attention to the fact that I believe every farmer can be just as much a business man as the ordinary trader who is usually called a business man. I noticed also in the discussion yesterday that particular emphasis was laid on the fact that we represented the dollar and cents institution. I would just like to say here, and with the kindest spirit, that while we are undoubtedly a financial institution, if we had no more incentive than dollars and cents, we would not get very far in our work.

These are things, possibly, which you have weighed in your own minds as the discussion went on but I feel that we have not covered the situation as I personally would like to see it covered, unless we could emphasize one or two points in the way the discussion appealed to the listener.

Another point which we emphasized was that the service which was rendered to the people of the prairie provinces was confined almost to the shareholders of that commercial organization. I want to tell you, gentlemen, and I believe you will agree with me, that when you arrive in the Stock Yards with a carload of stock from farmers in the country, that we do not question you as to whether you are a shareholder or not but we give the best that is in us for the purpose of solving that particular problem for you—the proper marketing of the stock.

In taking you this afternoon on an imaginary journey from your local point down the line of railway to one of the markets at which we are represented as a Live Stock Department, I would like to go into all the details in connection with the movement of stock, and therefore I believe that those few gentlemen whom I see before me who have had this actual experience will bear with me in that part of this talk. It is for the purpose of giving you absolutely full information relative to the movement that I do this, and it is to a great extent the difficulties which are encountered by the agent of the Shipping Association which either make or break the Association. He will bring back to his Association the problems which have confronted him and if they seem insurmountable, he will go back to the old system. While we encounter all kinds of difficulties in connection with the movement of stock, did you ever stop and consider that we are trying to revolutionize to the very heart of this industry. It has been established so long that the men engaged in the business of buying have an idea that that particular game is theirs and theirs alone, and consequently they are not at all backward in placing some stumbling block in your way when they see a development such as the Live Stock Shipping Association.

I would like to start where Mr. Molyneaux left off and explain the movement as fully as my capabilities will allow. I would like, when finished, for you to enter into discussion. We have not the idea that we know it, all and consequently want to better our service. We want full, fair, honest criticism based on the results of our efforts as you see it at the local point. I was much struck when going out on the membership drive of the U. F. A., with this fact, that while I had been working for some time on this particular work; I had not received until that time the farmers' point of view entirely, and the only way which I got it was by going out after the meetings to the farm and remaining for the night and having a good, general talk after the meeting, and therefore I wish very much that you would enter into the discussion with a whole heart, provided you are in any way interested, and I take it, as far as the Northern part of the Province is concerned, it should be a vital question with you.

The shipping day which has been appointed by the vote of your meeting at the formation of your Shipping Association at last comes around and your Shipping Agent who has been appointed and who has agreed to take the first shipment through, is at the Stock Yards at your local point ready to receive the stuff. We will take, for instance, that it is a mixed cargo, because that will explain both phases of the business without repetition. Along comes one of the farmers in that district and he has a number of hogs in a waggon which he is going to ship co-operatively. He goes to the scale—and if it is possible, I would advise most strongly, based on past experience of most Associations, that those hogs are unloaded and weighed on the hoof. If this procedure is followed, some of your difficulties will be overcome and you will not be weighing "rocks" and "butter" and "men," etc. There are two systems in which hogs can be handled at the local point. The one which we recommend is that the grade shall be agreed upon between the shipping agent and the owner. The other is the marking of every individual hog in that shipment with a particular brand which identifies it with the owner. This simplifies the machinery at both ends and consequently makes the work that much easier to accomplish, by marking the cuts only and taking everything that can be rightly called a Select hog and putting it into the cargo. Some Associations will not agree with me and will lay emphasis on the fact that all do not haul hogs the same distance and will think some hogs are shrunken more than others. The way to overcome this is based on fairness, and in co-operative effort we cannot get any place unless we will agree to be fair with one another. For instance, John Jones has one or two off-grade hogs, such as a smooth sow and a stag, and his mark would be placed well up on the shoulder; that identifies those cutouts if for any reason they

should go through as Select. That weight can easily be added to John Jones' Select weight. After you have thrown these hogs into the corral, next comes three or four head of cattle belonging to Robert Brown, and he or the shipping agent does not need to weigh these cattle unless they wish to for information's sake, because please bear in mind that when they reach the markets here, they are handled in two different ways; that is, the hogs are sold on the off car weight and the cattle are sold on the fed and watered basis. Consequently the weighing of the cattle at the local point is not absolutely necessary but it should be recommended on account of confidence. Confidence is the watchword and keynote of the whole co-operative shipping game. If you have not confidence in the men who take your stuff from the local point and if you have not confidence in the men who represent you at the central markets, we cannot work out our problem. These cattle belonging to Robert Brown are brought to the scales or some place near, after they have been weighed possibly, and the identification marks are placed on them. The mark which we recommend and which is placed on the animal with the ordinary shear or clipper, is simply a Roman numeral placed on the animal. When the stuff reaches the central market, we know that an animal with such and such a mark belongs to such and such a man and the ownership is absolutely placed where it should be. After a certain length of time is spent in working at the local point, we have our load together. The hogs are corralled at one end of the car, with a bulkhead, and the cattle in the other. Possibly a recommendation as to the weight which should be placed in the car might not be amiss. Just at this particular season of the year, it is not advisable to overload your car on account of extra shrink which you will experience if you do so, and we recommend from sixty-five to seventy hogs as being a sufficient large car, or from twenty to twenty-four head of cattle, according to the size, with greater numbers for the younger cattle. 16,000 lbs. is a minimum car of hogs, and 20,000 lbs. is the minimum cattle car. That is what you have to pay on irrespective of weight. You are leaving possibly for Edmonton, or possibly for Calgary or Winnipeg. We have staffs on the three Western markets, and it is our intention, if other markets are established, to be represented, but at the present time there are only the three markets in Western Canada, and we have offices in all three. As you go along, of course you meet with certain difficulties, that is, as to getting water to these animals at the proper time, and we would recommend, if you have any difficulties like that, that you stand up for your rights with the station agent. We know that the passing of a small tip to the railway men occasionally facilitates the handling of live stock, but we do not in any way recommend that you follow this practice as a general rule; in fact, as a Company we have handled a great number of cars and to my knowledge at least, we have not done this. I do not O.K. any expenditure of that kind, but possibly if you were in a corner, you would know the best way to handle the situation yourself. Feeding in transit should of course take place, providing your haul is over one hundred miles, in order to reduce the shrink as much as possible, and when I speak of shrink, I am speaking of the hog end of the business entirely. Cattle do not, as a rule, travel or roll better when they are full. It is wise to keep them empty en route. Hogs are different, however. After a certain length of time has elapsed, you can reasonably expect to reach the yards, and after shunting, you are placed before the unloading chutes, and right here I might say, for your information, that if you have not gone through this, you can be reasonably sure that your stuff will be taken care of from then on. As being the people to whom this stuff would be consigned, we have not the right to touch it until after it crosses the scale in the Stock Yards and weight has been established; then, if we have received previous notification from you as shippers, your pen allotment will be made and the order will be left in the Stock Yards office to have a carload of stock say from Wetaskiwin unloaded if it is cattle in pen No.-----, and if it is hogs, in shed No.-----, so that when you reach the

market, unless you are particularly interested in seeing what your shrink will be right at that time, you could walk away and come back later and rest assured that in the meantime your stock would receive all the attention which is necessary.

You possibly would be interested in the sale of the animals, if it is cattle, because it does not take long to sell a string of hogs.

I would like to interrupt here and give you one or two significant statements relative to the amount of stuff which it has been possible for the farmers' company to handle at least on one market in Western Canada. I refer to the Alberta Stock Yards. In the month of June we handled in Calgary alone more live stock than our next three competitors on that market. I could mention the names of the commission firms but I do not deem it advisable. I simply give you that information for what it is worth. We had more than the combined handlings of three other firms on that yard and we did not pick out what we call the tail-end of it. We have handled off and on for several months now over 60% of the hogs of the total handling of the yard, cutting out, of course, through billed stuff which is going to the Eastern markets and should not be included in the amount which is handled on that yard. I would like to say this, however, that if we had not made this progress, because it has been some progress, for as Mr. Baker fully pointed out to you, when we first opened on the yards at Calgary, we were somewhat of a laughing stock, but conditions are changing down there and while it is a matter of possibly considerable satisfaction to us, we must bear this point in mind, that it is not we as individuals who have been able to accomplish it. It has been through the support and co-operation of all the Province of Alberta, at least the agricultural part of it, and while we accept office, such as it is, in connection with their Associations, etc., when the offer was made here last Spring to place myself in the Office of President of the Calgary Live Stock Exchange, I turned down that honor, because honor it is if you take into consideration the fight which we have had with these people in years gone by, I turned that down because I would not have a vote in the farmers' interests if I had held the executive chair. I should say that we should be heartily ashamed of ourselves if we had not made this progress, because if we had not all the support, we have had pretty good support from the people we have weaned over to the co-operative marketing of live stock. Some people may say "this does not get you any particular place, you must have an outlet for this; you must have a packing plant of your own." We quite agree that we should have, but I submit that this is not the opportune time for development along that line. We must take into consideration that if we go into a line of endeavor, we must go into it with sufficient financial backing to insure its success, and while we might be able with the help and assistance of the people of the country, to gather together a few millions of money in order to build and equip packing plants, I would just like to call your attention to the fact that then we have only barely started. We would have a fight on our hands, and I believe you will agree with me that it would be some fight, when you take into consideration the hundreds of millions of dollars behind the packing interests. While we must ultimately get into this game, this is hardly the proper time for that.

To go back to the actual sale of stock on the yards—some people have asked me, on going to the Stock Yards first, where is the sales ring? We have no such institution as that. The selling and buying is all done by private treaty. We work under certain rules of trading which must be followed by every person who has anything to do with the yard, and I believe you will agree with me that that is important. There should be some definite line of action. Consequently we have to trade in a certain way. When we call a buyer into a pen to bid on cattle or he calls to you to go into a certain pen to bid on cattle, that is a closed area to every other buyer until we or the buyer step out. If we get together, each man's stock is taken to the

scale and is weighed to his order and the settlement which leaves our office is made out to him as an individual, if so desired, and the cheque for the transaction is given to him personally and not to the Manager of your Association. We have built up this system not because we think it is the best possible, but it is the best that we know of up to the present time, taking into consideration how we have fallen down in times gone by. Until such time as we receive information, instruction and advice from other people as to how we can better this service, I am afraid we shall have to continue along the same lines. When the settlement reaches the local point, the transaction is complete, and while there may be some reason why Bill Jones, for instance, should consider that his cattle did not bring just what they should bring, we would like to impress this fact upon you, that the price is not placed on them without going very carefully in to the qualities that that particular animal possesses. There is no guess work about it and you cannot very well fool anybody, even if you had that idea, and I can assure you that we have no such idea, and do not wish to put anything over. If we can get for you every cent that that particular animal is worth, what more do you want, what more can you expect, and I believe you will agree with me that there should be experienced representatives on those yards that will get you that. I might just say in passing that we have trouble from time to time to hold our men on account of the fact that other firms realize that these men possess selling qualifications that would go pretty well with their business and consequently some very advantageous offers are made to these men to desert the farmers' company and go elsewhere, but we have not had many desertions lately because we feel that there is a chance for development in the work, such as no other commercial organization could expect, and we have an ideal behind our work which I do not believe that a man who is figuring just how much or how little he is going to get out of it, can get.

I was much struck with the fact that Mr. McIntosh, the President of the Fair, and consequently a gentleman who no doubt takes particular interest in affairs of Provincial importance, in mentioning lines of activity among the farmers, very kindly placed Live Stock first of all, and I believe Mr. McIntosh realizes, along with a great many more of us, that this, on account of the unevenness of our soil here in certain parts of Alberta, on account of the brush and also on account of the exceptional quality which our grasses boast in the way of producing fat, that he realizes with us that the live stock has a very important place in the history of this Province and that as time goes on, it will be recognized more and more as being something well worth while.

I do not believe, gentlemen, that I have anything further to say to you this afternoon. I have tried to show you in a very brief way just how the stuff is handled on the yards. If there is any question which appears to be of importance relative to the movement or relative to the live stock industry as a whole, if my capabilities will allow, I shall be only too pleased to answer the question. There are so many things that we might say relative to this work that it is an absolute impossibility to get it all at one gathering, and while I have addressed a few of my hearers of this afternoon before, I believe that this is the first time that I have faced most of you in a public gathering. I would like you to carry away with you this afternoon, insofar as it is possible, that the Department of which I happen to be a part, is ready at all times to give you what assistance it can, that is, in the formation of a Shipping Association, and in the movement of your stock. I would like to say this, that certain calls are sometimes made on the Department that it is absolutely impossible to carry out. That is, somebody at Coutts, for instance, sends you notice on Wednesday that you have promised somebody North of Edmonton that you will be there on the same evening and there is some distance between the two points and flying machines are not as common as possibly they will be in times to come.

Therefore, I would like you to bear with us, if you have certain arrangements made for a meeting and you send us word that you would like a representative of this Department there, if we find it necessary on account of other work to turn down your invitation to be with you. Surely you will get this point, that if it were possible, we would be there in the interests of the work in which we are particularly interested, and that we are ready to do absolutely everything that we can to assist you in this work.

I would like to close by asking you this series of questions:—

1. Have you any suggestions for the improvement of the service which we are trying to build up for you?
2. Have you any particular criticism to offer as to the way that your business has been handled by this Department in the past?
3. Have you any question to ask now while we are here facing you this afternoon, relative to the live stock situation as a whole?

I believe that this Convention has been most attentive to the business in hand in the two days and now that it is drawing to a close, it is doubly gratifying that a discussion of the live stock situation would hold as many of you together here this afternoon as it has. I miss some faces that I expected to see but possibly they had more pressing business elsewhere, and it is, after the strenuous discussions of the previous day, gratifying to the members of the Live Stock Department that we have been able to hold you here in spite of the other attractions elsewhere.

I wish to thank you for the hearing which you have given me and trust that I have in some way laid before you some information which you did not previously have."

Mr. Molyneaux, in the Chair, then told the Convention that Mr. McRory would be glad to answer any questions in connection with the Live Stock Department.

Mr. Moan of Wetaskiwin:—"Mr. McRory has emphasized the fact that the Grain Growers' salesmen are out to get the full worth of the stock on the market. I doubt very much if any of our salesmen can get the worth of a heavy hog, for instance. What I refer to is the big cut which has been put on hogs. This is a very interesting question to the farmers of this country. I would like to know if there is any justification for it. Farmers think it is a hold-up."

Mr. McRory:—"I believe there was a resolution formulated by this Convention, Mr. Moan, of which you have no knowledge, emphasizing the absolute unfairness of the cut which went into effect on the 8th inst. which answers the thing you have in mind. I think, Mr. Moan, that you were not present when this matter was discussed. I hold no brief for the packing industry of Canada. I hope that I am representing and carrying out your wishes in regard to all matters pertaining to yard management, and I want to tell you right now the way this cut was put into effect. The Board of Directors of the Calgary Live Stock Exchange were called together for another purpose last week, and were informed by representatives of the packers that this cut would go into effect immediately. There was no argument for or against because we stood handcuffed and had no chance to dispute what sort of a cut they would put on the stuff, and consequently we were forced to wait until we could get into some body with some power behind it in order to express our absolute dissatisfaction with the cut put on by the packers."

Mr. C. B. Wood of Manville then asked what cut Mr. Moan was referring to.

Mr. McRory replied that he could find fault with it all, but that the cut in effect now was exceptionally severe on the heavies of over 310 lbs. and on the sows both rough and smooth. That is the particular thing we are objecting to.

Mr. Baker resumed the Chair at this point.

Mr. Baker stated that if it would strengthen their hands for Mr. McRory to co-operate with the U. F. A. Secretary in connection with this matter, the Convention authorized this co-operation.

Mr. McRory replied that he felt very keenly on this situation that he could not keep away from this Committee in any case.

Mr. Baker then asked the Convention for an expression of willingness for Mr. McRory to co-operate with the Committee appointed and upon being voted upon, was carried.

Mr. Johnstone of Irma then stated that he would like to ask a question. We said they were rather peculiarly situated there, that they have pretty good live stock buyers and when they get hard up they can go to these men and get advances in money and deliver the stock later. He wished to know whether it would be advisable for their Local to appoint a Committee to try and make an arrangement with the local live stock buyer to have him handle their live stock for a certain commission, as they do not like to turn him down. At the same time, he stated, they wished to do the fair thing with the U. G. G. He said it had been a hard matter to handle, that he had tried to introduce the live stock question at every meeting but found it hard to do so on this account, that they did not wish to turn down the local man.

Mr. Molyneaux:—"In reply to that, I believe you will find that the system has been in effect throughout this district and especially East of Edmonton, for a long while, that the packers during certain times of the year have sent their agents out to the farmers and contracted all the available stuff for delivery at a certain time, and this has proven to the men who contracted that they always got away below the market price. There was a little scheme in this, as a few packers could easily combine to have all this stock delivered at a certain time. In their contract it stated that if the market raised over this certain price they would receive that raise, but naturally they having control of the market and rushing your stock in, in a couple of days the market lowered. If you can take your local stock buyer and make him the Manager of your Co-Operative Shipping Association so that you dictate to him absolutely as to how he is to handle your live stock, you are all right, but do not get on the fence where you are guessing what he is doing, or you will find yourself in just as bad a fix."

Mr. Johnstone replied that they did not make a contract with him but could get money in advance on the stock before it was delivered.

Mr. Molyneaux replied that he thought this should be worked through the U. F. A. Local, that they should go to the bank for the money where they knew what percentage of interest they would be obliged to pay, and they could then sell the stock wherever they liked, whereas if they got the money from this man, they would be obliged to sell to him, while this man got his money from the bank on the strength of the contracts which he held on their cattle.

Mr. Molyneaux stated further, with regard to getting Co-Operative Trading Associations on a going basis, that they had experimented and decided that it was necessary to have money if they wanted to continue in business. He said that at one point last year in nine months they did

\$105,000 worth of business on about \$500 capital but the President and Secretary had to take the risk. He stated that he had been informed by their stock salesman that that Association now has over \$15,000 subscribed capital, in two months' time, and that they expected to get another \$5,000 shortly. He emphasized the fact that the first thing necessary was to get the money and that a farmer should be interested because he is a U. F. A. member. He also urged all Associations to have a good system of book-keeping, advising them that the U. G. G. Accountant in Calgary was at the present time trying to standardize a system of bookkeeping for the whole Province, and asked for suggestions from Local Managers as to systems of bookkeeping which would be simple and easy to keep. He said that if the scheme went through for some central organization, there would no doubt be a travelling auditor on the road who would be able to give the Local Managers assistance on the books.

One of the delegates then asked the Chairman for information as to how to start a co-operative store to handle groceries, etc.

Mr. Baker suggested to him that he meet Mr. Molyneaux after the meeting, and made the further suggestion that the first necessity was to have a good man in view who could act as Manager, and was assured by the delegate that such was already the case.

VOTE OF THANKS

Mr. Baker:—"We are here at the courtesy of the Church and the expense of the City, and I think it is up to us to express our hearty appreciation of their courtesy in allowing us to use the room, and our thanks to the city for financing it, and I would like a resolution from the Convention to this effect."

It was moved by Mr. Messinger of Sedgewick and seconded by Mr. Allan of Edgerton that this be done. Carried unanimously.

RESOLUTION

Mr. Morrison of Cummings then stated that the Committee were ready to report on the resolution in connection with drought in the South, and the Secretary of the U. F. A. was then called upon to read the resolution in question as follows:—

"1. This Convention of secretaries of local associations of the United Farmers of Alberta learns with serious concern the situation caused among the farmers in some parts of the Province by the prevailing drought.

2. We respectfully urge that local associations in the more favored portions of the Province extend their hearty co-operation to federal and provincial authorities in any efforts put forth to relieve the situation and suggest that our Locals in these districts can render valuable assistance by immediately securing information regarding available supplies of fodder in their district.

3. We further express the hope that plans may be devised whereby farmers in need of fodder may secure the surplus existing in other parts of the Province without the intervention of those who would seek to make exorbitant profits out of the situation.

4. And that copies of this resolution be sent to the federal and provincial governments and to U. F. A. Locals throughout the Province."

The Chairman then stated that the resolution was open for discussion, and that he understood that the Dominion Government were working on the problem of seed grain for next year, and that in conference with some men on this matter, they said they did not believe it would be possible to hold in Alberta any of the 1917 crop for seed for 1919. The Chairman stated further that he understood there was already a movement on foot to secure seed for 1919, which was also applicable to Saskatchewan, and that if this resolution was to be sent to the authorities, provision re the seed grain proposition should be included in the resolution.

Mr. Higginbotham stated that he understood this was to be taken up with the Government by the Canadian Council of Agriculture.

Mr. Baker said he thought it should also be taken up by the U. F. A. and further remarked that wheat was needed for other things so badly that it could not be saved for seed grain, but that he hoped somehow or another there would be enough in the 1918 crop for seed.

Mr. McPherson of Ryley then asked why did not the farmers insist on the Government holding enough seed in this district to get ready for next Spring.

Mr. Baker replied that this brought up the question of scarcity of help on the farms and that it was a regrettable fact that in some districts farmers were discontinuing their farming operations, being due to the fact that they were at any time liable to be called to the colors.

A general discussion then took place regarding securing the help on the farms through the Government, and the Chairman advised the Convention to get in touch with the Department of Agriculture, through Mr. Craig, on this question, and he was sure they would secure the necessary assistance.

Mr. Morrison of Cummings then moved that a separate resolution in connection with seed grain be drafted, the following resolution in this connection being submitted by Mr. Higginbotham:—

RESOLUTION

"This Convention requests the Government to take steps to insure that sufficient good seed grain from the 1918 crop be held in the Province to provide seed for the 1919 crop."

On being put to a vote both the resolution re seed grain and that in connection with drought and feed conditions, were carried unanimously.

Mr. Baker then asked the meeting whether they had any other business they wished to discuss.

Mr. Messinger of Sedgewick then suggested that a recommendation be included in the resolution, asking the Executive to take some steps re handling seed grain as they did in 1914 when there was a drought. This suggestion was afterwards withdrawn by Mr. Messinger.

Mr. Higginbotham then addressed the meeting in connection with plans for the next Convention and stated that he would like to have the views of the meeting re holding future Secretaries' Conventions. He said that the suggestion had been made to hold the Secretaries' Convention immediately after the U. F. A. Annual Meeting, but that he considered there were objections to this, and that he thought, on the whole, this was the best time of year to hold it, on account of special Exhibition railway rates.

VOTE OF THANKS

Mr. Messinger of Sedgewick then addressed the meeting and asked the Secretaries present to express their appreciation to United Grain Growers, Ltd., not only for their financial assistance in holding the Convention, but for the presence of their representatives at the meeting. He said he would like to couple with that the thanks of the U. F. A. Secretaries to the Provincial Secretary for the very efficient program that he had supplied for them, and also to the Chairman for his most fair conduct of this gathering, and he asked that instead of putting it to a vote, that they show their appreciation by applauding. Applause.

Mr. Baker thanked the Convention for the sentiments expressed and said that any mistake he had made had been of the head and not the heart.

Mr. Brearley, as a representative of United Grain Growers, thanked the Convention for the hearing given to all members of United Grain Growers who have addressed the meeting. He said it had been a great pleasure for him to be in a position to get their viewpoint, as it was only by getting out and meeting the men on the farms personally that they in the office could hope to get anywhere at all.

Mr. Gregoire of Eye Hill stated that he thought all the Secretaries should hold a joint meeting instead of the present system of holding two Conventions.

Mr. Higginbotham replied that the present method of holding two Conventions, had been particularly desirable to the men from the North country, partly because of additional expense which would be incurred were only one meeting held, and partly because of the great distance which some of the men North of Edmonton had to come, and the extra time which it would take. He also stated that he considered it easier for all the men to give an expression of their opinion at a smaller Convention.

He stated that as Provincial Secretary he appreciated having had the opportunity of meeting so many of the men who had given their time to come to the Convention, and that he hoped it would be the means of the U. F. A. being able to give efficient service to its members.

One of the delegates then said that he wished Miss Spiller, the Secretary of the U. F. W. A., be included in the expression of appreciation from the Convention, this being heartily applauded.

Miss Spiller replied that she was glad to have had an opportunity of being there and meeting the Secretaries and ladies who had attended the meeting.

The Convention was then declared formally adjourned, by the Chairman.