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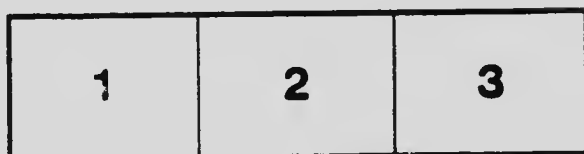
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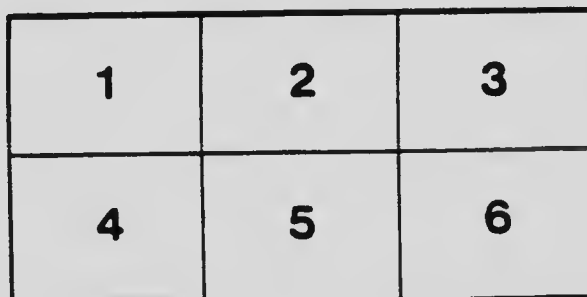
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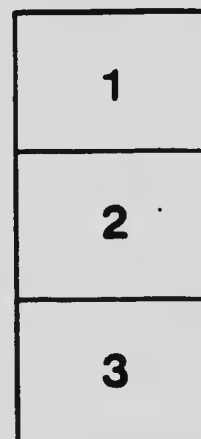
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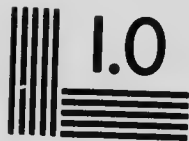
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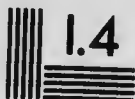
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THE LOCAL BOARD

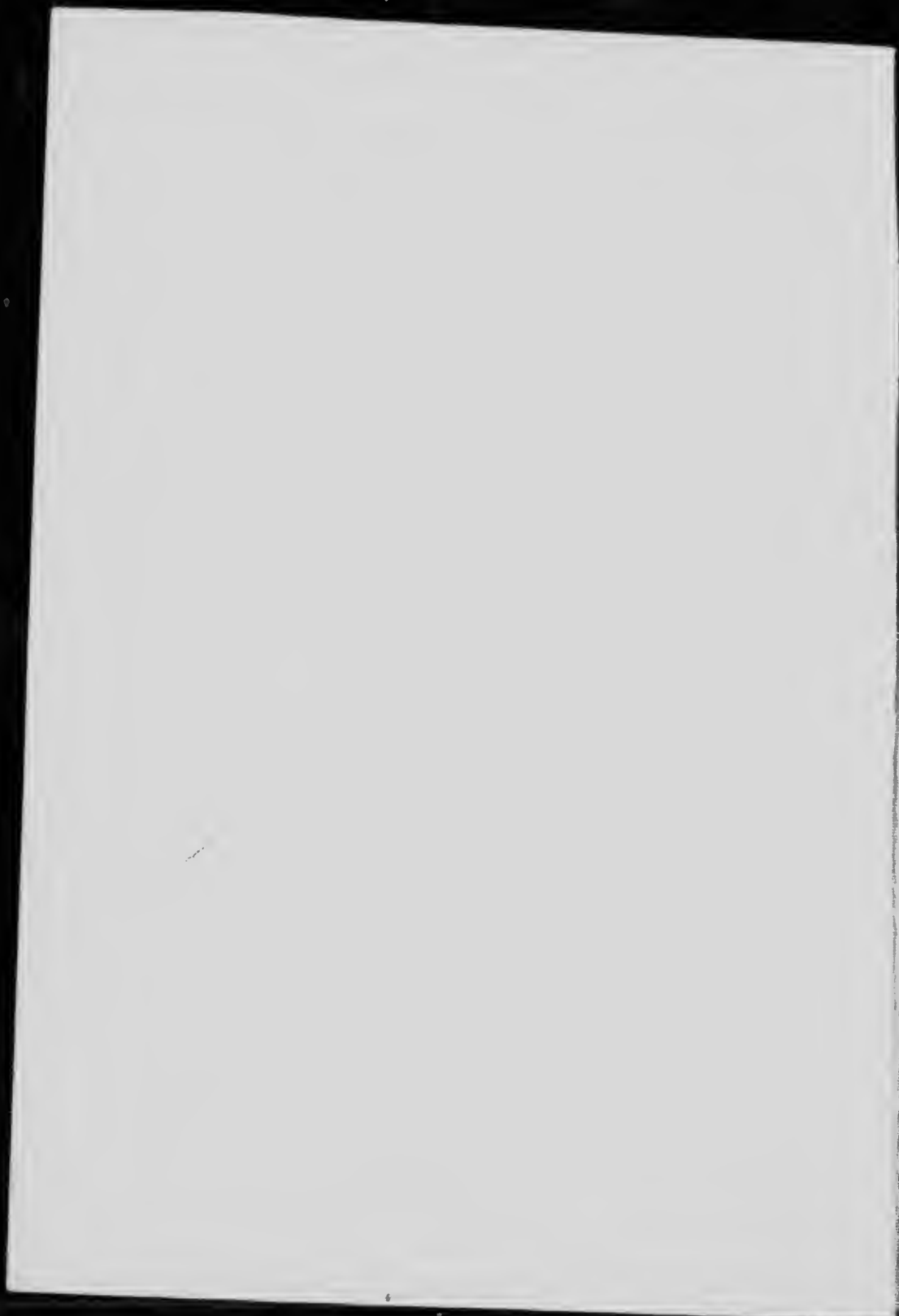
Its Functions and Influence



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THE LOCAL BOARD

Its Functions and Influence



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THE LOCAL BOARD

Its Functions and Influence

WHEN the farmer shareholders of The Grain Growers' Grain Co. Ltd. and of the Alberta Farmers' Co-operative Elevator Co. Ltd. resolved in 1917 to join forces and did so as the United Grain Growers Ltd., the Charter of The Grain Growers' Grain Co. was amended so as to permit the organization of locals in accordance with the scheme established under the Charter of the Alberta Farmers' Co-operative Elevator Co. Ltd., and the by-laws of the United Grain Growers Ltd. were so drafted that the shareholders should be divided territorially into Locals, the minimum number of shareholders in each Local being 40, representing a holding of at least 267 shares.

There were two thoroughly sound reasons behind this provision. The first one was that as the Charter limited the holding of each shareholder to no more than 100 shares, the number of shareholders would be more than could be accommodated in any one building at a general meeting of the Company, should the majority of them attend. By the appointment of Locals this difficulty was overcome, as each Local was empowered to appoint one or two delegates in proportion to members, to attend

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at the Company's expense all general meetings of the Company. This relieved shareholders of the burden of expense in attending meetings; it still allowed each shareholder to be represented and confined the meetings to a size capable of conducting the affairs of the Company in a businesslike manner.

The second, and what is probably the more important, reason for the formation of the Local was the enormous importance of the fundamental principle upon which this farmers' Company is founded, viz., that the interests of the farmer demand that the shareholders shall co-operate one with another and with the management of the Company in developing, improving and carrying on the business of the Company. This has been repeated so often and in so many ways that some may regard it as a platitude. All great truths, however, are almost platitudes, but this does not detract from their greatness nor their truthfulness.

There is no doubt that some farmers look upon the Company as a purely commercial concern which is doing business for profit which goes in dividends to the farmer shareholders. In doing business with the Company they look on each transaction entirely through the eyes of their own immediate personal requirements. If they have grain to sell, it is a matter of price; if they want to buy twine, it is again a matter of quality and price. They never stop to look deeper into the question of why the price they get is what it is, nor why they are able to get goods of such and such a quality at such and such a price.

They never pause to consider why the spread between track and street prices of grain is several cents per bushel narrower than it was not so many years ago, nor why the price of twine is several cents per pound cheaper in the Western Provinces than in Quebec. They probably put both differences down to the law of supply and demand, but they overlook the fact that it was this Company's competitive demand for street grain and the Company's competitive supply of twine that secured these results in each case.

The same fact holds good with all commodities which the Company handles and is capable of easy demonstration and proof.

The competition which the Company provides is therefore of the most vital importance to the farmer and no opportunity should be lost in strengthening the Company's power and influence. In this respect the Local can play an important part and this has been clearly provided for in the by-laws. By-law No. 16 provides that the members of the Local shall appoint a Local Board of five members and that the functions of this Local Board shall be as set forth in By-law No. 17, Section 2.

It shall be the duty of the Local Board:—

- (a) To keep in close touch with local conditions and to assist in the development of the business of the Company at such Local points.

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(b) To supply to the Board of Directors from time to time any information the said Board may desire regarding the development of the Company's business at that point.

(c) To recommend to the management of the Company from time to time any line of action that they deem best calculated to promote the best interests of the Company.

(d) Whenever requested by the President or Management of the Company to act as arbitrators in any dispute between any shareholder or customer of the Company and the Company.

The powers which have been vested in the Local Board are very real and very important and it is clearly indicated that the Management should co-operate with the Board in the development of the Company's business and interests and in settling disputes between customers and the Company. It is also clearly indicated, however, that the Board in turn shall actively co-operate with the Management with regard to these matters. If the Board therefore is to be a body alive to its own best interests and to the best interests of its members, the community and the Company, it is abundantly evident that it should show a broad intelligent and active concern in the general activities of the Company and a close practical and personal interest in the Company's operations at the point to which the Board is allied.

There are always local conditions regarding which the Management may have no knowledge. There are many ways in which the farmer can utilize the services of the Company's service of which he is quite unaware, but of which he could and should take advantage, either individually or collectively. There may be disabilities under which he labors and abuses to which he is subject, the remedy for which might easily be effected by the Company.

In short, the Local Board which represents the shareholders, and indirectly every farmer in its district, should represent in fact as well as in name. Otherwise the Directors of the Company may not be in the best position to direct, nor the Management to conduct the affairs of the Company in the best interests of all concerned, and most important of all, the farmer may fail to reap the full benefits of the organization which he and his fellows have helped to build up.

Turning directly to the broadly specified scope of the activities of the Local Board as laid down in By-law No. 17 previously referred to, these, as will be seen, are classified under four heads. The first deals with:

(a) **LOCAL CONDITIONS AND THE COMPANY'S BUSINESS**

The Company's business has two aspects, viz., buying or handling the farmers' produce, be it grain or stock, and selling the farmer the farm supplies that he needs. Both of these services are provided at the minimum margin of profit sufficient to pay a reasonable return to the share-

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holders, having regard at the same time to the protection of the capital invested.

There is not the slightest doubt that during the last dozen years the great improvement in the conditions and the remedy of abuses in marketing the farmers' grain is largely, if not entirely, due to the efforts of the farmers' organizations.

It is of the most vital importance therefore that the grain business of the Company should command the united support of the farmers. Not only should the services of the Company's elevators be used by those who desire to use elevator facilities, but in all grain shipments by the farmer, as far as possible, a preference should be shown in favor of their Company. It is not to be expected that every farmer will ship to the Company; there are often good reasons for shipping through some other avenue, reasons which are to be respected, but there are many farmers whose reasons are founded on wrong ideas altogether. It may be some misconception or fancied grievance, or pure ignorance of what the Company stands for. **The Local Board should have no difficulty in learning of these reasons and if they cannot, or prefer not to deal with them, the Management can be advised and they can deal with the matter.**

A similar improvement in the conditions of handling livestock is developing, due to the competition afforded by the Company. The co-operative plan adopted by the Company enables any farmer to ship direct to the stock yards and to obtain for his stock the true market price

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and weights for his own animals in a real competitive market. He is no longer at the mercy of drovers and local butchers, who, in the absence of competition, were usually able to buy at their own price, especially for off-grade stock. **Some person, however, has to take the initiative in arranging for such co-operative shipments, and whether the Company has a local agent or not, the Local Board can give material assistance and support.**

When it comes to selling implements, machinery, lumber and builders' supplies, coal, flour, binder twine, apples, etc., the competition provided by the Company is again the pace maker. The policy of the Company is to provide the best value in each article in quality and price, and they stand by their goods. An unqualified guarantee is given. Every line of goods must give satisfaction to the customer or the goods may be returned and the money refunded. If the quality were not there this would be a most costly guarantee for the Company.

If much business is being done by our competitors which might go to the Company, the Local Board should be able to know the reason for this and would be in a position either to deal with it or notify the Management and suggest a remedy, so that they can take the matter up.

Farmers have often expressed surprise and even disappointment that the Company was not paying more for wheat than the other fellow, or that the Company's price for, say, binder twine was as high as the other fellow's. They expected the Company to pay more or sell at less

all the time. The truth of the matter was, as they should have recognized, that the other fellows had to pay as much for grain as the Company and to ask as low a price as the Company for binder twine, or the other fellows would have bought no grain and sold no twine.

There is of course a limit beyond which competitive cutting of prices dare not be carried. There must be a reasonably safe percentage of profit under the selling price or over the cost price, or there can be but one result—bankruptcy. The greatest care is taken to ensure that the percentage charged by the Company is as small as possible consistent with safety, and the result is that the other fellow has to toe the same line or he gets no business. **In clearing away or assisting to clear away this and other misconceptions, the Local Board can render a useful service.**

At points at which the Company operates an elevator the Local Board appears to fulfil its most important functions. Most farmers maintain that from both the Company's and the farmers' standpoints it is most desirable that the elevator should be kept open all the year round. There is not infrequently grain to be hauled which could be hauled early in the season. There are supplies to be procured which could not be arranged for during the winter. The Company quite realize the great advantage in many ways in having the elevator open all the year round with a good man in charge all the time, and are looking forward to the time when it may be possible to adopt this policy at all points.

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There is, however, no royal road to this achievement. The Management cannot overlook the fact that the Company's business must be conducted on a business basis; they are trustees of the shareholders' capital, which they dare not knowingly imperil. They must pay due regard to expenses in all matters, and they should not be asked to keep an elevator open to be operated at a loss on the actual working expenses of that elevator. There should be at a point enough grain business and business in farm machinery and other supplies, the returns from which shall more than cover the operating expenses, before an elevator should remain open. The Management can only review each point on its own merits, and if the business done or in sight does not warrant the expense, they have little option but to close the elevator for the season.

Here is the Local Board's opportunity. Crop and other conditions may make the handling of the situation difficult and perhaps impossible, but the Board should get together and face it. In the interests of the entire farming community at the point, the position should be explained to each farmer, either personally or by letter, or at a meeting. If it is desired to keep the elevator open they have it very largely in their own hands to achieve this by doing sufficient business warrant it. The elevator agent is there to co-operate with the Board and the farmers, and can give or get full information on all lines of business handled by the Company. During the busy season, however, he cannot leave the elevator to go after business, but he is

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there for it and he should be given the opportunity to buy or handle any grain or livestock, or if any kind of supplies are wanted, enquiry should be made of him to ascertain if the Company handles them, if the customer has mislaid his catalogue. The Company will stand fair competition in all business submitted to it.

The Local Board's opinion regarding an agent is always given careful consideration. The Management would not favor an agent objected to by the Board, while they might have good reasons for not appointing the man recommended by the Board. The Management expect the Board, however, to take a close interest in this question and to be advised by the Board if any objection to any agent is formulated. There have been cases of objections on the part of a few farmers at a point against the agent. The Local Board is usually in the most favorable position to assess the importance of such objections and to advise the Management of their true value.

The Board can also assist materially in getting the new agent properly acquainted with the farmers of the district, and can advise him as to the general requirements of that district, thereby saving considerable time and trouble in getting the agent into close touch and working harmony with his customers. The agent is instructed to make himself known to and get acquainted with the members of the Local Board, to invite their assistance and to work in co-operation with them. The agent will not find it easy to do this **unless the Board meets him half way.** The

Local Board can also report any failure by the agent to follow these instructions.

(b) SUPPLYING INFORMATION TO THE DIRECTORS ON REQUEST

Herein lies one of the functions which the Local Board is best qualified to exercise. Handling the business of a huge organization extending over four provinces, and trading at hundreds of points, it is impossible for the Company to be fully cognizant of local conditions unless there is some authority to whom they can refer. The farmers do rely to a large extent, and it is right and proper that they should rely, on the Company being alive to all matters that concern the agricultural community. It sometimes does happen, however, that the Management feel the advisability of knowing more directly and at first hand the feeling of the farmer on certain points which come up before them in carrying on the business of the Company. Information might also be required on crop conditions during the growing and threshing season, or on stocks of grain in farmers' hands. The trading conditions, the number and standing of the various dealer and the nature of the competition might also be subjects of inquiry. **Enough has been said to indicate that the Local Board can play an important part in building up the Company's business by giving the Management such reliable information as they feel desirable.** No successful business man minimises the importance of first hand, accurate information.

**(c) RECOMMENDATIONS REGARDING
POLICY, ETC.**

The Local Board can, and should, take the initiative and without being asked should draw to the attention of the Management anything which they consider should require their consideration. Knowing local conditions and sentiment as they do, they are in a very favorable position to observe wherein the position of the Company is not so strong as it might be in their district, to know the causes of this, to estimate the prospects of support if encouraged substantially by the Company, to know of abuses and disabilities under which their farmers are working, and, in general, to have knowledge of many things which if changed or developed would add greatly to the well being, prosperity and development of the community. For instance, they might be able to show that the business of the Company at their point in coal, flour or machinery is not so large as it might be, and if a coal shed, flour house or machinery shed were erected, enough additional business could be done to justify the expenditure. The Management may or may not know something of this and may take steps to improve matters, **but the Local Board is not expected to wait, either by the Company or by their farmers, until invited to do so by the Company.**

(d) SETTLING DISPUTES

It sometimes happens that a farmer has, or thinks he has, cause for complaint against the Company in con-

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nection with some transaction. Attempts to adjust differences may be of no avail, or if the compromise is effected, his subsequent feelings may not be too cordial towards the Company. The Company is fully alive to the bad effect of unadjusted or half adjusted grievances. They have always been more than willing to make any settlement for which there appeared to be some reasonable basis.

The Company, however, cannot make settlements with the one object of pleasing the customer and keeping his good-will. The Company believes in giving every customer the squarest of square deals, but must in turn receive the same from the farmer. The latter, however, is handicapped in many cases by not knowing all the circumstances surrounding a case, and it is not always easy to make a statement or explanation by letter that would be satisfactory to him. Long years of abuse have made him not altogether trustful. He has a long and persistent memory and although the Company may be quite innocent and may have acted in perfectly good faith, the thing rankles. He gets over it slowly, sometimes infects his neighbors, and the Company's standing is not improved, while the service to the farmer is impaired. The Management is willing, is in fact anxious, that the **Local Board shall investigate all the particulars surrounding the complaint, and after the Board has had the opportunity of hearing both sides would appreciate the Board's advice on the merits of the whole question.** The services of the Board in settling disputes are recog-

nized by the Management to be of the highest importance and value.

There are other channels of activity which will doubtless suggest themselves according to the conditions existing at a local point, but enough has been said to show that unanimity is a motive and co-operation in action between the Local Board and the Company, the Association and the agricultural community can and will exert a powerful influence for the good of the great objects for which the Farmers' Organizations throughout the West are striving. The present powerful position of the Farmers' Companies is in large part due to the unselfish public spirited enthusiasm of the men who in the early days persisted against determined opposition in giving their time and thought to working for the benefit of their fellow farmers. The labors of the members of the Local Board are just as vital, not only by reason of the personal advantages which the development of the Company's business will furnish, but also by reason of the real betterment of the conditions under which the farming community in their district will share.



