

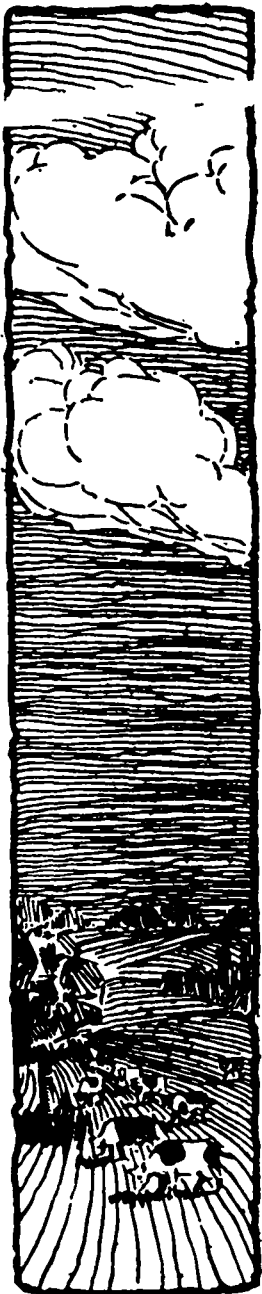
# The Manitoba Co-operator

A Magazine of Agricultural Co-operation, Formerly The Scoop Shovel

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## The Farmers' Rightful Place

"The feeling that man should live by providing goods for his neighbor not withholding goods, goes very deep: and I believe that it is spreading. But the condition of greater balance and justice we now seek, in a capitalistic structure hastily mended, can certainly not be obtained by arranging that everybody work under the profit system except the farmer. The farmer's instinct has always been to be decent and unbusiness-like, to provide to the uttermost, never to deny. This instinct, obeyed by millions of scattered individuals in a society seeking profits and setting prices on a scarcity basis, took our farmers up the long hill to the poor-house; and killed them as customers. Their death as consumers closed thousands of factories and helped to throw millions out of work. Now we are trying to give our farmers their rightful place in a more decent and balanced system, a system that will work democratically and make for neighborliness and a shared abundance."

Hon. Henry A. Wallace  
U.S. Secretary of Agriculture



Official Organ of MANITOBA CO-OPERATIVE CONFERENCE, LTD.

COMPRISING

Manitoba Pool Elevators  
Manitoba Co-operative Poultry Marketing Association  
Manitoba Co-operative Dairies

Winnipeg District Milk Producers Association  
Wawanesa Mutual Insurance Company  
Canadian Co-operative Wool Growers

Manitoba Co-operative Wholesale Society  
Manitoba Co-operative Livestock Producers  
The Co-operative Marketing Board  
Manitoba Vegetable Growers' Co-op.

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# NEWS and VIEWS

Interests taint our intelligence,  
our passions paralyze our reason.  
—Lord Beaconsfield.

The labor problem is how to  
keep the working people happy  
without paying them enough to  
live on.

—From a 15 year old girl's  
examination paper.

What is prosperity? Ninety-  
five per cent of the people spend-  
ing 100 per cent of their incomes.  
(Note—the 95 per cent takes in  
all the millionaires).

It is claimed in Argentina that  
the majority of farmers in that  
country can make money with  
wheat at the present price, that is,  
about 55 cents a bushel at the  
seaboard.

Shipments of livestock from  
Western to Eastern Canada in  
1934 up to October 18 included  
89,593 cattle; 4,478 calves, 51,134  
sheep, and 159,916 hogs. Com-  
pared with the corresponding  
period of 1933, these figures show  
increases of 24,906 cattle; 2,397  
calves, and 15,165 sheep; and a  
decrease of 77,253 hogs.

Till the triumph of labor be  
complete; till productive indus-  
try alone be opulent and till idle-  
ness alone be poor; till the admir-  
able maxim "he who sows shall  
reap" be solidly established; till  
the right of property shall be  
founded on principles of justice  
and not on those of slavery; till  
man shall be held more in honor  
than the clod he treads on or the  
machine he guides—there cannot  
and there ought not to be either  
peace on earth or goodwill among  
men.

—Thomas Hodgskin.  
Labor Defended, 1825

The purpose of the Canadian  
Farm Loan Act Amendment Act  
passed during the 1934 session of  
parliament is to extend the scope  
of the Loan Act so that increased  
credit facilities through the Can-  
adian Farm Loan Board may be  
placed at the disposal of the far-  
mer in order to enable him to  
carry on his business.

Canada exported nearly one  
hundred tons of frozen beef to  
Japan during the first six months  
of 1934 as a result of a movement  
which started early in the year.

It comes as natural to the pri-  
vate shopkeeper to abuse the "Co-  
op" as to the farmer to grumble  
against the weather. It is, how-  
ever, a curious commentary on  
the psychology of our capitalist  
civilization that the only existing  
part of our industrial system or-  
ganized to protect the consumer  
against exploitation can be repre-  
sented in the popular press as un-  
fair.

New Statesman and Nation.

Co-operation in Denmark made  
the farmers prosperous; profitable  
farming increased land values;  
high land values encouraged  
high mortgage loans, with  
the result that, as a Danish  
commission of inquiry has just  
reported, more than two-fifths of  
Danish farms carry an indebted-  
ness in excess of their actual ec-  
onomic value. There's an ag-  
rarian problem wrapped up in  
that situation, and it exists in  
every country.

## THE POOL LIBRARY

In a recent issue of the Co-op-  
erator I notice letters of apprecia-  
tion for the Pool library. I had  
understood that it had been dis-  
continued. I used to be one of  
your most enthusiastic users be-  
cause of the type of books you  
have. They are both entertaining  
and educational and also expens-  
ive which bars most of us from  
buying the better class of books.  
Do you still pay postage? If not,  
I am afraid I am still obliged to go  
without, but if all is as it used to  
be I would like the following  
books.

Mrs. C. B. Martin  
Nesbitt, Man.

\* \* \*

(Everything is as it used to be.  
Manitoba Co-operative Confer-  
ence conducts the library as the  
Wheat Pool did. The library ser-  
vice is available to any member  
of a co-operative affiliated with  
the Conference and any member  
of the old Wheat Pool.—Editor)

The British Co-operative Union  
has collected over \$25,000 in con-  
tributions for the aid of the vic-  
tims of the terrible mining disas-  
ter at Gresford Colliery, North  
Wales.

The total membership of the re-  
tail distributive co-operative soc-  
ieties in the British Isles at the  
end of 1933 was 6,917,138. These  
figures include 60,979 in Ireland  
and 785,472 in Scotland. In 1924  
the membership was 4,702,868.

This clear-cut division between  
consumers and producers is all  
wrong. There are not two races  
of men; one endowed with noth-  
ing but a set of jaws to consume,  
and the other with nothing but a  
pair of hands to produce. They  
are the same persons, now ap-  
pearing in one aspect, now in  
another.

—Rt. Hon. Walter Elliott.

The latest estimate of the Bur-  
eau of Statistics gives the grain  
crop of Manitoba as follows with  
1933 in brackets: wheat 36,000,-  
000 (32,500,000); oats 27,112,000  
(29,500,000); barley, 17,298,000  
(16,900,000); rye, 1,111,000 (575,-  
000); flax, 167,000 (110,000). The  
total wheat crop for the three  
prairie provinces is given as 263,-  
000,000 bushels as against 250,-  
841,000 last year.

In 1929, 504 persons in the Un-  
ited States possessed wealth  
amounting in the aggregate to 35  
billion dollars. Compare this with  
the total national wealth of Can-  
ada, 31 billion; Italy, 25 billion;  
Germany, 40 billion; France 60  
billion; Russia, 50 billion; Japan,  
50 billion. The total national  
wealth of every other country in  
the world with the exception of  
Great Britain and India, is less  
than the aggregate wealth of these  
504 multi-millionaires.

## OUR PUZZLE CORNER

Harry and Tom weighed them-  
selves once a year on the scales  
at the Co-operative oil station.  
Strange to say they both gained  
exactly 5 pounds each year. The  
other day their combined weight  
was 315 pounds, and Harry said:  
"Why, Tom, I weigh just twice  
as much as you did when I weigh-  
ed what you do now." What are  
their weights?

For Answer turn to page 31.

## FARM PRICES IN GERMANY

In a recent broadcast talk Herr Darre, the German Agricultural Minister, illustrated the advantages enjoyed by the German farmer in the home market. Herr Darre said:

Wheat in Liverpool costs 69 marks per ton, in Germany 199 marks.

Rye in Rotterdam costs 56 marks a ton, in Germany 159 marks.

Pork in Chicago costs 12 marks a zentner, in Germany 47 marks.

Butter in Copenhagen costs 78 marks a double zentner, in Germany 254 marks.

Bacon in Copenhagen costs 107 marks a double zentner, in Germany 184 marks.

Eggs in Copenhagen cost 3½ pfennigs each, in Germany 8 pfennigs each.

The cost of living generally in Germany, he added, has risen since August, 1933, by 4.1 per cent, and the cost of foodstuffs alone by 7½ per cent.

## LOANS TO HELP ARGENTINE FARMERS

The Argentine National Bank announces that it is prepared to make advances to farmers in order to enable them to construct granaries on the farms so as to avoid the necessity of dumping their wheat on the market as soon as it is harvested, with the consequent detrimental effect on prices. One of the most noticeable features of the countryside in this republic is the absence of buildings on the great majority of farms, which is a result of the land tenure system in vogue.

Loans are to be made available to tenant farmers with up to 125 acres of crop, of the equivalent of \$400 dollars (Canadian), for building portable granaries of specified capacity; those with 250 acres under crop, \$700; those with 500 acres, \$1100; and for land owners whose land is worked by tenants, loans not exceeding \$10,000 dollars will be available for the construction of granaries for the use of tenants who may not be in a position to contract a loan for themselves. All the loans will bear 5 per cent interest, and will be repayable in five annual instalments.

If advantage is taken of this scheme to any extent, it will help to prepare the way for the mod-

ernising of the Argentine grain handling methods by the installation of the national system of elevators which is being planned by a commission with the assistance of Canadian experts at the present time, and will facilitate the change from bags to bulk handling.

—Dom. Bureau of Statistics

## MORE POWER FOR NEW ZEALAND DAIRY BOARD

The report of the Commission appointed by the Government of New Zealand to investigate the position of the dairy industry contains far-reaching recommendations for re-organisation and control, with a view to alleviating the present critical price position and so re-establishing the industry on a sound basis. The Commission proposes the establishment of a re-constituted Dairy Produce Board with half its members appointed by the government, and possessing wider powers covering instruction, research, production, manufacture and marketing. The Dairy Board would be empowered to rationalise the local butter marketing and to effect economies but not to subsidize export or to exploit local consumers. The appointment of a permanent Commission of Agriculture to advise the government and co-ordinate the activities of the various produce boards is also recommended. With regard to finance the Commission proposes the early establishment of a rural mortgage corporation which would exchange existing mortgages for bonds bearing a state guarantee. Rates of interest on mortgages and bonds would be revised triennially. Action would also be taken to improve the quality of produce by modernizing equipment, and improving stock and factory methods.

It is further recommended that New Zealand should make an early approach to the British government so as to reach a preliminary understanding and provide a basis for future negotiations. In the event of a quota or tariff being imposed by Great Britain on Empire dairy produce, it is advised that New Zealand should claim preferential treatment. It is generally anticipated that action will be taken to bring about the internal re-organization proposed by the Commission and also to es-

tablish a mortgage corporation.

—I.C.A. News

## ANNUAL CONVENTION OF U. F. OF MANITOBA

Educational addresses delivered by leading men and women in many walks of life were a feature of the annual convention of the United Farmers of Manitoba held at Brandon, October 23, 24 and 25. There were few controversial matters on the agenda, and only occasionally were the proceedings enlivened by keen debate.

Among the chief speakers were Premier Bracken, who dealt with the rehabilitation of the drought area of Manitoba; Dean Janet Campbell, M.D., a former official of the British Ministry of Health, whose subject was "Family Welfare"; R. S. Law, president of the U.G.G., who spoke on "Changing Scenes in Agricultural Organization"; C. C. Ferguson, of the Great West Life, who discussed "Farm mortgage contracts of the Future"; and Frank Baker, representing the Canadian Packers, on livestock production and marketing.

Professor Hurd of Brandon College, led a discussion on banking and answered many questions concerning the Bank of Canada and its functions; D. L. Mellish, of the Public Utility Board assisted in the discussion of traffic problems; and G. S. Rutherford, Debt Adjustment Commissioner, dealt with the work of his commission, each of these subjects having been first reported upon by a committee of the Board of the U.F.M.

P. E. Roblin, president of the Canadian Livestock Co-operative (Western) Ltd., explained the scheme under the Natural Products Marketing Act submitted to the Ottawa authorities on behalf of the organized livestock producers of Saskatchewan and Alberta. This matter, however, came up towards the close of the convention and time did not permit a discussion, beyond a statement by Roy McPhail, president of Manitoba Co-operative Livestock Producers, to the effect that the Board of that organization was not prepared to support the inclusion of Manitoba in the scheme.

Resolutions were passed protesting against restrictions on in-

(Turn to page 22)

# THE MANITOBA CO-OPERATOR

(Formerly *The Scoop Shovel*)

Representing the Agricultural Co-operative Movement  
in Manitoba

Office: 8th Floor, Wheat Pool Building, Winnipeg

Editor—J. T. HULL

## GAMBLING IN GRAIN

We wish to call the attention of all our readers to the statement of Mr. John I. McFarland which appears below.

The character of grain trading on an open futures market such as we have in Winnipeg is a perennial subject of discussion in western Canada and a number of royal commissions have given it attention without results entirely satisfactory to those who furnish the actual grain. Mr. McFarland explains succinctly and clearly how an open futures market operates and what conditions are necessary for it to function successfully in a purely commercial way. These conditions do not now exist and have not existed for some considerable time with the result that something has had to take their place in order to prevent a complete and disastrous breakdown of the system. The "something" is the Dominion government utilising the Canadian Co-operative Wheat Producers and the services of Mr. McFarland.

The ethical side of the system, in our opinion, demands far more consideration from the public than it has hitherto received. Much is being said in these days about the evils of lotteries, sweepstakes, and betting and gambling generally, but there is a hesitancy even on the part of those who outrightly condemn gambling to include in the condemnation a business system which not only encourages the gambling spirit but for its efficient operation positively depends upon a gambling practice. It is deplorable to think, said Sir Josiah Stamp, chairman of the commission which investigated futures trading three years ago, that "the prosperity of agriculture is parasitic on the gambling habits of a certain section of the people." Mr. McFarland adds: "I do not believe the average farmer would want to think that the price he receives for his grain consists in part of losses contributed by unfortunate people who cannot afford to lose."

It is not beyond the intelligence of this day and age to devise ways and means of getting our wheat into consumption without the aid of a great gambling institution and to that problem the attention not only of the farmers but the public in general should be directed.

## WHEN MYTH-MAKERS GET BUSY

There may be all kinds of weaknesses in the agricultural adjustment policy of the United States and doubtless there are many attempts among those who are beneficiaries of adjustment schemes to put one over on the administration and get away with more than is coming to them. The administration, however, is not composed of fools or mental weaknesses and consequently when the newspapers start

retailing stories about people getting more for not raising hogs—or anything else—than they ever got for raising them, the odds are that it is the newspapers and the public that are being fooled.

The other day that versatile story-teller, Mr. Gordon Sinclair, told us in a Winnipeg newspaper about a man he met in Louisiana who had just received a cheque for \$900 from the United States Government for not raising any hogs. This is a variant of the story going the rounds about a man—he lives all over the United States—who got \$1,000 for not raising hogs while he had never at any time made more than \$400 raising them. The Agricultural Adjustment Administration has investigated the story and has shown it to be a complete myth, manufactured in the same manner as the myth about Lincoln and the tariff. So far as Mr. Gordon Sinclair's version is concerned it appears that no cheques whatever have been sent to anybody in Louisiana on hog contracts. No cheque of exactly \$1,000 has been paid to anyone in connection with hog contracts, nor has the department any trace of anybody of the name given in these stories receiving any cheque of any amount on account of hog contracts. Moreover Mr. Wallace has demonstrated that no man could get that sum, in the circumstances related, without committing a wilfully fraudulent act.

The story, however, will go on and always the retailer of it will say that he met the man who got the money and doubtless he would start a riot if somebody politely told him he was an unvarnished liar. It took half a century to get the lie about Lincoln and the tariff exposed but it still goes merrily on to the intense satisfaction of protectionists.

We like to think that "Truth crushed to earth shall rise again" while "Error wounded writhes with pain, and dies among his worshippers," but it sometimes takes Truth an unconscionably long time to rise and Error an even longer time to die.

## GROWING WHEAT IN ITALY

Writing in an English farm paper, Professor Bassi, of Rome, states that while the average yield of wheat in Italy has reached twenty-three bushels an acre, in one part of the country over an area of four million acres the average has reached thirty-eight bushels, and in some large farms a world record of 135 bushels to the acre has been made. These large yields, he points out, have been achieved on a remarkably poor soil and are the result of intensive fertilization and improved technique.

The incentive has been price. The domestic price in Italy is around \$2.25 a bushel; if it were not for the high tariff Italy would be able to import wheat for less than the half of the domestic price. For that reason it is contended the production of wheat in Italy is uneconomic and the country would gain by importing the cheaper wheat. The Italian, however, would probably reply that more land is being brought into use than Italy ever had before and the condition of rural life, the bigger part of Italy, has been considerably improved. He may, moreover, contend that price is a purely relative affair, and that after all, the main thing is to develop to the fullest possible extent the economic resources of the country and thus make them conduce to the fullest possible welfare of the Italian people.

The production of wheat under present conditions in Italy is not uneconomic unless Italy is in a position to produce more economically something which can be exported to pay for wheat imports and which will also conduce to developing the country's natural resources. Italian economists say that cannot be done and that the importation of cheap wheat in the past has done grave injury to Italian agriculture. Some English economists say cheap wheat has done the same thing in Great Britain, and Sir Josiah Stamp thinks that free agricultural competition has resulted in wheat selling below the cost of production for the last century or so.

After all price is a purely relative matter and Italy might be better off with wheat at \$2.00 a bushel than Canada would be with wheat at \$1.00. It all depends on the relation of wheat prices to other prices and the general local economic conditions. And as for international trade, events would indicate that an entirely new system is being worked out and that the imports of the future will represent an economic need that cannot be satisfied by home labor (and not merely a matter of price) and exports will represent an actual demand arising from that need. That would be a complete realization of international co-operative trading.

### ORGANIZED AGRICULTURAL MARKETS

The success of the British Labor Party in the recent local elections, presaging as it seems to do the return of the party to power in the next general election, has significance for Canada at least to the extent that policies of a Labor government may affect economic conditions in Canada.

It is the open and avowed intention of the Labor Party to follow neither a protectionist nor a free trade policy but to bring the whole or at least the major part of the international trade of the country under control and regulation, and undoubtedly a Labor government would dispense as far as it was found practicable, with the present system of bonuses and subsidies to agriculture and utilise the provisions of the Agricultural Marketing Act in

such a manner as to give protection to British agriculture through the control of imports.

This would be a matter of grave importance to western agriculture as it would mean the abolition of a completely free market in Great Britain for our agricultural exports and make it necessary to adjust marketing methods to the new conditions in Great Britain. As a matter of fact we are well on that particular road now for what agricultural exports to Great Britain are not on a quota basis are under notice of a quota.

Organized marketing both national and international is here and it is here to stay and the sooner western agriculture realizes that fact and adjusts itself to it the better the farmer will fare.

### THE POULTRY POOL'S MARKETING SCHEME

The opposition which has been shown to the marketing scheme prepared by the Canadian Poultry Pool and which has been tentatively accepted by the Dominion Marketing Board, is no more than was to be expected. It would be too much to expect either that all men so long accustomed to one way of doing a thing would quite easily, naturally and without bother adopt another way, or that others with particular interests involved would surrender advantages without a protest. The world does not move forward in so easy or so a casual a manner. Every foot of progress marks the result of a contest between those who would go forward and those who would stand still.

It is important that farmers should understand clearly what the marketing scheme of the Poultry Pool really contains and in what manner it affects them as producers. Last month we published the scheme in full; in this issue we publish an exposition of the scheme and show why it should receive the wholehearted support of the producers. We strongly urge our farmers to make themselves thoroughly acquainted with the scheme and the necessity for it and not let themselves be influenced by those who because of pecuniary interests or political or personal prejudices are opposing it.

## *In the Interest of the Farmer and the Public, the Grain Exchange Should Come Under Regulation*

*Public Statement by John I. McFarland, General Manager of Canadian Co-operative Wheat Producers*

That every once in a while professional speculators deliberately drive down the price of wheat to the great detriment of the farmers and that with Winnipeg now the most important open futures market operating in an export country and specially liable to become the target for such destructive forces, it was imperatively

necessary steps should be taken to control operation on the Winnipeg Grain Exchange, was firmly stressed by Mr. John I. McFarland in a public statement made on October 29.

In supporting his contention Mr. McFarland gave an excellent description of the operation of hedging grain and the part played

by both the professional speculator and "the public" in the open market method of grain trading. Mr. McFarland's statement in full was as follows:—

Because of recent events, I propose discussing some features of our wheat marketing system, known as Futures trading, which has developed and become a part

of our national life in the past thirty years. The fact that our wheat exports over a long term of years have comprised upwards of 30% of the total of all Canadian exports, thus greatly exceeding in national importance any other product, amply explains why our people from the Atlantic to the Pacific view with alarm anything which adversely affects the marketing of that product.

### Financing Grain Marketing

I do not propose discussing the many details of our marketing system, with which you are all familiar, such as the operation of elevators, except to state this unrivalled utility provides storage capacity at country stations for 194 million bushels, and 225 million bushels at terminal points—a total of 419 million bushels. Large amounts of both public and private capital are invested in these facilities, but larger sums of money are required to finance the marketing of the grain to fill these storage houses. Most of the money required for this purpose is borrowed from the banks, and is loaned by the banks on a small margin of safety—the banks providing 85 to 90% of the current market value of the grain; but you would be mistaken if you concluded that bankers advance that percentage of the current market value on the security of the grain alone. It is not so simple as that. Bankers would not, and should not, advance 85 to 90 per cent of current market value of grain on that security, and loan tens of millions of dollars on a commodity which has frequently declined in value 10% or more in twenty-four hours. If they did they might soon find themselves the unwilling owners of millions of bushels of grain with their customers bankrupt. The banks insist, and their customers agree, that they shall "hedge" their daily purchases. You have heard much in recent years of "hedging wheat." I will try to explain its fundamental purpose, the purpose which, in my opinion, is the basic and only reason for its origin and existence, as applied in the disposal by farmers of their grain crops.

### What is a Hedge?

Not many people outside the grain trade have a clear understanding of the meaning of the

word "hedge." There are various definitions in the dictionaries. I prefer that which defines a "hedge" as: 'A means to secure oneself against loss on a bet or a speculation by making other bets.' It was described before the Stamp Commission as an insurance used by grain dealers to protect themselves against adverse changes in market values. It is frequently called insurance, and that definition has in my opinion confused the public mind. It differs from ordinary insurance in that the protection costs the grain company nothing, whereas if you insure your property or your life, you pay a premium for such protection. It is, therefore, a misnomer to describe it as insurance. It must, however, be admitted, so far as the grain merchant and his banker is concerned, that a hedge is a most effective insurance against the effects of market fluctuations.

In actual practice in the grain trade, in plain language, hedging involves a sale by the elevator company of actual wheat of defined grades for delivery in store at Fort William or Port Arthur at a future date, varying from one to seven months from the date of the transaction. That is a hedge. The sale is made in a Grain Exchange, which is organized to trade in grain, whether for immediate delivery or for future delivery, as above indicated.

### How it Works

Obviously, where grain is sold there must be a buyer as well as a seller. We may illustrate it by assuming that an elevator company purchases at its country elevators, say, half a million bushels of wheat in one day. The cost of the wheat to the elevator company was the price ruling on that day at country stations, which is always presumed to be at a sufficient discount under Fort William values to pay freight, handling charges and a margin of profit. The banker advances the elevator company the money necessary to enable them to pay the farmers, but the bank requires that the elevator company shall hedge its purchases by immediately selling in the Grain Exchange half a million bushels of wheat for future delivery, possibly in the month of May, at Fort William.

We will presume for illustration, the price of May delivery was 80 cents per bushel. The broker for the elevator company then sells, through the Grain Exchange, half a million bushels of wheat for such delivery at 80 cents. The banker is protected. The wheat is hedged, sold, and the risk of the elevator company is transferred to a buyer who may or may not be known to the seller.

There is an organization called the Winnipeg Grain Exchange Clearing Association, commonly known as the "Clearing House." After the close of the market on the day our elevator company sold the 500,000 bushels of May Wheat, they transferred or cleared their sale to the "Clearing House" at the price sold, and at the same time the commission company who purchased the 500,000 May wheat from the elevator company, also transfers or clears their purchase to the Clearing House at the price paid. The Clearing House now becomes responsible to the purchaser as well as to the seller for the due performance of each party to the contract.

If the closing price is lower than 80 cents on the following day the "Clearing House" collects the difference from the buyer and pays it to the seller (the elevator company). This procedure is followed daily. If the price in successive stages drops down to say 60 cents, it follows that the elevator company will have received from the Clearing House a total in all of 20 cents per bushel or \$100,000 on the 500,000 bushels. That money has gone into the bank and reduced the banker's loan by \$100,000. The wheat is worth 20 cents per bushel less, and the elevator company's obligation to the bank has been reduced accordingly. If May wheat is 60 cents on the day in May when the elevator company delivers the documents representing the actual wheat to the Clearing House, they then receive from the Clearing House 60 cents per bushel for the wheat delivered. The bank is paid off. The elevator company's profit on the original purchase and sale has been realized. This is a simple illustration of a purchase and hedge of farmers' grain as performed every day by elevator companies.

### Government Bought Hedges

It will be observed that unless there is some one to buy the wheat from the elevator company and thus complete the hedge, there can be no protection afforded to the bank and the elevator company would, therefore, be unable to make the purchase from the farmer. It is at this point that the organization, whose destinies I have directed during the past four years, has come into the picture, for with the depression, the lack of purchasing power abroad and the increased production by former importing countries of wheat, there were no buyers in the Grain Exchange to purchase from the elevator companies the wheat they purchased from the farmers, except at sacrifice prices. Except as to purchases made by a very reduced number of speculators, and the purchases made for export and domestic use, I have during the last four years been buying the hedges on the wheat produced by the farmers of Western Canada.

We have used for illustration a half million bushels, but it works just the same on hundreds of millions. For instance, farmers sold around 400 million bushels of wheat from the 1932 crop.

### The Futures Market

The Winnipeg Grain Exchange is what is known as an open Futures market, that is, a market open to the world where anyone may buy or sell unlimited millions of bushels for delivery at a future date. That is anyone's privilege so long as they can provide the money required by the Clearing House. Beyond certain quantities the money requirements become heavier, but the ability to provide cash is the only limitation imposed in an open market. Naturally, the speculator with the largest resources can handle the most bushels. There is nothing to prevent a man or a group of men from selling, say 50 million bushels or 100 million bushels of wheat for future delivery and these men may not own a bushel of real wheat. Such sales have precisely the same effect on the market for the time being, as if that many more bushels of wheat had been added to our supplies, and necessitates corresponding buying power to purchase it. It means additional speculative buyers must be forth-

coming, together with necessary cash margins, or otherwise such sales depress and demoralize values. A speculator may sell future wheat without owning or controlling a bushel of real wheat. THIS IS AN OPEN FUTURES MARKET. In the stock market a speculator may sell shares of a company short, but only to the extent that he can borrow shares (actual share certificates) from an owner of such shares, and deliver them on his sale. A wheat



JOHN I. McFARLAND,  
General Manager, Canadian Co-operative  
Wheat Producers, Ltd.

speculator can sell wheat and does sell wheat, for delivery at a future date, without owning or borrowing a bushel of wheat. He does, however, expect to buy it back, and, in fact, he must buy it back or deliver actual wheat before the end of the delivery month, which may be as far as seven or even nine months distant. In the interim, such sales are an additional load on the market.

### Risk Must Be Covered

Now it is such a market in which our half million bushels of wheat were sold in the Grain Exchange. It is clear there must be some way of financing and carrying the millions of bushels of grain we produce. It is clear it cannot pass into actual consumption as rapidly as farmers dispose of their crop in the Fall of each year. The crop may be threshed in a month, but consumption extends over twelve months. Farmers could store their wheat on their farms if they had

sufficient granary accommodation, which they have not, and even if they had, their creditors would insist upon their selling and turning it into cash. Furthermore, does not elevator storage capacity of 419 million bushels in this Dominion which has cost many millions of dollars, alone give ample proof that large quantities of grain must be stored until required for consumption? We must face the fact that the actual ownership of a large quantity of grain produced in this country, from year to year, must be undertaken from the time it leaves the farms until it moves into consumptive channels, and whoever assumes ownership must assume risk — that is must speculate. Under our present system, some person or many persons must take the responsibility of owning outright the actual real wheat, or, otherwise, buyers must be found who will carry futures wheat and put up the necessary money to enable them to do so. Now, who is going to take that risk? The banks frown upon anyone who would ask them for money to carry actual wheat unhedged, or futures wheat on margins. It is evident there is not much help to be expected from grain dealers or millers. They pride themselves upon doing a legitimate business, and that means safe business without speculation. That is why they "hedge."

### Somebody Must Speculate

We cannot expect our grain and milling companies to assume the ownership and risk of the in-between-season's surplus stocks. The evidence given before the Stamp Commission, both by bankers and grain companies, fully supports that statement. Furthermore, it requires large lines of credit and capital to finance the actual grain carried in elevators, and it is important that grain and milling companies should protect their capital for that purpose.

The average percentage of the Western crop marketed up to November 30th, has been, in recent years, nearly 70% of the total deliveries for the crop year. The deliveries up to that date in the Fall of 1932, amounted to 260,000,000 bushels, of which the huge total of 145,000,000 bushels was marketed in five weeks, September

(Turn to page 26)

# MANITOBA POOL ELEVATORS

P. F. BREDT, *President and Managing Director*

C. H. BURNELL, *Vice-President*

D. A. KANE, *Manager*

Directors: J. M. Baldwin, W. G. A. Gourlay, G. N. McConnell, W. J. Parker, W. E. Ring

T. J. MURRAY, K.C., *Solicitor*

F. W. RANSOM, *Secretary*

## POOL ELEVATORS RELIEF FUND

The following resolution had the unanimous endorsement of the delegates at the Annual Meeting:

"That we again institute a Relief Fund for the drought area of southwestern Manitoba and that such fund be initiated with a subscription of \$5,000 from Manitoba Pool Elevators, Limited, and to remain open for donations of cash or grain from members and others throughout the Province."

This fund will be distributed in much the same manner as last winter, and again Fieldman E. J. Watson has assisted in organizing committees over the whole area, made up of representatives of local rural organizations, church societies, the municipal council and the Pool Elevator boards. These committees are responsible for determining the necessary cases and making up orders for clothing for each of the families. All orders will be filled in Winnipeg and their assembling supervised by one familiar with the needs of farm women.

Whilst the donation of the provincial organization is generous, when divided amongst, say 2,500 people, it only amounts to \$2.00 per person. The need this winter is much greater than last year. Moreover, there are many who have gone from this area to northern districts and are in as acute need. They also will require help. Hence, we draw your attention to the last part of the resolution and appeal for further contributions. They may be made either in cash or in grain. When you take a load of grain to the Pool Elevator, advise the agent of the bushels or the cash you wish to donate and he will attend to the rest. Each subscription will be acknowledged in this paper.

Here is the way the folks in McBride community (near Minnedosa) worked it: They put on a social solely for this purpose and collected \$15.00. That is true co-operation. The community of Edwin did likewise. Their Pool Elevator Association put on a similar effort, which was attended by Fieldman D. W. Richmond and Mr. Barnes from this office. The entertainment brought \$17.45. These funds will buy underwear and rubbers, enabling many a kiddie to go to school in cold weather who would otherwise have to stay at home.

In connection with this relief fund Mr. Bredt has received the following letter:

Dear Mr. Bredt:—

I was glad to learn that your organization, following the precedent of last year, recommended at their last Annual Meeting the setting aside of a substantial fund to be used to provide clothing or other needs not ordinarily taken care of in the administration of relief to the people in the Drought Area of the Province who for four years, as a result of crop failure, have had their reserves of cash and credit depleted to a point that was not believed pos-

sible in the history of that district. Their need is unquestionably great.

The response from those in a more fortunate position has demonstrated in a most practical manner that the spirit of sharing, of humanitarianism and brotherhood is much in evidence.

Nothing has contributed in a greater degree to maintaining the morale of our people during the difficult times through which they are passing than those acts of kindness.

I wish to express my keen appreciation of what your organization and your people are doing in this regard.

Yours very truly,

D. L. McLeod,

Minister of Municipal Affairs

## LOCAL ANNUAL MEETINGS

The Association Annual Meetings have all been held, 150 of them. The weather was fine and the roads good, making it easy to get around and not like the two former years when the snow came early, blocking the roads and making it necessary to postpone several meetings for later dates and dragging out the itinerary.

The financial statement was, of course, the chief business before the shareholders and then there was the delegate's report of the provincial annual meeting, Mr. Kane's report, and the election of officers.

As in other years, each of the provincial directors took practically all the meetings in his own district. The attendance would perhaps average a little higher than in the two previous years, and here again we want to mention Elm Creek, Killarney and Crystal City. Again this year they gave special attention to getting out a crowd and appealed to the women to help out. Several women attended in each case and it is not just a matter of bringing "eats," but they bring a more social and community feeling into the meeting. Their attendance does away with that cold, hard, businesslike atmosphere which a "mere men's" meeting creates. More than that, it is real good business for, as we have said before, you get the women interested and their influence reaches out into the home and the community, and you will get the interest of the young people upon whom the future of the organization depends. To get deliveries, you must first get the people interested; that is the starting point. These Locals are growing and increasing in strength.

## WHAT THE LOCALS ARE DOING

Board meetings of forty-three Local Associations were held since we last reported on October 15th. At most of these the chief business was the consideration, prior to the Annual Meeting of Shareholders, of the local financial statement for the past



year. Several of the Associations which have had a good year decided to give their elevator a new coat of paint next season. That should help brighten things up a bit and incidentally the price of flax!

The U.F.M. had written all the Associations, asking each to make a contribution of \$5.00. Some acceded to their request, whilst others refused. We may add that the provincial organization contributed \$25.00.

It's bad enough to have a less than average crop of wheat or no crop at all but when you have to dig down in your jeans to buy feed grains, it's tough; anyway, some of the boards discussed or made arrangements for the purchase of carlots of oats.

The Makaroff board is considering the installation of cleaning machinery and paid a visit to Bield to inspect their new Superior cleaner, and they report being pleased with the demonstration.

At a number of points they are talking about holding general meetings to go into the new Marketing Act and Debt Adjustment Legislation. That's good news and we gladly accept the invitations. Itineraries are now being arranged.

We have sent out to all Secretaries and all Agents the following material:

1. Natural Products Marketing Act.  
(An explanation by J. T. Hull).
2. Questions and Answers re Natural Products Marketing Act.
3. Debt Adjustment — An Explanation.
4. Federal Debt Adjustment Legislation.
5. Radio Broadcast—"Manitoba Makes Good"  
F. W. Ransom.
6. Extract from Report of the Saskatchewan Royal Grain Inquiry, 1928.
7. Why grain producers should become members of Pool Elevator Associations.

If you want any extra copies, write in and ask for them.

### NINTH ANNUAL MEETING — MANITOBA POOL ELEVATORS LIMITED

One hundred and forty-six delegates attended the Annual Meeting, and what did they do and talk about? The first business was the consideration of the Directors' Report, and that took until eleven o'clock on the second morning when they divided into seven meetings and elected seven directors.

The greater number of questions were with regard to terminal operation, voluntary pool, cleaning charges, contributions to working capital, etc., and Mr. Bredt and Mr. Kane gave entire satisfaction with their replies and the amount of information they gave.

Continuing on the report on the second day, the Manitoba Co-operative Conference, the Elevator Improvement Competition, the Relief Fund and the staff were discussed. I think Mr. Hull was a little disappointed, perhaps surprised that more was not asked about the Manitoba Co-operative Conference; in that particular it was quite different from other Annual Meetings.

The financial statement was taken up on the second afternoon and Mr. McVey represented the

auditors and answered a number of questions as to items of revenue and expenditure. Then the report of Canadian Co-operative Wheat Producers was taken up clause by clause, and the subjects of the World Wheat Situation, the National Wheat Agreement, grading of Garnet Wheat and the National Barley Committee were dealt with at some length by Mr. Bredt.

A banquet was given on the evening of the second day. This is an innovation at Pool Annual Meetings. It had been remarked by some of the delegates that this organization should follow the practice of practically all other similar bodies in putting on a function of this kind on the occasion of annual meeting. When the question of making arrangements for the banquet was put to the meeting, they approved of it and again endorsed it at the close of the session. The fraternal delegates from sister organizations spoke and Mr. Landreth told us of the scheme submitted by the Egg and Poultry Pool under the new Marketing Act. The Premier and Mr. McFarland were also invited guests. Mr. Bracken spoke on the conditions in the drought area and the need for a soil conservation policy. Mr. McFarland dealt with the Argentine situation and his attendance at the Rome and London Wheat Conferences.

Resolutions are both important and interesting. Most of them come from the local Associations and they tell you of what the people in the country are thinking and have an important bearing on the formulation of policy with respect to the organization as a whole. Those which entailed the most discussion related to the Natural Products Marketing Act, co-operative education, debt adjustment legislation, track price for less than carlots of grain (in other words, the elimination of street spreads), and a Relief Fund for the drought area. There were other resolutions on which there was not so much debate, such as, the grant of \$6,000 to the Manitoba Co-operative Conference; the support of Mr. McFarland's demand for an investigation into the selling of futures on the Winnipeg Grain Exchange; a request that we make as much use of the Hudson's Bay route as possible; the claim of the 1930 Durum Wheat growers; endorsement of a resolution passed at an interprovincial meeting of the three Pool boards urging united action on the part of the federal and provincial governments in the development of a rural rehabilitation scheme; free transportation on feed grains and fodder to non-relief farmers in the drought area; a grant of \$500 to assist in the work of the National Barley Committee, etc. These were all carried, in most cases without a dissenting vote.

The new marketing legislation and the debt adjustment measures were explained by Mr. Hull and it was quite evident that the delegates were keenly interested in these two questions. Mr. W. R. Doyle of Beulah added considerably to the discussion on the marketing legislation; in fact, he had prepared a memorandum with a lot of statistics showing the decline in agricultural values during the last three years, and the gist of which was — the more you produce, the less you receive. His convincing argument contributed materially to securing unanimous endorsement to the principles of the legislation.

Mr. Rutherford, Chairman of the Debt Adjustment Board, answered a number of enquiries on the provincial legislation, including those on farmers' exemptions under the Executions Act. Our Mr. Murray also gave further information on these measures.

This was the first time that Mr. McFarland had attended one of our Annual Meetings. He spoke on the Durum Wheat situation and also on many factors affecting the world wheat trade, including wheat production in European importing countries and their estimated requirements for the coming season, the attitude of the Argentine towards acreage reduction, etc. He was listened to with rapt attention and created a very favorable impression.

There was no haste on these resolutions and nothing in the nature of railroading; the delegates took their time and, according to the minutes of the local annual meetings, gave favorable reports of the Convention.

In the election of directors there was only one change; Mr. John Quick being re-elected to his former position on the Board. Mr. W. G. A. Gourlay was the retiring Director. In speaking to the vote of thanks accorded Mr. W. G. A. Gourlay for the services he had rendered this organization, Mr. Bredt spoke on behalf of the Board and stated that Mr. Gourlay was an original Charter member of the Wheat Pool, had served faithfully and fearlessly throughout the whole period and had earned the mutual regard and esteem of all his associates. It was with the greatest regret they had now to sever this close association, though at the same time no man will be more welcome in his place than Mr. Quick. "I regret," he said, "we cannot have both of them."

The Annual Meeting ended at six o'clock on the third day.

—F.W.R.

## DIRECTORS' REPORT, 1933-34

Winnipeg, Man., October 17th, 1934.

To the Shareholders,

Manitoba Pool Elevators, Limited.

This is the Ninth Annual Meeting of Manitoba Pool Elevators, Limited. Your Board of Directors submits herewith for the consideration of the delegates, the usual Annual Report covering the activities of the Organization for the year ended July 31st, 1934.

### Crop Conditions in Manitoba

The crop year 1933-34 started well with heavy general precipitation over the whole of Manitoba in the latter part of May, 1933. This, however, was followed by disappointing drought and a severe grasshopper outbreak during June and July in the southern and eastern areas of the Province, which drastically reduced production of grain, hay, and vegetable crops.

Much of the coarse grain crops were cut for green feed in the affected areas to escape further destruction by grasshoppers, and in south-western Manitoba practically no feed grains were threshed and but very little wheat. In northern Manitoba yields were excellent, whilst in the central and western parts they graduated between the two extremes.

The total crop yields and return per acre for the season 1933-34 are given by the Dominion Bureau of Statistics in their final estimate, (January 19th, 1934), as follows:

### Manitoba

Grain—	Acreage	Yield Per Acre	Production
Wheat .....	2,536,000	12.8	32,500,000
Oats .....	1,504,000	19.6	29,500,000
Barley .....	1,173,000	14.4	16,900,000
Flax .....	20,200	5.4	110,000
Rye .....	45,700	12.6	575,000

An early harvest, commencing the first week in August, with good weather for threshing operations, ensured wheat of good quality. Approximately 92% of the Spring Wheat delivered to Manitoba Pool Elevators was in the first three grades, 1 Hard, and 1 and 2 Northern, while 88% of the Durum Wheat was in the first two grades. The protein content, according to analyses made in the laboratories of the Board of Grain Commissioners, of the samples of these grades delivered in Manitoba, ranged from 13.4% to 14%.

During the first ten days of August, 1933, wheat prices were on an 80c per bushel level. To stop the rapid decline, minimum prices were put into effect on August 14th, basis 70 $\frac{1}{8}$ c for the October future. When the restrictions were lifted on the morning of September 14th, 1933, the market dropped to 66 $\frac{7}{8}$ c. The decline from then on was almost continuous, October wheat reaching the low point of 54 $\frac{3}{8}$ c for the year, on October 17th.

Figures compiled by the Dominion Bureau of Statistics and published in the "Monthly Bulletin of Agricultural Statistics," show an estimated gross annual agricultural revenue for Manitoba in 1932 of \$50,193,000, as compared with \$139,913,000 for the year 1926. The gross agricultural revenue for Manitoba for the year 1933 is estimated at \$53,987,000. This shows a slight improvement over that of the preceding year, but is nevertheless only 38% of the income of Manitoba farmers in 1926.

This evidence of abnormally low farm commodity prices emphasizes the continuation of the distressing condition of agriculture for the fourth year in succession. While in the last few months grain markets have been on a higher basis, during the major portion of the year prices have been at an unremunerative level. The Pool Organizations of the three Western Provinces, together with the Manitoba Co-operative Conference, have been active

in bringing these conditions to the attention of the legislative bodies.

It is gratifying to note that at the last session of parliament in Ottawa, an Act to Facilitate Compromises and Arrangements between Farmers and their Creditors, was passed. This called for supplementary legislation by the various Provinces, which has also been enacted. The above measure in its preamble admits, that "in view of the depressed state of agriculture, the present indebtedness of many farmers is beyond their capacity to pay; and whereas it is essential in the interest of the Dominion to retain the farmers on the land as efficient producers and for such purpose, it is necessary to provide means whereby compromises or rearrangements may be effected of debts of farmers who are unable to pay."

The necessary preliminary steps to put the Act into operation have been taken, and we believe that if properly used, this measure will be the means of retaining and re-establishing many men on the land. It will give them new hope and courage to carry on and endeavor to overcome financial difficulties in which they find themselves, in most instances through no fault of their own.

### Membership

The membership in Manitoba Pool Elevators, Limited, is made up of our 150 Pool Elevator Associations. Membership in the Local Associations has remained fairly constant during the last three years; the number of members who have ceased farming (called inactive) and whose names have been taken off the active list, including deceased members, is slightly in excess of the number of new members. Two hundred and seventy-two have become inactive during the past year, while 212 new members were added to the lists. The total active membership in the Elevator Associations, as at July 31st, 1934, was 9,278 compared to 9,338 a year ago.

In the last three years we have purposely refrained from carrying on an active membership campaign, but the Board believes that the time may now be opportune for many of our Associations to be more aggressive in soliciting new members from amongst their present non-member patrons. We

recommend this matter for the serious consideration of the Local Boards of Directors.

### Deliveries

Deliveries of all grains to Manitoba Pool Elevators, Limited, during the season 1933-34 were 10,034,359 bushels. Of this total 9,323,532 bushels were handled through Pool Elevator facilities and the balance of 710,827 bushels delivered over the platform.

Our share of total deliveries of grain in Manitoba, as at July 31st, was 26.9% as compared with 28.3% in 1932-33. The decrease in percentage was chiefly due to the very poor crop conditions in the south-west where we have a larger proportion of elevators for the same area than in any other part of the Province. Increasing use is being made of our modern, up-to-date cleaning machinery, a total of 3,687,490 bushels of grain having been cleaned for patrons by Pool Elevators during the past season. This represents 40% of elevator deliveries.

Some indication of the value of these facilities to the farmer is shown by the fact that during our nine years of operation, from 1925-26 to 1933-34, out of gross receipts of 104,035,930 bushels, approximately 37,000,000 bushels, or over 35%, have been cleaned, and over 66,565 tons of screenings were returned to patrons. This, on an average freight rate of 17c per cwt. from Manitoba points, has meant a saving in cash of well over \$225,000.00. Add to this the value of these screenings for feed purposes, and it becomes apparent that for our farmer members, the purchase of this admittedly expensive cleaning equipment has been an excellent investment.

To facilitate the efforts towards improvement in the quality of grain production, we inaugurated a policy in 1929 of exchanging grain suitable for seed for grain of inferior quality delivered by the grower, at the actual market spreads. It is estimated that through this additional service, 250,000 bushels of better seed have been distributed to patrons of Manitoba Pool Elevators.

The following table gives the deliveries to our elevator system since we started to operate in 1925:

Year	Number of Houses	Total Handling (Bushels)	Average Handling per House (Bushels)	Platform Handling (Bushels)	Total Handling By Man. Pool Elevators, Ltd. (Bushels)
1925-26	8	1,433,238	179,154	8,418,403	9,851,641
1926-27	30	5,783,161	192,772	9,322,663	15,105,824
1927-28	59	6,957,021	117,915	3,674,879	10,631,900
1928-29	143	26,048,182	182,155	5,669,653	31,717,835
1929-30	155	15,417,781	99,469	2,348,930	17,766,711
1930-31	153	17,838,111	116,589	2,308,740	20,146,851
1931-32	153	7,985,656	52,194	709,626	8,695,282
1932-33	153	12,538,421	82,489	1,278,113	13,816,534
1933-34	153	9,323,532	60,938	710,827	10,034,359

### Terminal Operation

Terminal No. 1 had total receipts of 11,028,714 bushels during the past season, as compared to 9,678,518 in the preceding year. Our handle for the crop season under review is the highest we have ever had, and is equal to eight and a half times the capacity of the plant, which is 1,300,000 bushels. In-

sufficient storage space compelled us to divert 2,148,498 bushels to other terminals, on which we collected premiums totalling \$28,032.52. The lack of adequate storage space referred to in last year's report, continues to be a handicap to our organization, and as soon as normal crop years are again enjoyed in the Province, the acquisition of addition-

al space will become a necessity, if we are to have the benefit of full terminal earnings on all grain handled by our country elevators.

Following the understanding we have had with the Alberta Wheat Pool for the last few years, we again handled their eastern shipments. These have been materially in excess of last season, being 4,564,507 bushels compared to 1,092,671 a year ago. A total of \$45,657.39 was paid in premiums by us to the Alberta organization.

Platform shipments billed to our terminal amounted to 606 cars containing 710,827 bushels. As stated in our report last year, separate records are being kept of deliveries from each shipper, and in the final distribution of stock in Manitoba Pool Elevators, Limited, shares will also be issued to these patrons based on the amount of grain shipped by them to our organization.

The third annual ten per cent. instalment of principal of \$37,124.60, plus the interest of \$17,819.81, was paid to the Saskatchewan and Alberta Pools on the due date, August 1st last. This reduces the amount owing on the terminal to \$259,872.29, as shown on the Balance Sheet.

### Voluntary Pool

Total deliveries to the Voluntary Wheat Pool for the season 1933-34 were 98,276-35 bushels. The initial payment at the time of delivery was 35 cents per bushel, basis 1 Northern or 1 Amber Durum, Fort William, and an interim payment of 15 cents per bushel on all grades was made on March 29th. Final payment cheques were mailed to growers, together with a statement showing the results obtained for all grades, on July 31st, 1934. The same information was also published in the August issue of "The Manitoba Co-operator."

The gross sales price was 69.011 cents per bushel, basis 1 Northern, Fort William, and 70.155 cents per bushel for 1 Amber Durum. The policy of spreading the sales throughout the crop season was again followed, the resultant final price comparing favorably with the open market average when carrying charges are taken into consideration. We have reason to believe the outcome proved satisfactory to the grower. A statement showing distribution of sales proceeds and expenses deducted is given in the Auditors' Report.

### Operating Policy

We have now completed our third year of operation since entering into the Four Party Agreement with the Province of Manitoba in August, 1931. The signing of the Supplementary Agreement in the second season since re-organization brought modifications, and the wisdom and soundness of changing over to a system of working as a group has been amply demonstrated. In spite of the fact that our handle in the two years was small, we have been able to meet all our obligations to the Government, pay off some of the arrears which occurred in 1931-32, and in addition thereto, have accumulated approximately \$150,000.00 of Working Capital. Details as to our method of operation were given in full in last year's report, and hence do not need elaboration at this time.

It has been the aim and purpose of your Board and management to operate along sound and conservative business principles, and it is our intention to continue on this basis. Competition through over-grading and paying over-list has been encountered and successfully met without taking undue risks.

One factor which has been responsible for the disturbance of country markets in quite a few instances, has been free cleaning service. Ours is a service organization and we intend to provide the best possible at a minimum charge. When free cleaning is given, however, it does constitute an obvious inequity in so far as those of our patrons who do not need to have their grain cleaned, are concerned. Cleaning of grain not only means a saving in freight charges, but in many cases raises the grade and thereby the price of the grain. It is on this basis that your Board wishes to urge upon the delegates the importance of considering this matter at this time, and passing a resolution to the effect that a uniform, nominal cleaning charge be instituted at all Manitoba Pool Elevator points having satisfactory cleaning equipment. In this connection we wish to point out that it has been our policy to keep abreast with the development of the most modern up-to-date cleaning machinery available. Again this year, after extended trials of new machines at our terminal in Port Arthur, we have installed two of these cleaners at Grandview and Bield. According to latest reports, they are operating successfully and to the satisfaction of the Locals. Air dumps have been installed in our elevators at Birdtail, Rossburn, and Elphinstone.

All elevators have been kept in first-class repair, and nine of them were painted during the year. A considerable number, however, have not had a coat of paint since construction seven or eight years ago, and it is very important that this work be proceeded with to the extent that our resources allow.

### Financial Statements

The balance sheet and financial statements of our operations, certified to by the Shareholders' Auditors, Millar, Macdonald & Compnay, are attached to this report. Mr. Ward McVey, who is in charge of the audit, will present the statements later in the meeting, and the delegates will have ample opportunity to obtain the fullest information on any particular item.

The operations of Manitoba Pool Elevators during the past season have been successful beyond our expectations. Total deliveries to our elevators of 9,323,532 were 3,214,889 bushels less than in the preceding year. Despite this reduction of twenty-five per cent. in our handle, our net contribution to working capital reserve is in excess of \$103,000.00—nearly double that of last season. As was to be expected, however, with a smaller number of bushels over which to distribute the operating expenses, the rate per bushel was correspondingly higher than last year.

Some of the factors which are responsible for the remarkably good showing are: A satisfactory carrying charge on an increased quantity of grain carried in country elevators and in the terminal;

the successful merchandising of premium grains such as Malting Barley and Durum Wheat, and the selling of a considerable quantity of No. 1 Hard at attractive premiums. In this connection the value of our high-class cleaning machinery has again demonstrated itself. It is the considered opinion of your Board and management, that the very considerable investment in cleaning machinery has once more been amply justified by the financial results obtained in the last season. Great credit is due our country operators for making full use of the equipment provided, and to the superintendents and all members of the office staff for their continuous efforts in giving advice and assistance to the local men.

Your Board also desires to record its appreciation of the unfailing interest and ceaseless energy of our Manager, Mr. Kane, in the pursuit of his duties, thereby effectively contributing to the satisfactory final outcome.

The consolidated statement of the operations of our Local Associations, after taking care of all expenses, shows a net operating surplus of \$361,046.22, which has been distributed as follows:

(a) Interest to Province of Manitoba—5% .....	\$ 89,710.55
(b) Instalment of Principal to Province of Manitoba.....	95,262.26
(c) Contribution to Special 10% Reserve .....	48,768.82
(d) Interest on Growers' Equities..	13,095.54
(e) Surplus repayable .....	2,709.99
(f) Contribution to working capital	103,876.78
(g) Construction advances repaid....	7,622.28

As previously referred to, your organization has paid the annual instalment and interest on Terminal No. 1, the sum of \$60,000.00 having again been set aside for this purpose.

Due to the material improvement in our financial position, we shall experience no difficulty whatsoever in obtaining a considerably greater line of credit from the banks this year. The usual good relations with them have been maintained during the past season.

The Working Capital Loan of \$300,000.00 from the Manitoba Government has again been placed at our disposal, and shows as a liability in our Balance Sheet.

### Manitoba Co-operative Conference

The Manitoba Co-operative Conference is the educational and publicity arm of the co-operative movement in this Province. It gives attention to and seeks practical solutions for the social and economic problems of the men and women on the land. The Conference is an association of associations; its membership consists of the major co-operative organizations in the Province, and the Board of the Conference is composed of a representative from each of the member bodies. Representing thus the entire co-operative movement, the Conference publishes *The Manitoba Co-operator*, conducts the daily radio talks, manages the library which is open to all members of affiliated organizations, calls or participates in meetings in the country and takes part

in all matters of a public character which affect the economic and social welfare of the farming community.

During the past year, the Conference, in conjunction with the Co-operative Marketing Board, held a series of meetings in the country, the primary purpose of which was to give information on and promote discussion of the International Wheat Agreement, National Marketing Legislation and Debt Adjustment. The Conference participated in the conferences of western co-operatives at Regina and eastern and western co-operatives at Toronto called to discuss National Marketing Legislation and held a special meeting with Hon. R. Weir, Minister of Agriculture, on the subject, subsequently submitting to the Minister a memorandum of suggestions which became the basis of the co-operative demand.

Education is indispensable in the co-operative movement because co-operation is not only a way of doing business but a social philosophy—a way of living. Publicity is also indispensable if the members of our co-operative associations are to be kept informed upon what is their business in which they must as co-operators take an intelligent and active interest. As the Co-operative Conference is the body which does this work for the co-operative associations in Manitoba, your Directors are unanimous in recommending continued financial support for 1934-35. A resolution covering this matter will be submitted to you.

### Elevator Improvement Competition

We have again carried on this competition on the same basis as last year, awarding certificates of merit to the operators who maintained their grounds and elevator in the most attractive and fire safe condition. In making these awards we experienced even greater difficulty than in the preceding season, due to the much larger area affected by drought and grasshoppers.

The cup, emblem of the championship, was retained by Mr. Wm. Murdoch of Crandall, who won last year.

The winners in the six Superintendents' Divisions are as follows:

#### Firsts—

Wm. Murdoch, Crandall; S. Finkbeiner, Dropmore; J. Russell, Thornhill; B. H. Herron, Bois-sevain; J. H. Whyte, Portage la Prairie; and D. Gillies, Lenore.

#### Seconds—

K. M. McDougall, Mentmore; R. Rusk, Roblin; W. J. Govier, Crystal City; J. W. Thomson, Deloraine; J. W. Braithwaite, Homewood; and V.O. Hollier, Oak Lake.

#### Thirds—

C. H. Slack, Clanwilliam; J. T. Taylor, Dauphin; J. C. Watson, Pilot Mound; Alex Jack, Medora (now at Solsgirth); E. E. Payne, Oakville; and T. W. Ballance, Reston.

In these years of uncertainty and stress, it is only natural that comparatively little attention is

paid to non-essentials, and this is no doubt the reason for the apparent lack of interest in this very commendable work, on the part of some of our Locals. While admittedly the Elevator Company could operate without such a competition being carried on, we are convinced that the continuation of this project is highly desirable, and would urge all Local Boards to give active support and encouragement to their operators in this work.

### Change in Directors' Districts

In accordance with a resolution passed at the Annual Meeting held in November, 1932, a committee of seven, one from each Director's district, was instructed to study the question of equalizing the number of Local Associations in the various districts and submit their findings to the next Annual Meeting. At that time one Director in the

north represented seven Associations, while two others in southern Manitoba represented thirty-eight and forty-four, respectively, the reason being that the boundaries of these districts had never been changed since the original Organization meeting of Manitoba Wheat Pool in 1924. In the early days of the Pool our membership was considerably greater in the northern and central parts of the Province, and comparatively small in the southern sections. With the organization of Pool Elevator Locals, however, the membership increased very materially in the south, so that by 1928-29 these districts had the disproportionately greater number of Associations as indicated above.

The report of the committee, as submitted, was unanimously adopted by the delegates last October, and the province is now divided as follows:

District No. 1 (20)	District No. 2 (22)	District No. 3 (21)	District No. 4 (22)	District No. 5 (22)	District No. 6 (22)	District No. 7 (21)
Barnsley	Brunkild	Baldur	Broomhill	Alexander	Basswood	Arden
Cypress River	Carey	Belmont	Coulter	Bradwardine	Bethany	Benito
Edwin	Carman	Boissevain	Dalny	Brandon	Beulah	Bield
Elie	Domain	Cartwright	Dand	Cromer	Binscarth	Birdtail
Elm Creek	Dufrost	Clearwater	Deloraine	Ebor	Birtle	Birnie
Fannystelle	Fallison	Croll	Goodlands	Elkhorn	Brookdale	Bowsman
Fortier	Graham	Crystal City	Hartney	Ewart	Cardale	Clanwilliam
Glenboro	Graysville	Dunrea	Hathaway	Forrest	Chillon	Dauphin
Gordon	Homewood	Elgin	Lauder	Harding	Crandall	Dropmore
Holland	Jordan	Fairfax	Leighton	Hargrave	Decker	Durban
Landseer	Kaleida	Glenora	Linklater	Justice	Foxwarren	Eden
Notre Dame de Lourdes	La Riviere	Killarney	Lyleton	Kemnay	Franklin	Elphinstone
Oakland	Letellier	Lena	Medora	Kenton	Hamiota	Erickson
Oakville	Manitou	Margaret	Menteith	Lenore	Ipswich	Gilbert Plains
Portage la Prairie	Morris	Mather	Napinka	Manson	Mentmore	Grandview
Rathwell	Purves	Minto	Pierson	Maples	Millwood	Kenville
Somerset	Sanford	Ninette	Pipestone	McAuley	Minnedosa	Makaroff
Starbuck	Silver Plains	Ninga	Reston	Nesbitt	Moline	Minitonas
Swan Lake	Snowflake	Pilot Mound	Sinclair	Oak Lake	Moorepark	Roblin
Treherne	Sperling	Regent	Souris	Rounthwaite	McConnell	Rosburn
	Thornhill	Rhodes	Tilston	Wawanesa	Rapid City	Swan River
	Wood Bay		Waskada	Woodnorth	Solsgrith	

The above re-distribution, by joining two of the northern districts, automatically meant the retiring of one Director and the election of another in a newly formed district in the south. Mr. John Quick, the retiring Director, was tendered a vote of appreciation for the faithful and efficient service he had rendered the organization ever since his election to the Board in 1927. The new Director is Mr. W. E. Ring of Crystal City, representing District No. 3.

### Fire at Erickson

Manitoba Pool Elevators have been singularly fortunate during the preceding three years in not having had any losses by fire. This record was broken during the last season when on November 3rd, 1933, the Pool Elevator at Erickson became a prey to flames. A meeting of shareholders called a few days later, on November 8th, unanimously decided to rebuild a 40,000 bushel house equipped with a four-unit Emerson cleaner. A satisfactory adjustment was received from the Insurance Company, and the building was completed early in January of this year. The opening took the form of a "get-together meeting," which, by invitation of the Local Board, was attended by your President on January 12th. It is of particular credit to mem-

bers of the Erickson Association, that during the two months' construction period very little grain was delivered away, all holding back to patronize their own house. The new house is admitted by all to be the latest in elevator construction, combining capacity to handle grain expeditiously with convenience and ease of operation.

### Relief Fund

A relief fund to provide clothing for farm women and children in the drought area was instituted by the Delegates at the last Annual Meeting. Provisions were made by which individuals or Associations could contribute either in grain or in cash. The success of this effort is largely due to the generosity of those Associations which subscribed liberally from surplus earned in or previous to 1930.

The proceeds were distributed through fifteen voluntary relief committees, made up principally of representatives of ladies' organizations, such as Ladies' Aid Societies, Women's Institutes, Red Cross Societies, and Church Organizations, assisted by members of the Councils and Local Elevator Boards. They gave freely of their time and services, making local purchases of clothing, assembling and distributing the parcels amongst those who were most in need, or making up orders to be filled

and assembled in Winnipeg and sent to them for distribution.

The fund was confined to rural districts and the distribution made to farm women and children. The total amount collected was \$3,409.88. The number of individuals assisted was 1,395. All transactions in connection with relief have, of course, been checked by the Auditors in their regular work of auditing Pool Elevator books. It is gratifying to report that there was general satisfaction with the manner in which the relief was administered, and letters were received from all the committees expressing the heart-felt appreciation of the recipients.

### Drought Area

Your Directors have given serious consideration to the condition obtaining in south-western Manitoba. Successive years of drought, accompanied by destructive soil drifting, have created a condition in what is now termed "the drought area," which has reduced a once prosperous and high producing district to a temporarily barren waste.

Your Board is unanimously of the opinion that it requires the joint action of Federal and Provincial Governments, to restore this area to even a moderate degree of security and prosperity. A memorandum was prepared and presented on behalf of your Board to the Premier of the Province, urging the Government to immediately institute the necessary investigations and research by the best qualified men available, such investigations to include a survey of soil conditions, research into suitable farming practices, and the formulation and carrying out of a general soil conservation policy.

### Central Selling Agency

The Annual Report of Canadian Co-operative Wheat Producers, Limited, for the year 1933-34, is printed along with this report, as well as a statement of world wheat conditions, by Mr. John I. McFarland, General Manager of Canadian Co-operative Wheat Producers, Limited. Officials of Central will be in attendance to supply further information in connection therewith.

### Canadian Pool Agencies

The earnings of Pool Agencies have again been affected by the short crop and low grain prices for the major part of the season, as well as by a reduction in rates. As a result of the latter affecting country elevator and terminal insurance, including their grain contents, approximately \$40,000.00 was saved to the three Pool Elevator Organizations during the last year, with a consequent loss to the Agency of commission earnings.

The principle, however, upon which Pool Agencies are operated, puts service before profit, and in this respect they have been of great value to the Pool Organizations, not only in securing very substantial savings in rates on practically every class of insurance, but also in the servicing of it.

The result of the operations for the year is a profit of \$37,241.50, as compared to \$38,860.43 the preceding season. The decrease in the earnings is less than was anticipated at the beginning of the year, this being largely due to the heavy grain

stocks carried in country and terminal elevators. Included in this year's business was the placing of insurance on five cargoes out of Churchill, made by the Saskatchewan Pool. Two more have been completed since the end of the year, and several others are expected before the close of navigation from that port.

After the payment of a six per cent. dividend on the capital stock which is held by the three Pool Organizations, the balance of last year's surplus was distributed amongst the contributing members as follows:

Manitoba .....	\$ 3,864.67
Saskatchewan .....	22,786.73
Alberta .....	11,034.03
	\$37,685.43

Our stock in Pool Agencies having been fully paid for in the previous season, the amounts received by Manitoba Pool Elevators have been placed into Reserve Account.

Mr. R. C. Findlay, Manager of the Agencies, will be in attendance at the meeting, and will be prepared to answer questions respecting insurance.

### Governmental Co-operation

Your Board wishes to take this opportunity to express their appreciation to the Legislature of the Province of Manitoba, for again putting at the disposal of Manitoba Pool Elevators, Limited, a loan of \$300,000.00 for Working Capital. In doing so, we feel certain that we are also voicing the sentiments of all our members in the country.

### International Wheat Agreement and Marketing Legislation

On August 25th, 1933, Canada signed and thus became a party to the International Wheat Agreement. The Agreement was the subject of considerable discussion at the Annual Meeting last year and a resolution was passed unanimously endorsing the stand taken by the Board of Canadian Co-operative Wheat Producers, Limited, urging the Federal and Provincial Governments to take the steps that are necessary to fulfill Canada's part in the Wheat Agreement and expressing the view that a quota plan of adjusting supply to demand and international co-operation were the best means by which the Agreement could be put into effect. Similar resolutions were passed unanimously at the Annual Meetings of the Provincial Wheat Pools of Alberta and Saskatchewan. Subsequently representatives of our Co-operative Marketing Organizations met in conferences with members of the Provincial and Federal Governments, to discuss matters pertaining to the handling and marketing of our wheat. Their joint activities are being dealt with more fully in the Annual Report of Canadian Co-operative Wheat Producers, Limited, which is printed under this cover.

Within the last few weeks the Natural Products Marketing Act was again discussed at an Inter-Provincial Meeting of the Boards of the three Pool Organizations. A resolution endorsing the principles of the legislation and asking for authority to co-operate with the Saskatchewan and Alberta

Pools in carrying on further investigation and in preparing a suitable proposal under the Act, will be submitted to the delegates.

### Staff

During the year a major re-organization of the staff was made. It will be remembered by the delegates that at the Annual Meeting held in November, 1932, the question of changing from our individual unit method of operation to a system of operating collectively as a group, was under consideration. In the discussion your President referred to economies which would undoubtedly be effected thereby. The completion of the Supplementary Agreement early in 1933 gave definite assurance that we would continue on that basis for at least five years. After a year's operation it became evident that we could dispense with the services of some of our employees. These facts having been established, your management had to proceed with the extremely disagreeable task of releasing fourteen members of the staff, in most cases employees who for the last four or five years had faithfully served your organization. The full result of this reduction has not as yet been reflected in the attached statement of Head Office expenses, since re-organization took place in the second half of our financial year. Your Board and management feel that we are now on a basis where no further reductions in staff can be made without seriously threatening the efficient handling of the business of your organization. The above change also made possible reduction in our office space, with a consequent lowering of rental charges.

Your Board desires to express its appreciation of the loyal support and efficient service rendered by Head Office employees during this period of re-adjustment and throughout the year. In this con-

nection also, special mention should be made of the very excellent and effective service rendered by our country elevator operators, superintendents and fieldmen, and the terminal staff at Port Arthur, during the past season.

### Conclusion

The doubts expressed in the concluding paragraph of last year's report, as to our ability to present satisfactory financial statements for the past season, fortunately were not realized. On the contrary, our operations, for reasons previously referred to, have been remarkably successful. In this connection it is encouraging to learn also of the continued success of our sister organizations in Saskatchewan and Alberta. These wonderful showings of the three Pools are due to the loyal support of their member patrons, who, in spite of the fact that 1933-34 brought little or no alleviation of their difficulties, have "stood" by their own organizations and visibly demonstrated their belief in co-operative effort.

The current season again presents its own perplexing problems but given the same loyal patronage which we have enjoyed in the past, your Board looks forward with hope and confidence to the continued success of Manitoba Pool Elevators.

Respectfully submitted,

P. F. BREDT, President	} Executive
C. H. BURNELL, Vice-Pres.	
J. W. BALDWIN	
W. G. A. GOURLAY	
W. E. RING	
W. J. PARKER	
GEO. N. McCONNELL	

### A GOOD OLD TIME CO-OPERATOR PASSES

Robert Houston, Starbuck, passed away on September 25th at the age of eighty-five years. He was born in Scotland in 1849 and came to Winnipeg in 1878, in which year he married. He and his wife went to Starbuck in 1879, where they have lived ever since. They raised a family of four boys and five girls, all living, and two of the boys are on farms in the neighborhood.

Mr. Houston was an old timer not only as a settler but in the farmers' movement, in educational work and church and community activities. He was a member of the Grain Growers' Association from its beginning and was a prominent worker in the U.F.M. He joined the Manitoba Wheat Pool right at the start and was one of its active organizers. He was largely instrumental in organizing Starbuck Pool Elevator Associa-

tion a year later and became its secretary. He was also Secretary of the Starbuck consolidated school and was auditor for the Manitoba Trustees Association for several years. It may be truly said of him that he was one of the fathers of the farmers' movement in Manitoba.

### WHAT THE PROFIT SYSTEM LEADS TO

Two schemes for the reorganization of the spinning section of the Lancashire cotton industry have now received the approval of the General Committee of the Master Cotton Spinners' Association. One scheme provides for the establishment of an association to regulate production by quotas. The other provides for the scrapping of 10 million spindles in the American and Egyptian sections. The cost would be met out of a 2 million pound bond

issue, the service of which would be covered by a levy on the remaining 30 million spindles. If the schemes meet with sufficient support the Committee will ask the Government to pass the necessary legislation. The first scheme requires the assent of the owners of 90 per cent of the total number of spindles concerned. With regard to the second the proposals will be circulated to all spinners in the country with a view to obtaining the approval of a sufficient majority.

—I.C.A. News

### WHAT IS CO-OPERATION

The combination of a number of persons or of a community for purposes of economic production or distribution so as to save for the benefit of the whole body of producers or consumers that which otherwise becomes the profit of the individual capitalist.

—The English Oxford Dictionary.





# THE CO-OPERATIVE MARKETING BOARD

Office—Eighth Floor, Wheat Pool Building. Telephone 905 160  
Members of the Board

Hon. D. G. McKenzie, Chairman  
F. H. Downing

H. C. Grant

W. A. Landreth  
Secretary: John W. Ward

F. W. Ransom, Vice-Chairman  
Roy McPhail  
William Robson

## EXPLOITATION OR CO-OPERATION

In presenting a statement to the Stevens Committee last June on behalf of this Union Your General Secretary and myself submitted the two following general conclusions from the evidence then adduced:—

“(1) That great and socially injurious price-spreads, as well as deplorable labor conditions, may arise from the inevitable wastes of the competitive system, particularly when this competition tends to become of the cut-throat character.

(2) That where competition has been virtually eliminated by the formation of large corporations that achieve a dominating position in our economic life, primary producers, wage workers and the consumer are often mercilessly exploited.”

These unhappy conditions would seem to have arisen from two things: First a very unequal development in different lines of industry, and secondly, the prevalent excuse that the general welfare is best served through each seeking his own particular welfare. For example livestock is raised in Canada by individual farmer producers, very inadequately organised; whereas it is bought by a packing house industry where control is highly centralised. Under such conditions it is easy to see what the result will be where the parties concerned follow the motto of “charging all the traffic will bear.” Similarly in the tobacco industry: you have individual producers on the one hand and one big institution which takes about 80 per cent of the production on the other.

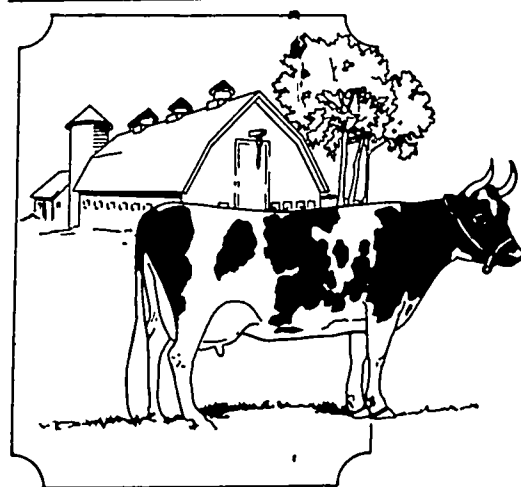
We would seem to be on the horns of a dilemma, forced to choose between the inevitable wastes and inhumanities of real competition and the equally in-

jurious evils which attend private monopoly.

So far, on this continent, the latter evil has been adjudged the greater, because it is more easily seen; and some collective effort has been made to deal with it. Generally speaking this effort has taken the form of legislation restraining monopolies when proven guilty of anti-social conduct. So, years ago, in the U.S.A., they had their anti-trust legislation, while we in Canada followed suit later as regards “combines in restraint of trade.”

### The Remedy

It cannot be said that this policy of “trust-busting” has been conspicuously successful. In the first place it tends to interfere with a natural evolution towards large scale operations which is not in itself necessarily anti-social; and in the second place it is most difficult to discover and punish offenders. I suggest that a more effective remedy lies in the direction of socialising monopolies, either under state auspices or in the voluntary co-operative movement. Economies arising from greater centralisation are desirable, if they minister to the general welfare and do not merely serve for the aggrandisement of the few. The Co-operative Movement, indeed, in my judgment, contains a complete answer to the problems arising from the Stevens inquiry.



## A Philosophy of Life

This answer is two-fold. It applies in the field of ethics, and equally in the field of economics. The Co-operative Motto, “Each for all and all for each,” expresses a philosophy of life in direct opposition to that implied by the motto, “Every man for himself.” The principle of human solidarity and brotherhood is expressly adopted by co-operators as the basis of their organisations. And in the field of economics co-operators build in accordance with this principle.

### Organisation of Consumer Need

This method, which the co-operator proposes, is the economic organisation of society upon the basis of consumer need. Fundamentally all people have much the same needs. They need food and clothing and shelter. They need recreation and amusement and scope for the development of their faculties. And their minds and souls need things of a non-economic character which are difficult to describe but which may perhaps be sufficiently suggested by the terms, social intercourse, information and inspiration.

Upon this basis of consumer need people who differ in many other respects find their interests harmonised and unified; and it is upon this basis that differences of race and language and religion and occupation disappear. It is true, as already mentioned, that one finds limited applications of the co-operative idea based upon race, language, religion or occupation; but human need transcends all such differences, and therefore the economic organisation of society upon this consumer basis offers something universal in its character, upon which the world-wide Co-operative Movement may safely rest. — W. C. Good in his presidential address at the annual congress of the Co-operative Union of Canada.

## Consumer Co-operation

Manitoba Co-operative Wholesale. Head Office: 316 McIntyre Bldg., Winnipeg

### PROGRESS IN RHINELAND

Congratulations are due to the Rhineland Consumers' Co-operative, whose headquarters are at Altona Man., on the completion of another year's successful operation. The Rhineland organization is one of the younger members of the co-operative family, but under the able guidance of President J. J. Siemans, and by careful attention to the needs of its members, it has built up a satisfactory volume of business, which undoubtedly will grow as general conditions improve.

At the annual meeting held a few days ago a report on the business for the year ending September 30, 1934, was presented showing an increase in turnover and in surplus compared with the preceding period and an improvement in the financial position of the association. It was also reported that a patronage dividend of three per cent had been paid to members on purchases during 1933. The members showed their appreciation by re-electing the officers and directors and the new year has been entered upon with excellent prospects of continued success.

The Rhineland Consumers' Co-op is of course a member of Manitoba Co-operative Wholesale and the receipts during the year included quite a useful sum received as patronage dividend on its purchases last year.

### Co-operators Should Co-operate

Manitoba Co-operative Wholesale was created by consumer co-operatives in Manitoba for the purpose of combining their buying power for their mutual advantage. It has been fulfilling that purpose for some years for a number of co-operatives, and with satisfactory results, and undoubtedly it is a powerful factor in building up and unifying the whole consumers' movement in the province.

In addition to acting as the purchasing agent of the locals and giving them the assurance of securing quality goods at fair prices, the wholesale is a medium through which the locals pool

their experiences, help to solve one another's problems and act unitedly in their common interests.

There are, however, still a few consumers' co-operatives which have not yet thrown in their lot with the other organizations. They urge the farmers in their own localities to join the co-op pointing out the advantages of co-operation and how by standing loyally together the farmers can help one another for the good of all. And yet, strange to say, some of these locals stand aloof and have not yet joined with the other locals in building up the wholesale.

Local boards of directors know how volume counts in their own business. The greater the turnover, other things being equal, the lower the cost of doing each dollar's worth of business and the greater advantage to the members. It is just the same with wholesaling. The greater the volume of business the greater is the bargaining power and the lower the cost. If all the goods which are sold by local co-operatives in Manitoba were purchased from Manitoba Co-operative Wholesale this organization would be able to serve its patrons (who are also its owners) even better than it does today.

Retail distribution is only one step in the process of satisfying human wants. To do the whole

job co-operatively, we have to go back further and take in wholesale distribution and finally production.

Let's all get together, we who believe in co-operation, and co-operate.

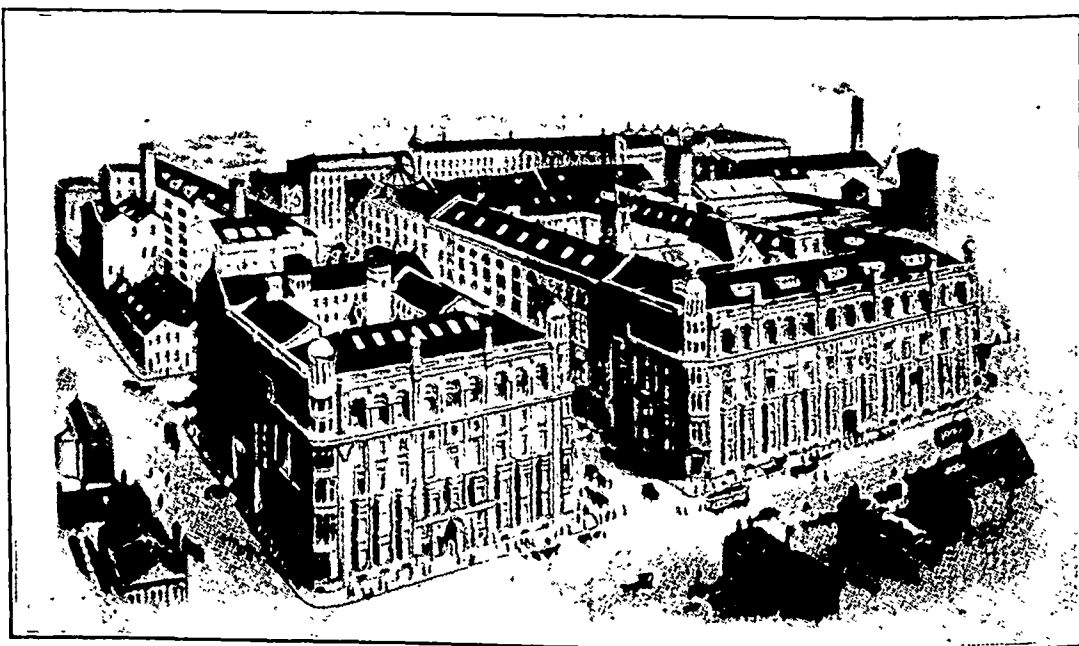
### Lovely Weather

At the time of writing, Indian summer is still with us in spite of the fact that the calendar says it is less than six weeks to Christmas. But old man Winter will wake up one of these days and come upon us riding on a blizzard out of the north. We shall be glad if, when that happens, we have a well-filled coal bin.

Your co-operative Wholesale supplies the best quality coals of the various grades at rock bottom prices. Now is the time for the locals which have not already done so to bring in one or more carloads and for individuals to stock their cellars so that they may give a warm welcome to old man Winter when he arrives.

The English Milk Marketing Board has now fixed the price of milk not only as from producer to retailers but from retailers to the consumer. For the latter purpose the country is divided into four areas and a minimum price to consumers is set in each area.

During October the government of the United States distributed \$98,000,000 among farmers on account of adjustments with regard to wheat growing — \$28,000,000 being the final payment on the 1933 adjustment payments and \$70,000,000 the first payment on 1934 adjustments.



Headquarters of English C.W.S. at Manchester

# Co-op. Poultry Marketing

## A Message from Manitoba Egg and Poultry Pool

Head Office: 402 Lombard Bldg., Main St., Winnipeg

### DRESSED POULTRY POOL

Below is a list of loading dates for our 1934 dressed poultry pool. In drawing up this program we have tried to arrange the dates so that those who wish to do so may contribute to either early or late shipments. With this end in view, and at the request of members, we have provided for both early and late shipments from eight locals, namely: Bagot, Bois-sevain, Carman, Carnduff, Elm Creek, Gilbert Plains, MacGregor and Pilot Mound.

It is necessary that all poultry intended for export be shipped not later than December 1st, and it is always a problem to arrange to set a number of loading dates earlier than usual this year. It is hoped that in these districts conditions will be favorable for finishing the poultry in time for Pool shipment with the quality and grade satisfactory. Where you are able to do so, keep unfinished poultry until the second shipment, or for shipments made a loading program to comply with requests of locals for certain shipping days, and at the same time be sure of sufficient volume for export requirements. However, we have endeavored to do so wherever possible.

It has been necessary due to scarcity of feed in drought areas up at a later date at a Local convenient to you.

### Dressing and Trussing

Turkeys, chicken and fowl will be packed, trussed as formerly. Ducks and geese are to be bled through the mouth but delivered to shipping points with heads and feet off.

### Winnipeg Branch

For the benefit of those having poultry to market and in whose district there is no organized Local, our Winnipeg branch is open continuously to receive poultry shipments. Dressed poultry consigned to our Winnipeg branch should be trussed and prepared in the same way as when delivered for shipment from country points. Such shipments may be packed in any container and it is not neces-

sary to use the standard poultry boxes. Care should be taken that the poultry is thoroughly chilled before packing, as otherwise there is danger of it spoiling when in transit.

On poultry received at Winnipeg during the pooling period (November 12th to December 22nd) advance and final payments will be the same as at local shipping points.

Following is a list of loading dates. Points from which both early and late shipments will be made are printed in heavy type.

### BRITAIN'S GOAL IS PLANNED PRODUCTION

Thus we have set our faces toward recovery and have started on the road in a spirit, not of aggressive nationalism, but of a friendly co-operation with our partners in world trade. In its international aspect the United Kingdom policy is, in fact, to be regarded as a half-way house to the development of a system under which the nations of the world, through the medium of international agreements, may be able to lay aside weapons of economic warfare and to co-operate with one another in operating schemes for the planned production and marketing of primary commodities.

—Rt. Hon. Walter Elliot, British Minister of Agriculture.

1934	No. 1	No. 2	No. 3
Tues. Nov. 20		Calder	
Wed. " 21		MacNutt	
Thur. " 22			Shoal Lake
Fri. " 23	Magnet	Russell	Birtle
Sat. " 24	Ochre River	Angusville	Foxwarren
Tues. " 27	Glenella	Rosburn	<b>GILBERT PLAINS</b>
Wed. " 28	Laurier	Vista	
Thur. " 29	McCreary	Oakburn	Garland
Fri. " 30	Kelwood	Elphinstone	Valley River
Sat. Dec. 1	Plumas	Sandy Lake	Fork River
Mon. " 3	Neepawa	Erickson	
Tues. " 4	Arden	Clan William	Sifton
Wed. " 5	Gladstone		Dauphin
Thur. " 6	Langruth	Bowsman	Togo
Fri. " 7	Amaranth	Benito	Roblin
Sat. " 8		Kenville	Bield
Tues. " 11	<b>BAGOT</b>	Swan River	Grand View
Wed. " 12	Edrans	Minitonas	<b>GILBERT PLAINS</b>
Thur. " 13	Brookdale	Renwer	
Fri. " 14	<b>MacGREGOR</b>	Pine River	
Sat. " 15	MacDonald	Ethelbert	

1934	No. 4	No. 5	No. 6	No. 7
Wed. Nov. 21			Kennedy	
Thur. " 22	Lenore	Elkhorn		Tilston
Fri. " 23	Bradwardine	Virden	Reston	Alida
Mon. " 26			Willmar	Deloraine
Tues. " 27	Spy Hill	Dubuc	Carlyle	Waskada
Wed. " 28	Miniota	Esterhazy		Lyleton
Thur. " 29	Hamiota	Tantallon	Redvers	<b>BOISSEVAIN</b>
Fri. " 30	Oak River	Rocanville	Pipestone	<b>PILOT MOUND</b>
Sat. Dec. 1	Cardale	McAuley	Souris	
Mon. " 3	Decker			
Tues. " 4	Rapid City	Whitewood	Kipling	Manitou
Wed. " 5		Wapella	Fairlight	Darlingford
Thur. " 6	Minnedosa	Moosomin	Woodnorth	Thornhill
Fri. " 7	Marchwell		Terence	
Sat. " 8		Oak Lake		Morden
Mon. " 10	Binscarth		Treherne	
Tues. " 11	Solsgrith	Brandon	Rathwell	<b>BOISSEVAIN</b>
Wed. " 12	Kelloe	Austin		
Thur. " 13	Strathclair	Beaver	Cypress River	Clearwater
Fri. " 14	Newdale	Portage	Glenboro	<b>PILOT MOUND</b>
Sat. " 15	Basswood			

1934	No. 8	No. 9	No. 10
Wed. Nov. 21	Hartney	<b>CARMAN</b>	
Thur. " 22		<b>ELM CREEK</b>	
Fri. " 23	<b>CARNDUFF</b>		
Sat. " 24		Minto	
Tues. " 27	Carlevale	Dunrea	Carberry
Wed. " 28	Pierson	Belmont	<b>MacGREGOR</b>
Thur. " 29	Melita	Wawanesa	<b>BAGOT</b>
Fri. " 30	Napinka	Baldur	Oakville
Sat. Dec. 1	Lauder	Glenora	
Tues. " 4		Somerset	
Wed. " 5	Cartwright	Altamont	Arborg
Thur. " 6	Killarney	Miami	Ashern
Fri. " 7			Eriksdale
Sat. " 8	Oxbow	Stephenfield	
Tues. " 11	<b>CARNDUFF</b>	Roland	
Wed. " 12		<b>CARMAN</b>	
Thur. " 13		<b>ELM CREEK</b>	Pinewood
Fri. " 14			Emo

# Co-operative Dairying

A Message from Manitoba Co-operative Dairies  
Head Office: 316 McIntyre Bldg., Winnipeg, Man.

## OUR CHAMPION BUTTER-MAKERS

Manitoba butter-makers again this year walked off with most of the prizes in the creamery butter classes at the major exhibitions throughout Canada. A summary of the results shows that at the exhibitions held at Brandon, Cal-

gary, Edmonton, Saskatoon, Regina, Ottawa, Toronto and London Manitoba won 65.2 per cent of the first prizes and 57.4 per cent of all prizes in the butter classes open to the Dominion. Alberta coming second with 15.5 per cent of the first prizes and 19.2 per cent of all prizes.

ing to drouth in the territory served and increased creamery competition, the plant at that point had made a poorer financial showing than for several years, and the shareholders present fully realized the necessity of every member bestirring himself to secure a greater volume of cream.

The Dauphin plant, on the other hand, reported a considerably increased volume compared with last year, and the financial showing was the best in the history of the plant.

Directors elected for Brandon district were: William Robson, Deleau, and J. A. Carnahan, Kemnay; delegates to the central annual meeting, D. J. Brownlee, Sinclair; John Matthewson, Woodnorth; F. D. Fisher, Manson, John Sparrow, Oak River; J. M. Allan, Forrest; Parker Patterson, Boissevain; and R. A. Pickett, Tilson.

Directors elected for Dauphin district were: D. J. Hill, Makinak, and B. F. Boughen, Dauphin; delegates to central meeting, W. J. Perepeluk, Sifton; A. J. Pope, Bowsman; Adam Sangster, Makaroff; James Elliott, Rorketon; H. Izon, Dauphin; Paul Johnson, Rorketon, and A. J. M. Poole, Kelwood.

At the Dauphin meeting, G. W. Tovell, general manager of the association, explained the Natural Products Marketing Act, and after discussion a resolution was passed endorsing the efforts of the Canadian Federation of Dairy Farmers to draw up plan for the marketing of dairy products under the Act.

### Cream Prices Advance

An advance of three cents a pound butterfat went into effect at Manitoba Co-operative Dairies plants on November 17, prices now being on the basis of 20 cents for table cream delivered in Winnipeg.

### Figure It Out

In 1933, Canada produced 218 million pounds of creamery butter, and consumed approximately the same quantity, imports and exports just about balancing. This indicates a consumption of about

109 million pounds in six months. For the six months commencing November, 1933, the production was 59,700,000 pounds, a shortage of 49,300,000 pounds compared with the average consumption for six months. On November 1st, 1934, storage stocks were reported as 49,317,000 pounds. Feed is scarce in many parts of Canada and grain prices are higher than a year ago. It is interesting to speculate as to whether, under present conditions, production during the coming winter will be as high as last year and what will happen to butter and cream prices as the storage stocks are withdrawn to meet consumption requirements.

In any case it will be safe to send every possible can of cream to the Manitoba Co-operative Dairies plants at Winnipeg, Brandon, Dauphin, Chatfield and Gilbert Plains and to induce every other farmer in the province to do likewise.

## INTERNATIONAL WHEAT COMMITTEE MEETS

Reports presented to the International Wheat Committee which convened in Budapest on November 20, shows that as a consequence of drought conditions on the North American continent and to some extent in parts of Europe, the world's great surplus of wheat will be reduced, but there will still be a substantial surplus remaining at the end of the present crop season owing to continued low import requirements.

The import demand is estimated at about 600,000,000 bushels but there are some experts sceptical about that figure and who would reduce it by at least 50,000,000, and who contend that it is not likely to exceed the reduced figure for a number of years.

According to press reports on the meeting of the Committee there is no let up in the encouragement of wheat growing in European countries and efforts are being directed not so much to increase of acreage as to increase of yield by more intensive farming methods.

The most important questions before the Committee are the allocation of export quotas and quotas for an international wheat reserve. There is at present no indication of any agreement on these questions.



A. REIHL,  
Winnipeg



J. G. SHAND,  
Dauphin

These are the two butter-makers for Manitoba Co-operative Dairies who have won many honours this year.

gary, Edmonton, Saskatoon, Regina, Ottawa, Toronto and London Manitoba won 65.2 per cent of the first prizes and 57.4 per cent of all prizes in the butter classes open to the Dominion. Alberta coming second with 15.5 per cent of the first prizes and 19.2 per cent of all prizes.

Manitoba Co-operative Dairies, as usual, made a substantial contribution to the provincial triumph, J. G. Shand, the butter-maker at our Dauphin plant winning 9 firsts, 6 seconds and one third, while A. Reihl, our butter maker at Winnipeg, carried off 8 firsts, 6 seconds, 2 thirds, the championship diploma, and a silver medal, and had the best average score. On total points our Dauphin plant took the premier place in the Dominion and Winnipeg was in a tie for second place.

### District Annual Meetings

District annual meetings of members of Manitoba Co-operative Dairies were held at Brandon on November 10th and at Dauphin on November 17th. At each of these meetings there was a larger attendance than for some years past and interesting discussions took place on the affairs of the association.

The report presented to the Brandon meeting showed that ow-

# Co-op Livestock Marketing

Manitoba Co-operative Livestock Producers, Ltd.  
Canadian Livestock Co-operative, Ltd.

## THE MARKETING ACT

After discussion lasting three and a half hours, ninety delegates and members of Manitoba Co-operative Livestock producers assembled in a special general meeting at Brandon on November 15, decided by an almost unanimous vote to take steps towards the adoption of a scheme under the Natural Products Marketing Act acceptable to the producers of the three prairie provinces. The opinion was generally expressed that the most desirable course would be the adoption of a dominion-wide scheme supported by all the provinces, but it was considered to be practically impossible to secure unanimity throughout the dominion.

The resolution was as follows: "That we request the provincial minister of agriculture to appoint a committee representative of all livestock producer interests in Manitoba for the purpose of meeting representatives of the producers in Saskatchewan and Alberta with the object of preparing a scheme for the marketing of livestock under the Natural Products Marketing Act."

Roy McPhail was elected chairman, and was supported by the full board of directors, Dr. J. A. Munn, M.L.A., Carman; F. H. Downing, Kelloe; D. A. Hutchison, Ashville; A. J. Pope, Bowsman River; and J. L. Christie, M.L.A., Glenboro. P. E. Roblin, president of the Saskatchewan Co-op. Livestock Producers and of Canadian Livestock (Western) Ltd., was present as a visitor and J. W. Ward was appointed secretary of the meeting.

The chairman reported on the action taken by the Board since the general meeting of delegates in June and submitted for the consideration of the meeting a scheme under the Natural Products Marketing Act identical with that submitted to the Dominion Marketing Board by the Saskatchewan organization.

Copies of the scheme had been circulated to all delegates, and it was read and discussed clause by

clause. Discussion centered chiefly on the sections setting out the powers proposed to be conferred on the local board, which would enable it to completely control the marketing of livestock within the province. Some delegates were of opinion that these powers were too wide while others thought that complete control was essential if the scheme was to be effective, claiming that in the past the market had been largely controlled by the packers and that it was now time for the producers themselves to take control.

In asking the minister of agriculture to appoint a committee of representative producers, the meeting followed the lead of Saskatchewan and Alberta, Mr. Roblin stating that the Alberta committee, which was now ready to submit to Ottawa a scheme identical with that of Saskatchewan, was representative of all livestock interests in that province, while in Saskatchewan the minister of agriculture had been asked, and had agreed, to appoint a committee to sit with the board of the co-operative organization.

The meeting also decided to circulate a petition asking the governments to take such action as is necessary to require all livestock to be marketed through public markets, or regular exchange agencies, and that as the volume of business done through the stockyards increases stockyard charges be reduced.

## Hopes for an Interprovincial Scheme

"I am very well pleased with the decision of our delegates' meeting," declared R. McPhail, President of Manitoba Co-operative Livestock Producers, after the meeting. "It is almost impossible adequately to estimate the desires of our farmers in connection with organized marketing under the Natural Products Marketing Act in the absence of very complete machinery through which to gain contact with the farmers. We should now, however, be able to establish the re-

quired contact and it is my hope that we may be able to co-operate to the fullest extent with livestock producers in Saskatchewan and Alberta and agree upon a scheme of marketing under the Act which will not only overcome the existing abuses but give the producer of the prairie provinces the organized control necessary to secure for him all the benefits of a really efficient marketing system."

## Committee Appointed

The resolution adopted by the meeting was communicated to Hon. D. G. McKenzie, minister of agriculture, next day and he immediately took action by appointing a representative committee as follows: From the Manitoba Co-operative Livestock Producers, F. H. Downing, Kelloe, and Roy McPhail, Brandon; from the United Farmers of Manitoba, J. S. Wood, Oakville, and W. Kingdon, Clanwilliam; from livestock shippers, George Campbell, Killarney, and Allan McAllister, Portage la Prairie; from breeders and producers, John Killoh, Hamiota, and W. Davidson, Wakapa; from the agricultural societies, Dr. J. A. Munn, Carman, chairman of the Agricultural Committee of the Manitoba Legislature, and Dr. J. H. Gunne, Dauphin.

## F. H. Downing Elected President

The re-organization of the board of Manitoba Co-operative Livestock Producers, Ltd., made necessary by the death of I. Ingaldson, was completed at a board meeting held prior to the special general meeting on November 15. As a result, F. H. Downing, of Kelloe, becomes president of the association and Roy McPhail, of Brandon, the former president, becomes secretary-treasurer, while J. L. Christie, M.L.A., of Glenboro, takes Mr. McPhail's place on the board of Canadian Livestock Co-operative (Western) Ltd. The other representatives of Manitoba on the Canadian board are F. H. Downing and Dr. Munn.

Mr. McPhail has also been appointed secretary and acting manager of Canadian Livestock Co-operative, in succession to the late Mr. Ingaldson.

There has been very little variation in market conditions for cattle since our last issue. The

(Turn to page 22)

## CO-OP LIVESTOCK MARKETING

(From page 21)

receipts have been heavy and the average quality coming forward has been of a very medium grade, with few what might be called "really finished grass cattle" good enough to command top prices.

While cattle values are very disappointing from the producers, outlook and considering the actual cost of production, still the trade at Winnipeg has absorbed the heavy receipts each week at a fairly steady level of values the past two months and taking into consideration the extra running expenses between here and the two eastern markets, Toronto and Montreal, also the condition of the trade there, we consider that our local market has really been the proper point for the western producer to liquidate his stock.

### Marketings Increase

Government statistics recently issued show marketings of cattle at Winnipeg for the first nine months of 1934 as 200,278 compared with 144,135 for the corresponding term of 1933, or a gain of 56,133 head. Calf receipts were 52,714 an increase of 27,062 head.

No doubt other Canadian markets also show a ratio of increase. Ontario farmers have taken a fair supply of fleshy feeder steers weighing between 800 and 1000 pounds. Calves and yearlings have been somewhat neglected by the Ontario farmer this year as he is short of feed and wants a class of cattle to turn off as early as possible.

The lamb trade has been fairly satisfactory and fall prices for fat lambs have been attractive to the producer.

The hog trade has been very erratic and rather difficult to figure out the past two months. At the present time bacon hogs are marketing at \$6.75 per hundred and with the hog season starting deliveries will be heavier and it is very doubtful whether we can expect any strength in the trade from the present price level.

Comparative list of receipts by the five highest firms at St. Boniface:

1st Can. Co-op..	277	cars	—15.1%
2nd .....	261	"	—14.2%
3rd .....	259	"	—14.1%
4th .....	249	"	—13.6%
5th .....	218	"	—11.9%

## ANNUAL CONVENTION

U. F. M.

(From page 3)

ternational trade and demanding the reduction of the customs tariff to a revenue basis; asking that debt adjustment legislation be retained on the statute books and that the personal covenant be eliminated from mortgage contracts; urging the provincial government to issue a syllabus of temperance education and to make its use obligatory in the schools; inviting the co-operative organizations to support the U.F.M. as their central educational body; deprecating the intrusion of military exercises into the celebration of Remembrance Day; in favor of the licensing of properly qualified chiropractic healers; and asking for legislation requiring all deliveries of livestock to be made through stockyards rather than direct to packing plants.

J. S. Wood, of Oakville, was elected president, Roy McPhail, of Brandon, who has served in that capacity for two years, not standing for re-election, while W. J. Davidson, of Cypress River, was chosen to succeed Mr. Wood as vice-president.

### GOLD PRICE OF WHEAT

Under the terms of the International Wheat Agreement importing countries signatory to the agreement are committed to relax import restrictions, including tariffs on wheat whenever the price of British wheat shall have maintained a level of 63.02 pre-devaluation gold cents per bushel for 16 weeks. The Stanford Food Research Bureau points out that during the first four weeks of August British wheat parcels averaged 55.4 gold cents per bushel—93.8 cents in United States' currency. To equal 63 gold cents, British parcels' prices would have to average over \$1.06 in United States' currency, or around \$1.04 Canadian currency. It is now out of the question as to this price being maintained for 16 weeks prior to the middle of January.

—The Budget

### THE FRENCH TREATY

Under the recently concluded trade agreement between France and Canada, reductions of duty ranging from 10 to 33 per cent are made by Canada on French exports such as perfumes, cheese,

cigarette papers and preserved mushrooms. Important reductions are also made in the Canadian tariffs on French wines and liqueurs. The French government for its part consents to levy only the minimum duty on a number of Canadian products, shoes, whisky and wood manufactures, to modify the quotas for various agricultural and manufactured goods, to abolish the exchange surtax and to remove the increases in the imports tax.

### ORGANIZED MARKETING OF POTATOES IN NEW JERSEY

Central New Jersey potato growers and dealers are entering this year's potato digging and shipping season with well planned organizations designed to market the crop in an orderly manner. A committee composed of dealers and growers is in charge of two central offices, one at Hightstown and the other at Freehold, and these offices are supervising the marketing of the crop.

The foundations of the marketing plan consist of an association of farmers and a separate organization of dealers. A pro-ration committee of the farmers' association, together with a committee from the dealers' organization, composes the group in charge of the central offices.

Under the allotment phase of the plan, the pro-ration committee tells each co-operative potato grower how many bags of his crop he can sell during a given period of time. This committee also specifies, with the co-operation and advice of the dealers, what the farmers' price shall be.

—New Jersey Dept. of Agriculture.

"Dollar wheat? Everybody with practical knowledge knows that it will never happen again." — Rt. Hon. J. H. Thomas.

But then, again, there are more things in heaven and earth than are dreamt of in the philosophy of Mr. Thomas.

There are twenty periodicals devoted to co-operation in Argentina. The most important, "La Co-operacion," is the official organ of the Association of Agricultural Co-operative Societies. It is published fortnightly and has its largest circulation in the wheat growing provinces.

# Democracy in Business

**Poultry Pool Scheme Gives Producers Opportunity to Secure Full Benefits of an Efficient, Practical Marketing Program Operated by Producers for Producers**

## A Vital Question

Have producers the right to determine by vote how their produce shall be marketed? Certain interests answer "No." These interests, in a lavishly-financed campaign—by radio, through Boards of Trade, Retail Merchants associations and a section of the press—urge that producers be denied the right to vote on the egg and poultry marketing scheme recently submitted to the Dominion Marketing Board.

Who are these interests who demand that this scheme be killed before producers have an opportunity to register their will? Why are they investing time and funds in a frantic effort to head off a vote of producers on this scheme which has been submitted under the law of the land?

The answer to these questions may be found in a review of relevant events and legislation, a summary of the scheme and a dissection of the opposition thereto. (All of which has been faithfully reported in the Co-operative press of the West).

## A Long Battle for Rights

The battle of producers for their right to better marketing of their products goes back many years. Rooted in the days of war and the Wheat Board, the conviction has grown among farm producers that their produce can best be marketed through the centralized control of a national board.

Since those days, producers have fought to build up marketing machinery which would control the product, cut waste, increase efficiency, protect the consumer and assure a fair return to the producer. All the efforts of producers to develop marketing agencies and to influence legislation have been directed to this end.

## Producers Built Up Co-operatives

Throughout the West, producers have launched and developed co-operative marketing organiza-

tions—as a step to better marketing of their products. Through good days and bad, thousands of farm families have stuck loyally with their neighbors in these organizations. And, year after year, producers have become more and more sure that, in principle and method, they are progressing step by step in the right direction.

All these co-operative organizations have consistently and persistently pressed for organized marketing of their products. They have used their utmost power to promote national marketing measures that promise efficiency and fair return to producers. For years this has been a major part of the work of producers organized in their co-operatives. Their efforts have borne fruit.

## Co-ops Fought for National Marketing

In Manitoba, for instance, the Co-operative Marketing Board discussed in January, 1931, the "formation of a national policy for the marketing of farm products." A month later, in session with representatives of the co-operative marketing bodies of the province, a memo was prepared on national marketing. This became the basis of discussion at producer meetings over the province. At that time, prices (other than grain) were still at a fairly reasonable level. But a collapse was foreseen. This memo maintained: "A Produce Export Board should be appointed with full power to determine standards of quality; regulate the flow of produce; relieve domestic markets of surpluses; seek and develop new markets."

National marketing — insuring efficient methods, fair dealing to consumers and fair returns to producers — became the salient in the battle-line of the organized producers of the West. Producers had before them the British Agricultural Marketing Act (passed in 1931) and patterned their proposals on that model.

## Governments Discuss National Board

The nation-wide discussions re-national marketing boards focused in our legislative bodies.

During 1932 the Federal parliament discussed the subject many times. The Minister of Agriculture expressed his belief in the necessity for a control board. He stated, finally, that the government had decided to postpone a bill while experts studied the question.

Provincial legislatures approved the announcement that the possibilities of an export board were to be explored — as such a board meant more equitable price levels. The Agricultural Committee of the legislature in Manitoba, investigating farm prices, recommended setting up a National Marketing Board for the purpose of securing fairer prices to Canadian producers and providing more intelligent methods of marketing.

## Producers Marshal Their Forces

In 1933 (on July 26-28) the representatives of 14 Western co-operative business enterprises assembled at Regina. A three-day discussion culminated in selection of a committee to further the following resolution:

"This body of producers, representative of our major agricultural activities of Western Canada, request the Federal Minister of Agriculture to proceed with the preparation of a farm products marketing measure available to and adequate for the needs of all agricultural producers of Canada."

On November 27-29 the representatives of grain, livestock, fruit, dairy, poultry, vegetable and milk Co-operatives — from Atlantic to Pacific — assembled in Toronto. Their deliberations concluded in a resolution calling for:

"A farm products marketing measure which will enable producers in any part of Canada to take advantage of legislation, Federal or Provincial, embodying the principles of the British Agricultural Marketing Act."

A committee was appointed (5 easterners, 5 westerners). They promptly called upon the Minister of Agriculture. He assured them he would have a bill drafted.

## British Act the Model

In all these efforts to achieve efficient national marketing, the Co-operatives kept in mind the Brit-

ish Agricultural Marketing Act as their model. Passed in 1931, this measure was strengthened and extended in 1933.

Under this British legislation, producers are marketing sugar beets, wheat, hops, pigs and bacon, and milk. British producers voted 99% for their pig scheme; 95% for controlled marketing of hops; and 96% for the milk scheme (which regulates a business of a million pounds sterling per week).

Additional schemes are in preparation for the regulation of marketing of potatoes, fat cattle, eggs and poultry.

### Producers Carry On the Fight

The resolutions passed at the Regina and Toronto meetings were endorsed by the boards of our co-operative marketing organizations. Annual meetings passed such resolutions as the following (passed by the three provincial Pool Elevator companies at their annual meetings late in 1933):

"A national production and marketing policy for our whole farm industry, including livestock, poultry and dairy products, as well as grain . . . framing an intelligently planned national policy for Canadian agriculture . . . is a task which governments and producers should undertake immediately."

The combined strength of the Western Co-operatives was concentrated on national marketing. The federal Minister of Agriculture introduced the Natural Products Marketing Act in the House of Commons on March 26, 1934. Producers, through their co-operatives, suggested amendments to the original draft. These suggestions were considered at many conferences during April.

### The Act Amended and Passed

The bill came up for second reading early in May. Amendments shaped the measure a closer copy of the British Act. The chief of these, from the viewpoint of the Co-operatives, provided an opportunity for producers to call for a vote on schemes submitted. The Natural Products Marketing Act finally passed early in June.

Provincial governments promptly enacted legislation to give the Act full effect within their boundaries. Its provisions are the law of the land.

In August the personnel of the Dominion Marketing Board was

announced. Dr. Horace Barton, the chairman (also deputy minister of Agriculture) heads a board of 5 eminent economists.

### Producers Taking Action Under the Law

The Natural Products Marketing Act has been scrutinized, discussed and endorsed by Co-operatives — local, provincial, national. (For instance, on June 13, 75 directors of 9 Co-operatives met in the Manitoba Cooperative Conference — and, with no dissenting voice, endorsed the legislation as an opportunity for producers to better their condition).

These producer organizations have, in some cases, already taken steps to work out proposals which will bring to producers the benefits which may be reaped under the Act.

With producers taking the initiative, committees have been set up in Alberta and Saskatchewan to prepare schemes for marketing of livestock. A full assembly of delegates of Manitoba Livestock Co-operative on November 15, 1934, voted 89 to 1 to follow the same course.

The battle is not over. Efficient marketing, fair dealing for consumer and fair returns to the producer are still to be won. Producers, through their co-operative organizations, must focus attention on utilizing the Marketing Act to achieve these objectives — and on pressing for improved legislation where necessary.

**To Summarize: Producers, through their Co-ops, have battled long for improved marketing methods; they have helped to shape the Marketing Act — The next step is to use it. Now — it's up to the producers!**

### It's Up to Producers

Producer influence is written into the marketing legislation. It is a big step toward recognizing human welfare as dominant. But it is not unique. Many countries now have similar laws (The Old Land for example). We have simply fallen into step — with the thought, events and needs of the times.

This Marketing Act is useless until put to work by producers themselves. **It provides facilities for Co-operative action. It does not compel action.** It offers producers opportunity to do some-

thing for themselves. It provides machinery for organized and centralized marketing. It puts into the hands of the producer effective weapons to fight his own battle on an equal footing — if he will. He may regulate marketing and marketing practices; he may set up his own control and market agencies; he may organize his economic life.

It is now up to the producer — to achieve economic democracy . . . or to sink (with his family) further into economic subordination.

### Some Middlemen Oppose The Producers' Scheme

Following is a statement by W. A. Landreth, president and general manager of the Canadian Poultry Pool, Ltd. It explains the scheme presented by the organized producers, under the Marketing Act, by which producers may achieve democratic control of the marketing of their product — and deals with some of the distorted opposition to their proposal.

### Have Always Opposed Producers

"During the past few weeks considerable publicity has been given to the Marketing Scheme presented to the Dominion Marketing Board by our company on behalf of the organized poultry producers of the Prairie Provinces. It was expected that the Scheme would not meet with the unanimous approval of the produce dealers of this area. This particular group, with a few exceptions, has always opposed any efforts of the producers to improve marketing conditions in respect to their products.

### Boot-Leggings Defy the Law

"The Dominion Egg Regulations, which have been in effect through-out the Prairie Provinces for some years, require all eggs to be paid for according to quality and grade. During the egg season of 1934 there have been seventy convictions, under the Egg Regulations, of independent produce dealers in the Prairie Provinces. In addition, there were numerous instances where the evidence was conclusive but no action taken.

"Out of approximately eighty-five known produce dealers in the Province of Manitoba, only nine have taken out licenses and bonds



under the Manitoba Produce Dealers Act. To a greater or less degree the same conditions exist in Saskatchewan and Alberta. **Bootleggers** is the term customarily used to define those who evade either Dominion or Provincial regulations in the conduct of their business. We have evidence to substantiate the statement that, at one time last season, at least seventy-five percent of the eggs bought by dealers, (other than by the organized growers associations) were bought contrary to the provisions of the Dominion Egg Regulations.

### Organized Producers Want Better Product—Better Methods

"Being the largest operators in the marketing of poultry produce in the Prairie Provinces, the organized producers have been faced with the problem of finding ways and means of eliminating, if possible, the abuses referred to and, further, to make effective educational policies which will improve quality and economic methods of production.

"The Poultry Marketing Scheme presented to the Dominion Marketing Board has been drafted purposely to eliminate, by regulation and license, all illegitimate operations.

### Hap-hazard Marketing Has Failed

"Eminent economists, industrial leaders, bankers and statesmen appear to be of the unanimous opinion that economic recovery is only possible when ways and means are found to increase materially the purchasing power of agriculture—our basic industry. If we are to interpret this statement in a practical sense we must make effective constructive marketing policies which will realize for the producer a greater return. Present competitive methods have not accomplished the desired result so we must concede that they have failed.

"We would ask every producer in Western Canada, and every business man, these questions:

"First; are you satisfied with the price which has been paid for poultry products during the past three years?

Second; do you believe that nothing can be done to remedy this condition?

Third; do you believe that bootleggers and illegitimate dealers should be allowed to demoralize the industry?

We believe the answer of every honest individual is: "No!"

### Get the Facts—Study Them

"We ask you, then, to study the Poultry Marketing Scheme thoroughly. A concerted effort is being made by certain elements of the political press, bootleggers, the competitive trade, the Retail Merchants Associations of Manitoba and Saskatchewan and certain metropolitan Boards of Trade to destroy the petition and Scheme of the organized growers at Ottawa—in order that your approval or disapproval of the Scheme cannot be recorded by the taking of a vote.

Get the facts, study them. Don't be misled. Don't give up your right to register your considered decision by a democratic vote.

"Considerable publicity has been given recently to a new code of ethics to be adopted by the Retail Merchants Association. In view of their deliberate distortion of facts regarding the Poultry Marketing Scheme their need of a new code of ethics is quite apparent.

### Personal Liberty!

"Opponents of the Scheme have been very active in featuring the Scheme as a Compulsory Pool. Admitted, there are compulsory features to all legislation. The Natural Products Marketing Act very definitely embodies the power to license and regulate.

"However, the Western farmer, for the past three or four years, has enjoyed the privilege of exercising his personal liberty by selling his products on an open market for about half (or less) of the cost of production. No doubt, he is willing to exchange some of those privileges (?) in order that he can again pay his taxes, clothe and feed his family, and regain a fair standard of living.

"Under the provisions of the Poultry Marketing Scheme the producer retains the liberty to sell his poultry products direct to a consumer or to the rural merchant. If he has a special market outside his home community he may retain the right to supply same by getting a permit from the Local Board.

"It is argued by some that the issuing of these permits should not be necessary. However, we think that every fair-minded per-

son realizes that it would be impossible to carry out any constructive program without regulation. Without regulation it is obvious there is not a Scheme. And without a Scheme—as submitted by the producer organizations under the Marketing Act—the producer is condemned to be a mere accessory in an industry controlled by other interests; forced to take the price offered by them and denied the incentive to provide a quality product for the consumer.

### Freedom to Trade — Within the Law

"Under the provisions of the Scheme the rural retail merchant still retains the liberty of handling poultry products. He is guaranteed against loss and paid for the service he renders. Has he ever enjoyed so favourable a position in the past?

The urban retailer is assured of receiving a properly graded product which will materially assist him in gaining increased sales. He is protected against loss and has an assured income for the service rendered. A rather enviable position under present conditions.

The wholesale distributor will be assured of a supply of properly graded product. He will not have to purchase, at any time, quantities in excess of his sales. His possibilities of loss are eliminated and he has an assured income for the service rendered. How any honest wholesale distributor can oppose a Scheme under which he has everything to gain and nothing to lose needs some explanation.

### Organized Export of Surplus

"An executive of one of the largest packing houses in Canada made the following statement last year:

The poultry producers and the packing house trade of Canada are deeply indebted to the Canadian Poultry Pool for its action in developing a market in the United Kingdom for chilled poultry meat. Its action has, in my opinion, been responsible for saving the Canadian Market from complete chaos and has meant a saving of hundreds of thousands of dollars to producers and distributors.

"So far, in all the publicity given to the poultry Scheme, there has been no consideration of its possibilities as a developer of export trade, as a regulator of domestic trade and as a means of improving quality standards. It

is altogether fitting and desirable that producers—and rural retail merchants — should thoroughly discuss the scheme from these standpoints. The Scheme has been printed in all the main publications in the West. A copy may be secured by writing to the Co-operative Poultry Marketing Association in your Province or by writing to Canadian Poultry Pool, Limited, 402 Lombard Building, Winnipeg.

### The Wreckers Deny Your Right to Vote

"It is unfortunate, however, that individuals and interests other than the producers should, for reasons which are not very far to seek, endeavor to becloud the issue by the introduction of irrelevant arguments — with the hope that by causing dissension in regard to minor points, the scheme may be wrecked. In this connection, the actions of the Retail Merchants' Association of Saskatchewan, in calling for a vote of their members on the proposals of the organized producers' associations, **before these proposals were available** and before anybody knew what they were, appears to have been a clumsy piece of propaganda, which was so obviously undertaken for the explicit purpose of misrepresenting the whole movement that it will probably entirely fail to produce the results intended.

"It is possibly worth noting that the Executive of the Retail Merchants' Association took the step of gratuitously interjecting their organization into the affairs of a body of producers at the same time that they themselves were doing everything in their power to get a 100 percent organization to press the claims of the retail merchants at Ottawa.

### A Democratic Vote Is Your Right

"In like vein, certain newspapers and individuals, actuated in the main by political motives, are endeavoring to damn the Natural Products Marketing Act and everything it stands for. Our purpose now is merely to urge producers not to be misled by the arguments of interested outsiders as to the manner in which producers are to conduct their own business. "Divide and rule," has always been a guiding maxim

with those who have opposed farmer movements. Too frequently it has proved a successful policy. Don't allow it to deprive you of your right to a democratic vote on this occasion!

### Dont Be Misled—The Scheme Provides for Your Vote

"In closing, may we express the hope that the majority of producers have profited by experience and will refuse to be misled by specious and interested appeals. The Manitoba and Saskatchewan Retail Merchants' Associations have circulated petitions opposing the scheme which we would ask you to refrain from signing. You will have every opportunity to express your approval or disapproval of the Scheme when the vote is taken — the Scheme provides for that. It will not be made operative until approval is indicated by a substantial majority of producers.

"As employees and officials of the organized producers, we are grateful for the opportunity which you have given us to be of some service. We believe that the most constructive legislation ever passed at Ottawa, in the interests of Agriculture, is the Natural Products Marketing Act.

"The Poultry Scheme will help you to regain a better standard of living and, in operation, will eliminate from "the trade" only the illegitimate dealer—or bootlegger. It offers you democratic control of marketing your product. It is democracy in business.

**W. A. LANDRETH,**

President and General Manager

According to the Economic Review of the Soviet Union a decree was published on March 20 providing that workers who fall below the minimum standard of production set for their respective jobs because of their own inefficiency will be paid according to the quantity and quality of their production and will not be guaranteed a minimum wage. This new rule is designed to improve efficiency, increase production and reduce costs. It has a thoroughly capitalistic look but is probably a very sensible decree for all that.

## GRAIN EXCHANGE SHOULD BE REGULATED

(From page 7)

ber 1st to October 6th. Large accumulation in elevators is inevitable and it is certain some means must exist to carry the risk, or, in other words, "The Hedge," but it surely must be a system which will insure to the producer a reasonable price level. Under the Open Futures System this most important price function has heretofore been dependent upon the speculator or gambler. We have observed how it performs perfect service and protection to those engaged in the purchase of farmers' actual wheat, and it does enable such merchants to operate on a very reasonable margin of profit. In other words, the cost per bushel to the farmer to market his wheat is comparatively small, although it costs him just as much per bushel when wheat sells at 50c as when it sells at \$1.00 per bushel.

### Who are Speculators?

If you read the evidence before the Stamp Commission and the report made by that Commission, you will find there are several classes of speculators engaged in the operation of the futures system. The least important are those designated as "Scalpers," who might be better described as "In and Out Traders," They are in and out probably several times during the daily session, of the Grain Exchange, but at the close of the session they are usually even-up on the market. In other words they carry no over-night liability. Then there is the so-called "Professional" speculator who takes a position either long or short on the market, and maintains that position for a period of time. This class of operator frequently deals in large quantities and thus exerts great influence on prices either one way or the other. A prominent American advocate of the Open Futures Market System, recently wrote as follows:

"Remember this, when the professional speculators are in the market, let us say in wheat, and it is reported that they are breaking or bulling the market, are they? Is it not a fact that what they are actually doing is trading on the basis of their judgment, and their own personal knowledge of their power.

Their sole purpose always is to achieve a profit. At the present time there are all sorts of rumors about how Wall Street is out to get Roosevelt. Wall St. wants just one thing. Profits. Wall St. is not out to get anybody or anything. If it is necessary to get Roosevelt in order to get profits, and Wall Street thinks it can be done, then it will be tried."

That is presumed to be a favorable appraisal of the "Professional Speculator," given by a friendly advocate. I will accept it as correct, and in the light of that description I can only conclude that such professional speculator is not constructive. He is described as a man with judgment and power, **AND POWER MEANS MONEY**, and he will follow the line of least resistance as long as there is prospect of a profit. He is frequently referred to as a "Speculator," whereas others carrying on the same class of speculation in a smaller way, are oftentimes called "Gamblers."

### The Gamblers

That brings us to the other class who operate in grain futures, generally referred to as "The Public." This class is composed of large numbers of our population consisting of all who may now, or in the past, have taken an occasional flier in the market, or who may be regular traders but not members of any Grain Exchange. In the evidence before the Stamp Commission, it was admitted by all that this class of speculator loses heavily, and over a period of years it is very rare that any of them are successful in making money. Also it was found that they are usually optimists and therefore they generally operate on the long side. That is, they usually buy in the hopes of a rise in values. They could generally be depended upon to purchase the Grain Dealers "Hedges." They are people who have greatly assisted at times in making it possible for the elevator companies to hedge their purchases from the farmer. They consist of all classes, who have, or did have, some ready cash with which to buy futures. Among their ranks are store-keepers, ranchers, hired men, office girls, clerks, doctors and other professional men and women, and very many farmers.

These were the people who usually purchased the "Hedge." They oiled the mechanism of the Open Futures Market. They are those who are at times referred to as "Gamblers," and to whom Sir Josiah Stamp gave the descriptive name of "Moths."

### They Always Lose

The report of the Turgeon Commission, part of which was embodied in the report of the Stamp Commission, stated that "Individuals who engage in speculative transactions without adequate knowledge or capital, "not only usually lose heavily, "but also are a disturbing element in the market." Their transactions "become mere gambling."

If that is true then is it not time that these people should have some protection? Governments protect or try to protect the public against various gambling devices and games of chance, and I ask, should not Governments under present economic conditions, make an effort to protect the public from the ravages of the Open Futures Systems in which the uninformed are described as "Gamblers" and "Heavy Losers?" The Stamp Commission found; "That in addition to the benefits reflected to the producer in furnishing a system of insurance for the handling of his grain, and in providing an ever-ready and convenient means of marketing his crop, futures trading is of distinct benefit to the producer in the price he receives." I do not believe the average farmer would want to think that the price he receives for his grain consists in part of losses contributed by unfortunate people who cannot afford to lose.

### Market Manipulating

My observations over a long number of years, coupled with my actual experiences in recent years, have led me to the conclusion that there is every once in a while a drive on the price structure, led by the professional speculators in which millions of bushels of wheat, which they do not own, are poured into the market until the saturation point is reached and the price structure crumbles under those ruthless attacks. The public who are long on the market (that is, holding for a rise in price) and possess only limited resources, are liquidated in a wholesale fashion; the farmers equity vanishes

in the grain against which he has received an advance from elevator companies, and his stored grain is forced upon the market, while those who have sold many millions of bushels of grain, which they do not own, thus create an opportunity, where they may purchase at a lower price, the liquidated holdings of the public. Under an Open Market System, as already explained, there is no limit to the volume which may be bought or sold so long as the operator has sufficient money to carry on his transactions.

### Exchange Should be Regulated

Winnipeg is now the most important open grain futures market in the world, operating in an export country. It may become the target of outside destructive speculative forces, who are now controlled in their operations on the Chicago Board of Trade. It is evident the Chicago market is no longer an Open Futures Market, because as I have just stated, it is restricted as to volume and I claim that as a protection to the Public as well as to the producers of this country, steps should be taken to restrict and control the operations on the Winnipeg Grain Exchange. Furthermore, such a system of control will prevent a recurrence of the heavy sales of futures in the Winnipeg Exchange as occurred during the past few months.

### Wheat and Other Products

There may be people who wonder why so much difficulty is experienced in the handling of the grain crops of this country, whereas little is ever heard of other produce which the farmer markets. For instance, no futures system is apparently necessary to expedite the purchase and sale of other farm produce. It might well be asked why this should be so, and with that object in mind I have examined statistics on the cold storage stocks of beef, pork, mutton, butter, cheese and eggs, and I find during the past four or five years the values of the total of all stocks of these commodities in cold storage, has reached a peak in the Fall of the year, when the total value has been around \$20,000,000, and reached its lowest in the Spring when it decreased to about \$10,000,000. These stocks of produce are owned by companies and merchants who are carrying on the produce business,

and are financed through the banks without any system of future trading.

Of course, it must be admitted that the amount of money and risk involved in the handling of these other products is comparatively small when you consider that at the present time the stocks of wheat alone in store in elevators in this country amount to 230,000,000 bushels, and at present prices would reach a total value of somewhere around \$175,000,000, to which would have to be added the value of cereals other than wheat. The wheat stocks at present are large because of over-production, but even if we go back to January 1929, we find there was 231,000,000 bushels and in January 1930, 229,000,000 bushels of wheat in store. In the same years, total stocks of other cereals averaged upwards of 50,000,000 bushels.

#### Moral Responsibility of Government

Thus it will be seen that wheat, as a marketing problem, stands alone when compared with all other farm produce. It is evident that the merchant dealing in actual grain cannot afford the risk involved in this large investment without protection. It is equally evident that this protection is under the present system in some measure provided by a large body of non-members of Grain Exchanges, who are uninformed as to the operations of the large speculator who is in a position to manipulate the market for his own profit. If the Futures Marketing System is the best system which can be devised to finance and distribute the crop, then there is a moral responsibility on the Governments of this country to take such steps as will protect the operation of this system, in some measure at least, against unwarranted operations by large speculators.

It is impossible to compute the price benefit received by the people of this Dominion during the past four years, as a result of the support of the price structure under the guarantee, by the Bennett Government. Unprejudiced observers of world market conditions, of production figures, and of the enormously reduced constructive speculative factors, have estimated such benefits at upwards of 200 millions of dollars.

It is now quite evident that without government support in these years, the Futures System would have failed in its essential function.

\* \* \*

On November 5 the Council of the Winnipeg Grain Exchange denied there had been any "bear" raid on the market and announced its willingness to appoint a supervisor as suggested in the Stamp report. Mr. McFarland in a rejoinder stated that the records of his own office gave sufficient evidence of such raids and denounced the appointment of such a supervisor as the grain trade suggested as "futile" and altogether inadequate.

#### WHEAT FUTURES PEGGED

Responding to a request from the Dominion Government the Winnipeg Grain Exchange "pegged" wheat prices at 75 cents a bushel for the December future and 80 cents for the May future, these minimum prices becoming effective November 1.

#### WORLD AGRICULTURE AND ECONOMIC PLANNING

The twelfth General Assembly of the International Institute of Agriculture which opened at Rome on the 22nd October was attended by representatives of 53 countries. The exceptional importance attached to this Assembly is revealed by the strong delegations which have been sent by a number of countries and by the decision of the United States and Brazil this year to resume active collaboration with the Institute. The principal discussion dealt with commercial barriers, treaties of commerce and planned world economy in agriculture, and the United States Department of Agriculture put forward the suggestion that the subject be treated under the following heads:—

1. Effects of world trade barriers on the international agricultural situation and methods of alleviation.

2. Suitable measures for dealing with the present emergency; what has already been attempted and what might be done.

3. Long-term planning as a means of avoiding in the future such mal-adjustments as have arisen in recent years.

Professor Tugwell, one of President Roosevelt's chief economic advisers and the head of the U.S. delegation opened the discussion. He argued that the machinery of production and distribution evolved by business men had proved to work badly as a whole, so society was seeking in self-defence to impose more and more general requirements for efficiency. The recapture of prosperity would only come after a period of experiment. But while the means of control were being sought statesmen had felt the need of insulation from outside interference, and hence had arisen economic nationalism. When governments had time to look abroad they were not likely to forget the lessons they had learned at home in the shaping of their international relations. Somewhere between the international anarchy of so-called free trade and the protectionist nationalism would be found a way to build up a more substantial structure of exchange. Governments would turn more extensively to the rationalisation of their external trade relationships. With the diffusion of machinery, power and skill throughout the world, finished goods would decline in importance in international commerce and there would be more and more emphasis on access to raw materials and their efficient dissemination. The United States he admitted, had in the past hoped to export agricultural commodities to Europe without taking an equivalent from Europe in other goods. The illusiveness of this expectation had now been realized, and the trade conferences in which they were engaged indicated possibilities of more practical achievements.

Lord de la Warr (Great Britain) claimed that Great Britain during the last four years of depression had made a great contribution to the restoration of world prosperity by raising considerably her food consumption per head of population. No government could allow its citizens to be ruined for the sake of "laissez faire" or any other theory. Market regulation as a policy would, however, fail if it came to mean merely the control of over-production within the bounds of reduced consumption. If every man, woman and child in Europe were to eat the bare minimum required for health, there

would be but little talk of a glut of food.

Mr. F. L. McDougall (Australia), criticising Professor Tugwell's views, pointed out that countries whose economic life depended on the export of agricultural commodities could not look with equanimity on a world economy constantly subject to re-adjustment, nor could they visualise a world in which controlled production was the rule. Australia and countries similarly placed could not afford to wait while the older countries were planning their economic life behind closed doors. The extreme protectionism which existed today could not but result in a permanent lowering of the standard of life.

—I.C.A. News

### BROADCAST TALKS ON CO-OPERATION IN ARGENTINA

Early in this year it was announced that one of the radio corporations of the Argentine had arranged a series of broadcast talks particularly addressed to agriculturists, in which talks on co-operation would be a regular feature. Unfortunately the corporation abruptly cancelled this series, owing to representations made against the co-operative talks by one of the large grain exporting firms. Since then the Association of Agricultural Co-operative Societies, with similar interested bodies, has been negotiating with other radio corporations in the country, with excellent results. It has now been arranged that, starting in July radio talks on co-operation shall be given for the next six months. The radio corporation has further agreed to broadcast any news items or notices which the Association of Agricultural Co-operative Societies considers of special interest to co-operators.

—I. C. A. News.

### THE COCOA KING

Londoners were surprised recently to see a picturesque figure in flowing robes of brilliant yellow, accompanied by an attendant bearing a vast red and gold ceremonial umbrella, descend at the door of the C.W.S. building in Leman Street.

He was Paramount Chief Sir

Ofori Atta, K.B.E., of the Gold Coast, West Africa, in London on an official visit. He was anxious to see the English and Scottish Co-operative Wholesale Societies' warehouses because something like 50 per cent. of the cocoa grown in his own district is handled by the C.W.S.

The Paramount Chief, who speaks perfect English, is a real live wire in his native land. It is less than fifty years since the first experimental cocoa bean crop was exported from the Gold Coast, but the colony now exports 200,000 tons per annum, something like half the total cocoa output of the entire world.

### NEW TYPE OF CO-OPERATIVE SOCIETY

The immediate post-war depression in 1921 very severely hit the villages of Japan, and in order to secure medical attention for small villages which were too impoverished to maintain a doctor or nurse privately, medical co-operative societies were formed. These societies usually had a membership of about 500, and secured the services of a doctor and nurse for the members and their families. Consequent upon the inadequacy of the existing State health insurance scheme, there has been a very rapid growth in the number and size of these societies, especially since 1929, when societies with as many as 10,000 members have been formed. These medical co-operative societies maintain their own hospitals and ambulances.

As may be expected, the Japanese Medical Society did not take kindly to this movement, and in 1931 the medical men waged war on these societies, but the battle ended finally in a victory for the societies, which received valuable advertisement in the process.

### WHO WANTS WAR?

Who wants war? The men who have to do the fighting don't want it. The mothers of sons who must face the guns don't want it. The fathers of the boys who must face the bayonets of the enemy, don't want it. The sisters of brothers whose blood must go to swell the crimson tide, don't want it. The wives and the sweethearts of men who must leave

their bones to bleach on the battlefields, don't want it. Then who does want it? The manufacturer of munitions who the greater the struggle sells more and more death-dealing weapons. He wants it, and he keeps the pot boiling where he can so that the market for guns, and incidentally for dead men, shall not fail.

—Halifax Chronicle

### SWEDEN PUTS NEW TAXES ON FARM PRODUCTS

A number of measures for assisting agriculture have been approved by the Parliament of Sweden, the chief of which is an import levy of 3 ore per kg. (4-5c. per pound, on oats, maize, barley, vetch, peas and beans for fodder, manioc and tapioca, also on fodder prepared from any of these, or products intended for the preparation of fodder. The levy came into force on 22nd May, and also applies to any foreign oats or maize which were in the country at this date, the first 1,000 kg. held by any one person being exempt.

### A PLANNED ECONOMIC SYSTEM IN EMBRYO

At the International Labor Conference of 1932 the late Albert Thomas described the co-operative economic system as "a planned economic system in embryo." "The co-operative movement," he wrote in his last report as Director of the International Labour Office, "is by its nature a means of substituting concerted action for scattered individual action and replacing the so-called natural laws by reasoned organization. . . . It deals with the underlying fundamental elements of economic activity, and the very principle on which it is based implies that it should follow a systematic policy of planning."

Stable, yet progressive co-operative economy regulates itself because of the inherent rightness of its principles. The full application of these principles guarantees the adjustment of production to the needs of consumption, the reconciliation of producer and consumer, the employment of capital under collective control in the social interest, and the emergence of social justice and true liberty through the elimination of class dominance and exploitation.

**THE AGE OF A HORSE**

Two middle nippers you behold  
 Before the colt is two weeks old.  
 Before eight weeks two more will  
 come;  
 Eight months, the corners cut the  
 gum.

The outside grooves will dis-  
 appear  
 From middle two in just one year;  
 In two years, from the second  
 pair;  
 In three, the corners too are bare.

At two, the middle nippers drop.  
 At three, the second pair can't  
 stop.

When four years old, the third  
 pair go,  
 At five a full new set to show.

The deep black spots will pass  
 from view  
 At six years, from the middle two;  
 The second pair, at seventh year.  
 At eight the spots each corner  
 clear.

From middle nippers, upper jaw.  
 At nine the black spots will with-  
 draw.

The second pair, at ten, show  
 white;  
 Eleven leaves the corners light.

As time goes on the horsemen  
 know

The oval teeth three-sided grow.  
 They longer get, project before,  
 Till twenty . . . when we know  
 no more.

**ICELAND HAS MANY CO-OPERATIVE SOCIETIES**

The Iceland co-operative move-  
 ment now comprises 41 general  
 purposes societies, which provide  
 all the requirements of their mem-  
 bers and market their produce; 11  
 consumers' societies; 5 produce  
 marketing societies, one of which  
 owns up-to-date abattoirs and  
 freezing plant and a small canning  
 factory; 3 building societies; and  
 8 fishing and curing societies. Of  
 these, 32 general purposes, 3 con-  
 sumers' and 2 marketing societies,  
 with a total membership of over  
 8,000, are affiliated to the Federa-  
 tion of Iceland Co-operative Socie-  
 ties (S.I.S.), which is today the  
 largest business concern in Ice-  
 land. Through the S.I.S. the  
 societies, even many of them not  
 actually affiliated, purchase all  
 their members' requirements and  
 sell their products in the home

and foreign markets. A character-  
 istic feature of the activities of  
 the Federation is the improved  
 handling and grading of Iceland  
 farm produce, meat, wool and  
 skins.

—I. C. A. News

**BE A BOOSTER**

If you think your co-op's best,  
 Tell 'em so;  
 If you'd have it lead the rest,  
 Help it grow.  
 When there's anything to do,  
 Let the others count on YOU,  
 You'll feel good when it is  
 through,  
 Don't you know?

If you're used to giving knocks,  
 Change your style;  
 Throw bouquets instead of rocks  
 For awhile;  
 Let the other fellow roast;  
 Shun him as you would a ghost;  
 Meet his banter with a boast  
 And a smile.

When a grower from afar  
 Comes along  
 Tell him who and what you are—  
 Make it strong.  
 Never flatter, never bluff;  
 Tell the truth, FOR THAT'S  
 ENOUGH;  
 Be a booster—that's the stuff,  
 Don't "just belong."

"What did his father die of,  
 did you say?"

"Throat trouble."

"Throat trouble?"

"Yes—he was hung."

**SASKATCHEWAN CO-OPS.  
 BACK POULTRY  
 MARKETING SCHEME**

The producers of Saskatche-  
 wan, through their co-operative  
 organizations, have pronounced  
 in no uncertain words their deci-  
 sion to support to the limit the  
 marketing scheme submitted by  
 the Poultry Pools of the Prairie  
 Provinces, under the Natural  
 Products Marketing Act.

A special meeting of the Sas-  
 katchewan Co-operative Confer-  
 ence devoted a full day to discus-  
 sion of the scheme—and methods  
 of putting the facts before pro-  
 ducers, so that the latter can ren-  
 der a considered decision when  
 the time comes for them to vote.  
 Upon a unanimous resolution the  
 following telegram was sent to  
 the Rt. Hon. R. B. Bennett,  
 Premier of Canada; the Hon.  
 Robt. Weir, Minister of Agri-  
 culture; and Dr. Horace Barton,  
 Chairman of the Dominion Mar-  
 keting Board.

"Saskatchewan Co-operative  
 Conference — embracing Wheat  
 Pool, Livestock Pool, Poultry  
 Pool, Dairy Pool, Co-operative  
 Wholesale, United Farmers of  
 Canada — meeting in Saskatoon  
 November 19, resolved to wire  
 you, pledging full support of the  
 organized farm movement of Sas-  
 katchewan to the poultry market-  
 ing scheme submitted by the Sas-  
 katchewan Poultry Pool under  
 the Marketing Act — and urge  
 your favorable decision at the  
 earliest possible date."

**TO MEET EMERGENCY**

The farmer who manages to keep up his  
 Savings Account is protecting the hard  
 work he has done. Savings in the bank  
 earn compound interest, never depreciate  
 and provide a ready cash reserve to meet  
 necessary payments or sudden difficulty.

THE

**ROYAL BANK**  
 OF CANADA

**TOBACCO**

Say you saw it in "The Co-operator"

**BURLEY, VIRGINIA, ZIMMER AND HAVANA** Tobaccos, 5 pounds samples, pipe, flavoring and recipes; or 3 pounds (8 samples leaf and 2 manufactured), \$1.00 postpaid. Ruthven Co-operative Tobacco Exchange, Ruthven, Ontario.

**GOOD LEAF TOBACCO — 10 LBS.** \$1.75 postpaid. Jos. Horvath, Amherstburg, Ont.

**A FOUR-POUND PACKAGE VIRGINIA** and Burley Leaf Tobacco (6 different samples) with pipe and flavoring; or five pounds \$1.00 postpaid. Glen-Erie Tobacco Exchange, Ruthven, Ontario.

**BRIGHT LEAF BURLEY, SUN-RIPENED** Five pounds \$1.00; fourteen pounds, \$2.50. Four pounds Virginia Leaf Cigarette Tobacco, \$1.25. Postpaid with recipes. G. W. Jeffery, Leamington, Ont.

**TRY OUR MANUFACTURED TOBACCO —** Pipe or cigarette cut, \$1.00 pound. Seven pounds Virginia Leaf, \$2.00. Fifteen pounds Burley, \$2.50 Postpaid. Natural Leaf Tobacco Co., Leamington, Ont.

**MACHINERY**

Say you saw it in "The Co-operator"

**LOW PRICES ON MOTOR REBUILDING** Welding and re-babbitting. Service Machine Works, 755 St. Joseph, St. Boniface, Man

**AUTO AND TRACTOR PARTS—USED AND** new—Generators for charging batteries, at lowest prices. Engines, Springs, Gears, Axles, Radiators, Wheels, Tops, Windshields and Glass. Large stock of parts for all makes of cars. Everything guaranteed. Winnipeg Auto Wrecking Co., 261 Fort St., Winnipeg.

**USED AND NEW AUTO PARTS AND TRACTOR REPAIRS**

Stationary Engines. Electric Motors. Generators. 32-Volt Lighting Plants. Grain Crushers, Belts, Pulleys—and all kinds of Machinery.

**CITY AUTO WRECKING COMPANY**  
783 Main St. Winnipeg, Man.

**HOUSEHOLD**

Say you saw it in "The Co-operator"

**GOOSE AND DUCK FEATHERS BOUGHT.** Submit samples before asking for quotations. Globe Bedding Co., Ltd., Winnipeg.

**PERSONAL**

Say you saw it in "The Co-operator"

**LADIES! FOUR BOXES FACE POWDER—** 2 Jars Vanishing Cream; 2 Rouge and 2 Perfume—all for 55 cents; postpaid. Good quality, but containers imperfect. Only one order to each customer. Cosmo Cosmetics, Hamilton, Ont.

**WHAT MUST A YOUNG GIRL KNOW BEFORE** marriage. I. D. Claran, 351—19th Ave. West, Vancouver, B.C.

**CRESCENTIA, THE WELL KNOWN SCIENTIST** will send Horoscope with advice on health and finance, zodiacal influences on matrimony and partnerships, changes, voyages and journeys, adaptabilities, fortunate days and numbers. Send birth date with 50 cents. "Crescentia," Box 171, Winnipeg.

**PATENTS AND INVENTIONS**

Say you saw it in "The Co-operator"

**HAVE YOU A PRACTICAL, USEFUL INVENTION** for sale, patented or unpatented? If so, write Chartered Institute, 517A Barrister Building, Washington, D.C., U.S.A.

**FEMALE HELP WANTED**

Say you saw it in "The Co-operator"

**WOMEN WANTED TO SEW FOR US AT** home. Sewing machine necessary. No selling. Ontario Neckwear Company, Dept. 298, Toronto 8.

**OLD GOLD**

Say you saw it in "The Co-operator"

**FINE GOLD \$35. PER OUNCE. BE SURE** to get full price for your old gold jewellery, gold teeth, etc., by dealing direct with refiners. Cash by return mail. Parcels returned prepaid if not satisfied. Provincial Refiners, Dept. 24, 361 Yonge St., Toronto.

**WHAT WARS ARE MADE OF**

An inhabitant of Eupen, one of the two small German cantons which were given to Belgium by the Treaty of Versailles was recently charged before the Magistrate with causing a breach of the peace by saying "I spit upon Belgium" every time he passed a Belgian soldier. The accused was a pre-treaty German and in his defence said: "I could hardly walk ten miles across the frontier every time I wanted to spit, could I?" He was discharged with caution . . . which shows that every day in every way we get more tolerant and tolerant. Soon we shall be able to shoot a Balkan Prince and only have a funeral and not a war.

—Exchange.

**THE END OF COFFEE DESTRUCTION**

The Brazilian Coffee Board has announced that the destruction of coffee has been abandoned since the end of August. This year's greatly reduced yield is not likely to exceed the year's requirements, and as a result of the drought it is not expected that the 1935-36 crop will be large. In anticipation of difficulties resulting from speculation, arrangements are being made for prices to be supported after destruction ceases, and in order to maintain the level of prices the Board is prepared to buy up the surpluses of the 1934-35 and 1935-36 crops. Consignments to the ports are to be restricted until the stocks are reduced to about two months' normal exports.

**ANSWER TO PUZZLE ON PAGE 2.**

Harry weighs 180 pounds and Tom 135.

**DETECTIVES**

Say you saw it in "The Co-operator"

**DETECTIVES EARN BIG MONEY. WORK** home — travel. Experience unnecessary. Particulars free. George Waggoner, 2640-J Broadway, N.Y.

**BECOME A SUCCESSFUL Detective**

Complete 20 lesson course. Finger-print lesson with full particulars on the detective course sent FREE on request to men and women. Write to:

L. MAURICE JULIEN  
Box 42, St. Roch, Quebec

**LIVESTOCK**

Say you saw it in "The Co-operator"

**CATTLE PUPS, HEELERS, MILK GOATS.** Canary Songsters. Wanted Stump puller. E. Reed, Bield, Man.

**PURE WHITE COLLIES. PUPPIES FOR** sale. Male dogs \$5.00. C. Peters, Gilbert Plains, Man.

**INSURANCE**

Say you saw it in "The Co-operator"

**CO-OPERATIVE PROTECTION.** THE strength of the Co-operative Movement is based on the members of one Co-operative working together with other Co-operatives. Similar to Co-operative Elevators, the Mutual Supporting Society is owned by its members and operated for their benefit. Protection against death up to \$2,000.00 on the assessment, or co-operative plan—which can never fail. To applicants through "The Co-operator" the \$6.00 membership fee is reduced to \$3.00. For full information write The Mutual Supporting Society of America, Inc., 325 Main St., Winnipeg, Man.

**FARM LANDS**

Say you saw it in "The Co-operator"

**407 ACRES ON BUSHEL PAYMENTS.** Good buildings. Two miles from station. W. H. Taylor, Union Point.

**BELTING**

Say you saw it in "The Co-operator"

**WRITE FOR SPECIAL BARGAIN LIST** on slightly used rubber belting. The Premier Belting Co., 800 Main St., Winnipeg.

**REBABBITING**

Say you saw it in "The Co-operator"

**MANITOBA BEARING WORKS. CRANK-** shaft grinding Re-babbitting. Prompt service. High-class work. 169 Water St., Winnipeg.

**MEDICAL**

Say you saw it in "The Co-operator"

**CONSTIPATION — SEND 25c. FOR RECIPE** (No drugs). Neverfail, 5015 Ann Street, Vancouver, B.C.

**DR. J. L. WISEMAN, SPECIALIST PRO-** state, kidney, bladder, 909 Boyd Bldg., Wpg.

**ARE YOU AILING? TELL US YOUR** trouble. We have here remedies that give relief in many cases where other remedies have failed. Herba-Medica, 1280 Main St., Winnipeg.

**SANITARY RUBBER GOODS. HIGHEST** quality, 20 for \$1.00. Mailed in plain wrapper. National Sales & Service, 24 Union Bldg., Calgary, Alta.

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## DID CHINA PREFER ARMS TO WHEAT?

Last year the United States loaned \$10,000,000 to China in order to purchase surplus wheat from the Pacific northwest. This was considered as a stroke of good business and a charitable act on the part of the United States. It was calculated that many in China—where sufficient food is always a problem—would get an opportunity to improve their daily bill of fare and the surplus of the northwestern States would be worked down considerably.

Imagine the surprise of the United States Senate when it was discovered, during an inquisition into the international munitions ring, that the United States' wheat never got to China. It was started out there and finally ended up in Italy in exchange for military equipment. Senator Nye revealed this fact before the special senate munitions committee but refused to give detailed information.

—The Budget.

## FEDERAL RAM PREMIUM POLICY AIDS MANITOBA

The sheep industry in Manitoba has long continued to be a profitable line of live stock production. In approving the Ram Premium Policy in Manitoba Hon. Robert Weir, Dominion Minister of Agriculture, aims not only to create a good market for graded rams, as produced by breeders, but also to encourage grade flock owners to purchase a pure bred ram.

The premiums which will be paid by the government are as follows: On the purchase of XX Lambs, \$4.00; XX Yearling, \$6.00; XXX Lamb, \$6.00; XXX Yearling, \$10.00.

These premiums apply only on rams officially graded under the Federal Ram Grading Policy in 1934 and application for such premiums should be made in duplicate on any graded ram purchased after grading and up to December 15, 1934. Any ram on which a bonus has been paid shall not be eligible for any future bonus.

Dom Dept. of Agriculture.

## CHANGES IN BRITISH AGRICULTURE

A report on the Agricultural Census of Production of 1930-31, published by the Ministry of Agriculture shows that important changes took place in British agriculture during the 6

years from 1925. The total estimated value of output of produce fell from £233,520,000 in 1925 to £202,660,000 in 1930-31, but the volume of output was 4 per cent. higher in 1930-31. There was a marked increase during the period under review in the production of livestock and derived products, e.g., wool, which accounted for 67.4 per cent. of the total value in 1925 as compared with 70.2 per cent. in 1930-31. Striking increases took place in output of milk and dairy products, which represented 27.1 per cent. of total value in 1930-31 against 23.5 per cent. in 1925, and there was an especially large increase in output of poultry and eggs which represented 10.4 per cent. of total value against 6.5 per cent. in 1925. Of the farm crops there has been a heavy decline in cereals, which accounted for only 4.8 per cent. of total value in 1930-31 as compared with 10.3 per cent. in 1925. During the period under review average prices for all products fell by 17 per cent., and, generally speaking, the largest decline in

prices coincided with the largest declines in output. The report also shows that during the period British agriculture increased its share of the home market to 42 per cent. in 1930-31 against 38 per cent. in 1925.

—I.C.A. News.

As a result of the economic war the Irish Free State last year imported from Great Britain less coal by 1,176,000 tons than in the preceding year while the imports from other countries rose by 1,022,000 tons. Economic war is as asinine as military war.

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- November 28—C. H. Burnell "Neighbors in Adversity."
- December 5—Lew Hutchinson "Alberta's Achievements."
- December 12—A. F. Sproule "Co-operation or Chaos."
- December 19—Hon. Irene Parley "Farm Women and the Co-operative Movement."
- December 26—J. I. McFarland "The World Wheat Situation."

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