

The Manitoba Co-operator

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

L. IX.

WINNIPEG, JANUARY, 1933.

No. 1

A Better Way or Not?

There is yet a possibility of doing here what has not yet been done and that is co-operatively to change an economic order without disastrous conflict. It is a slim possibility, but it exists. To realize it requires that a sufficient number of people should now be brought to see that the money power has passed the peak of its efficiency and to exert themselves to prevent it from holding by coercion that which it cannot retain by reason and justice . . . It requires that the people should be moved now by orderly processes to take the economic kingdom away from the spirit of money-making and give it to the spirit of social creativity. The religion that does not attempt now to accomplish these things will not even live to read the rest of the doom that history will finally utter upon an unrepentant acquisitive society.

Prof. Harry F. Ward.



Official organ of
MANITOBA CO-OPERATIVE CONFERENCE LTD.

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Issued on the 20th of each month
Office: Wheat Pool Building, Winnipeg, Telephone 905 160

Subscription Price:
50 cents a year; 3 years for \$1.00
Foreign, 60c a year.

Advertising Rates:
Display—21c. per agate line flat. (\$2.94 per col. inch).
Classified—3c. per word. All advertising copy subject to publishers
approval.

NEWS and VIEWS

Most men employ half their life in piling up misery for the other part.

—La Bruyere.

Great men are only great because we are on our knees; let us rise to our feet.

—Prud'homme.

Insull was one who said public ownership wouldn't work because men are such grafters.—Bellingham, Wash., Herald.

The California Fruit Growers' Exchange, a co-operative fruit marketing organization, has set aside \$1,350,000 for advertising purposes in 1933.

The largest millers in Great Britain are the Co-operative Wholesale Society; they mill 22½ per cent. of all grain imported and home grown for the British market.

The index of Canadian business prepared by McConnell and Ferguson, registered 31 per cent. below normal for the month of November, as compared with 29.9 per cent. for October and 21.6 per cent. for November, 1931. Where IS that corner?

If you are any good at explaining the unexplainable try your hand on this one from that wizard of modern business, Roger Babson: "Men can be put to work and general prosperity will return only by enlisting the unemployed to create under proper leadership the desire to buy."

A member of the British House of Commons, discovering by the label on a bottle of Tabasco sauce in the House restaurant, that it was made in the United States, promptly raised a rumpus in the House and received assurance from the government that hereafter only British made Tabasco sauce will be used. Next thing Congress will be ordering that only Yorkshire relish made in America is to be used in the restaurants of Congress. Thus the battle for national self-sufficiency goes on.

A politician thinks of the next election; a statesman, of the next generation.

—James Freeman Clarke.

Out of a total of 2,564,879 salary and wage earners in Canada, 883,000 are out of work, or more than one-third.

The net income of the eighty-five largest income tax payers in the United States in 1929 was \$560,000,000, an average of 6½ millions each.

According to the London Times wheat will go to higher prices within the next few months, but the paper is vague regarding the causes which are going to push up the prices.

According to the American Bankers' Association Journal 8,800,000 people in the United States have lost their savings since 1928, most of them during 1932. Savings accounts are down over four billion dollars.

While the total amount paid out as wages in American manufacturing plants in September, 1932, was only 38 per cent. of the average for 1926, the total interest and dividend payments by American corporations for 1932 is 55 per cent. higher than that of 1926.

Remember this! All these wars are arranged for. Then the pink-cheeked boys are drafted—not capital. If we drafted capital we would have no war. But everybody is drafted unless you have enough money to secure exemption. Laws, you know, are made for those who can't pull out of them.

—Major-General S. D. Butler

According to figures prepared by the British Board of Trade, the amount spent on women's and girls' clothing in 1930 was more than double what was spent in 1924, but the amount spent on men's and boys' clothing in 1930 was much less than what was spent in 1924. There ought to be a moral in that somewhere!

The way to wealth is to get into the profit end of wealth production.

—John Rasrob.

"Konsumentbladet," the official organ of the Swedish co-operative movement, published weekly, has a circulation of 440,000.

Farm mortgages in the United States total approximately \$9,500,000,000. The annual charge on this is in the neighborhood of \$570,000,000.

Russian co-operative societies handle about 65 per cent. of the entire distributive business of the country; the state organizations handle about 30 per cent., the remaining 5 per cent. being all that is left for the private trader.

In 1929 the value of farm production in the United States was \$11,950,000,000; in 1932 it was \$5,240,000,000, according to figures published by the U.S. Department of Agriculture.

The Index of Farm Prices completed by the Dominion Bureau of Statistics was 44.2 for the month of November as compared with 56.4 for November 1931, 66.3 for November 1930, and 101.5 for November 1929. The average for 1926 is taken as 100.

With the object of putting an end to over-production and reducing the heavy surplus the president of Brazil has issued a decree prohibiting the planting of coffee trees for the next three years. At present there are 18 million sacks of coffee on hand and the current crop has exceeded the quantity which is expected to be exported. During the past twelve months about ten and a half million sacks of coffee have been destroyed in Brazil.

Three years ago president Hoover appointed a special committee of competent authorities to survey social conditions in the United States. The evidence collected by the committee runs into 13 volumes; its main report covers 1,600 pages. It reports that the present economic system has failed and that it will require the combined intelligence of the nation to devise a planned industrial order and head off a march to revolution.

SHOULD GRAIN ACREAGE BE REDUCED?

In a study of the present position of the world's grain markets, the "Economist" of the 12th November shows by the following statistics how the area under grain in the principal countries of the world has increased, in spite of the fall in prices:

AREA SOWN
(In Millions of Acres)

Season	Wheat	Barley	Rye	Oats
Average 1926-27 to 1931-32.....	215	54	87	46
1931-32	218	54	86	45
1932-33	221	56	87	44

TOTAL PRODUCTION
(Millions of Centials)

Season	Wheat	Barley	Rye	Oats
Average 1926-27 to 1931-32.....	1,971	596	945	511
1931-32	2,005	524	862	452
1932-33	2,040	635	977	554

their policies, in order to stimulate demand at low prices, and thus increase the buying power of those primary producers whose demand can alone restore prosperity to their own industries. The only alternative—and that a very retrograde one in view of

"The Economist" points out that "if the restrictive policy of various governments which prevents an expansion in demand is persisted in, a reduction in acreage is inevitable before there can be an adjustment of supply to demand at a higher level of prices. Clearly, the only sane remedy is for importing countries to reverse

the large unsatisfied potential demand of the world—is a drastic curtailment of the area under cultivation in the chief exporting countries, mitigated by such further efforts as they may be able to make to bring down costs to an even lower level."

SHRINKAGE OF WORLD TRADE

The following table, published in the British Board of Trade Journal, shows how values of imports and exports of 17 countries, that in 1929 accounted for 80 per cent. of the world's trade, have declined during the past three years:

Country—	Percentage Decline in Value. Imports	Exports
United Kingdom	39.2	47.9
Canada	63.6	81.4
Australia	67.6	46.8
British India	48.4	59.7
British Malaya	56.3	64.7
United States	67.3	68.2
Germany	65.0	54.2
France	50.1	59.2
Italy	60.4	59.1
Netherlands	48.9	56.5
Japan	37.2	47.0
Belgium-Luxembourg	52.3	52.1
Czecho-Slovakia	60.4	60.1
Switzerland	31.1	59.6
Denmark	30.0	32.1
Sweden	31.9	45.1
Austria	51.0	63.4
Norway	35.2	25.0
Average	52.9	56.7

THE TARIFF WAR

Four countries have recently effected further changes in their tariff schedules.

In Germany a "further moderate regulation of imports" announced by the Chancellor takes the form of increased import duties on many industrial and

agricultural products, which came into force on 1st September. The new duties fall with exceptional severity on textile imports, on which increases up to 300 per cent are made.

In Great Britain an order of 1st September imposes additional duties, ranging from 10 to 20 per cent, on leather gloves, screws for wood, scissors, hair combs, certain kinds of board and wrapping paper, poultry and meat pastes and sausages, glazed cherries and candied peel. Drawbacks of customs duties on a wide range of goods, for the re-export of which Great Britain is an international centre, will be allowed on and after 6th September, 1932. These include various kinds of textile manufactures, boots and shoes, and dressed furs. The re-export trade in the goods affected amounted to £5 million in 1930.

The Irish Free State government has, under its recent emergency legislation imposed a duty of 84/- per cwt. on preserved meats, and of 1/- per lb. on fresh, dried and preserved vegetables with the exception of tomatoes and cucumbers. Duties are also imposed on eggs and egg substitutes. In all these cases, however, there is a substantial Imperial preference.

In Australia a new tariff schedule provides for reductions of duty in respect of 23 classes of goods and affecting 34 items or sub-items. These include cotton and wool textiles, glass, and a wide range of machinery. Special duties on "luxury goods" or goods from those countries with which Australia has an adverse trade balance have, however, been retained.

—I.C.A. News.

GRASSHOPPERS AGAIN!

Entomologists in the Department of Agriculture are warning the farmers of the prairie provinces that grasshoppers will be a worse plague this year than they were last. At present, declares Norman Criddle of the Department, there are 150 grasshopper eggs to the square foot in some places in Manitoba and the battle to save wheat threatens to be more severe than last summer.

Entomologists in Minnesota and North Dakota are urging early action to prevent such extensive destruction as last year. Plans are being laid in the three prairie provinces for active work as the eggs begin to hatch and even before, although experts say that spring plowing will have little effect. The next resort is poison and in Manitoba there are 125 stations at which poison bait is made and distributed. Farmers who suffered from the grasshoppers last year are urged to take prompt action this spring and to seek the co-operation of the Department of Agriculture both federal and provincial.

DO YOUR HENS PAY?

A pretty reliable old formula for finding out whether or not a flock of hens is paying for the feed they eat is supplied by F. C. Elford, Dominion Poultry Husbandman. It is as simple as it is practical: Take the cost of feed per hundredweight, divide it by the cost of eggs per dozen and multiply this quotient by three. This gives you the number of eggs per day which a flock of 100 hens must lay to pay for the cost of their feed. For example: Feed is costing \$1.20 per cwt., and eggs selling at 30 cents per dozen: Applying the formula the quotient is 4; this multiplied by three gives the result 12—or the number of eggs which a flock of 100 hens will have to average day to day for feed at that cost ratio.

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WORLD WHEAT SITUATION

As the end of the first half of the 1932-33 crop year is drawing to a close, the world wheat market is still burdened by restricted demand in the importing countries of Europe and by heavy stocks which are largely the result of this restricted demand. In the United States, however, early indications point to another short crop of winter wheat in 1933 according to the United States Bureau of Agricultural Economics.

Shipments of wheat and flour from the beginning of July through mid-December from the principal exporting countries have amounted to only 261,000,000 bushels this year compared with 355,000,000 during the corresponding period of last season. This low level of shipments has left the principal exporting countries with somewhat larger stocks of wheat as of December 1 than they had a year previous. Total stocks available for export and carry-over from the old crop in the United States, Canada, Australia and Argentina appear to have been about 745,000,000 bushels as of December 1 compared with 708,000,000 a year previous. In addition, the new crop of both Argentina and Australia is estimated to be somewhat larger than that of last year, the Argentine production being officially placed at 231,000,000 bushels compared with 220,000,000 last year, and that of Australia at 200,000,000 bushels compared with 190,000,000 bushels for the 1931-32 crop.

The level of world shipments of wheat during the second half of the crop year, however, is not expected to be as low as it has been thus far this season. Supplies of wheat from the large European crops in 1932 are being reduced, and while some countries have such large crops as to make it unlikely that they will import significant quantities, others will have to depend more largely upon supplies of foreign wheat during the second half of the crop year than during the first half.

In the United States, the prospect that the 1933 crop of winter wheat will be smaller than the small crop of 1932 is of outstanding importance. The condition of winter wheat on December 1, of this year is the lowest since condition reports were begun in 1863. The relationship between December 1 condition and abandonment for the United States as a whole in past years indicates an abandonment of more than 20 per cent, and a 1933 crop below 400,000,000 bushels.

Mr. Broomhall estimates world import requirements at 704 million bushels for 1932-33, European requirements are set at 504 million bushels and ex-European at 200 million bushels. These import requirements from August 1st, 1932 to July 31, 1933 work out at shipments of 13.5 million bushels weekly. Actual shipments from August 1st, 1932 to December 12, 1932, were 212 million bushels or 11.2 million bushels weekly. That means a balance of 492 millions for the period Dec. 12, 1932 to July 31, 1933, or weekly shipments of 14.9 million bushels, to reach Mr. Broomhall's estimate of 704 million bushels for the season.

The Institute of Agriculture, Rome, estimates available wheat supplies at 1,300,000,000 bushels, which means a very large surplus over world requirements, even if the figure is substantially discounted.

VALUE OF FIELD CROPS

The Dominion Bureau of Statistics estimates the total values of the five principal grain crops in the three prairie provinces, as at the end of November, as follows, with 1931 values in brackets: Wheat, \$123,840,000 (\$106,820,000); oats, \$30,370,000 (\$33,321,000); barley, \$9,621,000 (\$10,613,000); rye, \$1,167,000 (\$952,000); flaxseed, \$1,231,000 (\$1,910,000). In Manitoba these five crops were estimated at a value of \$24,817,000 as against \$20,482,000 in 1931 and \$44,330,000 in 1930. All field crops in Manitoba fell from a value of \$52,975,000

in 1930 to \$30,538,000 in 1932. For the three prairie provinces the value of field crops fell from \$298,954,400 in 1930 to \$199,880,900 in 1932.

FARM RELIEF THROUGH AN EXCISE TAX

The domestic allotment plan for the relief of agriculture in the United States, passed the House of Representatives on January 12 by a vote of 203 to 150, and now goes to the Senate. Supporters of the measure claim it will add one billion dollars to the farm income.

"The voluntary domestic allotment plan as finally developed," says Senator Arthur Capper, in a recent issue of *The Kansas Farmer*, "provides that on request of 60 per cent. of the producers of any farm product of which there is an exportable surplus, the government would collect from millers, packing houses, textile mills and other processors, an excise tax amounting to the tariff on those products for the entire quantity needed for consumption in the United States, which is 42 cents a bushel for wheat, 5 cents a pound for cotton, 2 cents a pound for hogs, 5 cents a pound for tobacco and 1/2-cent a pound for rice.

"For example, every miller making flour for sale in the United States would pay the market price for his wheat and in addition would pay a tax of 42 cents a bushel to the government. This 42 cents the government would hand over to the farmer who raised the wheat, on that part of his crop which is consumed in the United States.

"This tax would be paid into the treasury the same as income taxes. The total amount collected, less the cost of administering the law, would be allotted and paid each year to the producers in the proportion to the average production of each man during the preceding five years. The only condition is that the producer sign a contract agreeing not to increase his acreage above what he has been putting in

wheat for five years past; or the hog raiser, the average poundage of hogs he has been marketing. On this basis the administrating agency will limit production to stabilize prices at the desired level, producers being treated alike, the reduction being horizontal.

"The whole purpose of the plan

is to make it possible for the farmer to get a fair price for his products and at the same time to keep surpluses within safe and reasonable limits. The farmer who co-operates is paid this tariff benefit on his proportion of the entire crop or product processed for consumption in the United States."

lar farms; the enumerators were instructed to obtain a random sample. The average size of farm was 539 acres of which 432 acres were improved. Grain growing is the major enterprise in this area as 69.38 per cent. of the receipts were from this source. Wheat is the major crop grown and formed 84.7 per cent. of the total crop sales. Livestock sales contributed 21.05 per cent. of the total receipts while the remaining 9.57 per cent. of the income came from several sources.

Total Debt

Indebtedness of some form or other was reported on 139 of the 157 farms surveyed. Seven farmers did not supply these data and 11 stated that they had no indebtedness. These 139 farms reported a total debt of \$856,198, being an average of \$6,160 per farm having debt and an average of \$5,707 for each of the 150 farms supplying this information.

Kind of Debt

Mortgage debt comprised 85.97 per cent. of the total. Eighty far-

Farm Indebtedness in the Red River Valley of Manitoba

(From the Economic Annalist)

The Canadian Pioneer Problems committee co-operating with the Department of Rural Economics and Sociology of the University of Manitoba, the Department of Farm Management of the University of Saskatchewan and the University of Alberta began an economic and social study in the three prairie provinces in 1930. The Economics branch of the Dominion Department of

ed a problem in indebtedness which is a matter of concern both to the farmers and their creditors. New policies to meet these conditions can only be discussed when the facts are known. The data here presented are intended to throw some light on the situation. These data were obtained in a survey conducted co-operatively by the Canadian Pioneer Problems Committee and the Agricultural Economics Branch

TABLE 1.—PRESENT INDEBTEDNESS ON 157 FARMS—RED RIVER VALLEY, MANITOBA, 1930

	Total	Mort-gage	Imple-ment com-panies	Lumber com-panies	Bank credit	Store credit	Other debts
	\$	\$	\$	\$	\$	\$	\$
Total present indebtedness	856,198	618,747	62,725	1,305	30,971	5,405	716.64
Average debt per farm having debt....	6,160	7,031	909	186	720	132*	6.29
Average debt per all farms recording this information	5,707	4,125	418	8.7	206	36	4.78
Number of farms having debt	139	88	69	7	43	41	114
Per cent each type of debt is of total	100.00	85.96	8.71	0.18	4.30	0.75	0.09

*Some farms were included in which totals only were given.

Agriculture has been a co-operating agency during 1931-32. This article deals with only one phase of agricultural problems in one of the two areas in Manitoba in

of the Dominion Department of Agriculture in 1931.

One hundred and fifty-seven farmers controlling 83,105 acres of land co-operated in this study.

mers had an average of \$7,031 debt on land. Sixty-nine farmers owed implement companies an average of \$909 which was equivalent to 8.71 per cent. of all debt.

TABLE 2.—PRESENT INDEBTEDNESS COMPARED WITH INDEBTEDNESS AT START IN DIFFERENT SETTLEMENT PERIODS, RED RIVER VALLEY, MANITOBA, 1930

Period of settlement	Num-ber of farms	Mean date of settle-ment	Initial indebtedness		Indebtedness now		Average net worth now	Average capital-ization now	Per cent debt to capital
			Total	Average	Total	Average			
Prior to 1900..	7	1897	7,312	1,045	43,030	6,147	16,621	22,768	27.0
1900-1904	5	1903	11,312	2,262	23,808	4,762	15,702	20,464	23.27
1905-1909	4	1906	25,520	6,380	21,581	5,395	15,835	21,230	25.41
1910-1914	13	1913	53,640	4,126	59,667	4,590	9,282	13,872	23.09
1915-1919	11	1917	88,562	8,051	94,828	8,621	10,692	19,313	44.64
1920-1924	12	1921	151,136	12,649	116,762	9,730	11,244	20,974	46.39
1925-1929	17	1926	238,093	14,005	259,805	15,283	17	15,300	99.89
1930	1	1930	18,000	18,000	19,755	19,755	390	20,145	98.06
All	70	1916	593,575	8,480	639,236	9,132	8,959	18,091	50.48

which studies were made in 1931.

* * *

In many districts the decline in prices of farm products has creat-

These farms were almost all with-in the MacDonald municipality just south of Winnipeg. No at-tempt was made to select particu-

Only 7 farmers were indebted to lumber companies, and these to the extent of \$186 each or .18 per cent. of the total Forty-three

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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

BANKING AND MONETARY REFORM

The "unrestricted issue of paper currency culminates in disaster," declared Sir Charles Gordon in his presidential address to the annual meeting of the Bank of Montreal. That is true; the unrestricted supply of money is as bad as the unrestricted supply of anything else. Water is a necessity of life and good when under control and supplied as needed; it is a disaster when it comes as an inundation. But a drought can be as great a disaster as a flood; life may perish for want of water as well as by drowning in it. What we need is enough water to serve adequately the purpose of life. So with money; we need enough to serve adequately the purposes of our economic life.

What is the purpose of an economic system? Surely it is to minister to the material well-being of the people as a whole; to bring to mankind the necessities, the conveniences and the comforts of life as these can be furnished by the labor and technological achievements of the age. But if the monetary supply, the means of producing and exchanging goods and services, be insufficient then prices fall, production is discouraged, unemployment and inadequate remuneration follow, and these in turn reduce the demand for goods and services which gives a further impetus to decreased production and unemployment and so on to greater poverty and misery. In addition the low prices add to the burden of indebtedness, create a multitude of financial difficulties both private and public, and result in a state of affairs such as we have at the present time.

If an undue increase of the money supply creates a state of affairs just as bad then obviously the sensible course is to keep the money supply adjusted to the actual needs of the economic system and that is all that monetary reformers are advocating.

"Our banks," Sir Charles said, "welcome borrowers to whom they can safely lend and as trustees of depositors from whom their loaning resources are derived, ought not to lend on any other condition." This view of the bank as a middleman between depositors on the one hand and borrowers on the other is not in accordance with modern principles of banking. If one person lends another \$10 the lender parts with the money absolutely; he loses entirely the use of it. The person who "deposits" \$10 in a bank does not lose the use of it; he intends to use it as freely as if it were in his own pocket and the bank provides facilities for him to use it. Bankers are not agents between people who want to lend money and people who want to borrow. The man who "deposits" \$10 in a bank exchanges the \$10 for credit by the bank of \$10 and he may draw on that credit as he requires. Banks

make loans on their own credit not on that of "depositors;" every loan made by the bank becomes a deposit and consequently their deposits increase as their volume of loans increases. The loans of banks are not dependent on deposits, but the reverse, and the limit of credit which a bank may give is not its deposits but an estimate of the probable demand on the bank for cash payment. If that estimate be too low, the bank may run into trouble; if it be too high it may cause inconvenience to general business.

As the business of a bank is to create credit it is apparent that the smaller the probability of a demand for cash payment the greater the amount of credit that can be issued. If all business transactions went through one bank the contingency of a demand for cash would be reduced to the minimum and the greater efficiency and safety thus secured is one justification for the demand for the nationalization of the banking system.

Banking and monetary reform are finding more advocates today than ever before because it has become glaringly apparent that the whole mechanism of finance needs imperatively to be adjusted to the requirements of modern industry and commerce and to ethical conceptions of the relation between debtors and creditors. A system which fails to sustain a highly developed industrial order and to hold the scales equitably as between debtors and creditors is obviously inadequate to our needs and requires to be brought up to the efficiency reached in the other departments of our economic order.

WHO GETS THE EXCHANGE?

The City of Calgary has raised in an acute form one of those economic questions which the man in the street frequently asks but the answer to which seems always to elude him. It remains "one of those things no feller can understand." Calgary has also raised a very interesting constitutional question and between the two is getting a vast amount of publicity.

The Calgary city council, having to pay a large sum of money in New York applied to the Dominion government for gold to the amount required and apparently was turned down. It then refused to pay the exchange on the amount required to pay its American bondholders and the excitement started. The questions thus raised are:

(1) If the Dominion government refuses to redeem at their face value in gold its currency notes, may it be liable for any financial damage which another public body incurs through that refusal. That is, if Calgary is willing and ready to pay its debts in Canadian money and the Dominion government refuses to redeem its promises to pay in gold is it the Dominion government or Calgary which is in default and if the former may Calgary have a claim against it for the amount of exchange? It's a nice point but it's beyond us so we pass it up.

(2) If the Calgary taxpayers have to dig up between \$250,000 or \$300,000 for exchange, who gets the money? Here is a bondholder in New York; he owns a \$1,000 bond issued by the City of Calgary maturing and due say on January 15. When Calgary redeems the bond what does he get? One thousand dollars—that is all. But in order to pay him \$1,000

the City of Calgary has to pay out, let us say, \$1,125; who gets the \$125 extra if the bondholder does not? Answer: Somebody in Canada.

The City of Calgary has to buy American dollars with Canadian money—or debts payable in American dollars held by some person, firm or corporation in Canada. If Calgary could get gold to ship to its financial agents in New York, then it would be able to redeem the bond for \$1,000. It cannot get gold, so it must buy financial paper and the holders of the financial paper are in the pleasant situation of being able to charge about \$1.12 for every dollar of such paper they possess. So the exchange which Calgary and every other debtor to the United States in Canada has to pay goes to swell the income of some person, firm or corporation in Canada. It does not go out of the country and it is not a tribute which Canadians have to pay to American bondholders. If it be a tribute it is one which is paid in Canada to Canadians.

This business of exchange may be explained in a simple way. Suppose a Canadian farmer living near the border surreptitiously hauls a load of wheat into an American elevator and gets for it say \$20 payable at an American bank. He brings the cheque into Canada, pays it into a Canadian bank and is pleased to learn that it brings him \$22.50. To him the exchange is a blessing. But into the same bank goes a customer who has just bought and had shipped to him from the States a casting for a tractor the bill for which is \$20. He has to buy a draft for \$20 payable in American money, and he finds it costs him \$2.50 just the amount which the other man got as a premium. So the bank paid out as premium \$2.50 to the man who presented the American cheque and charged the other man \$2.50 for a draft of a similar amount payable in American dollars.

This simple illustration shows that in the case of financial settlements by Canada with United States (or any country whose money is at a premium in Canadian money) the exchange is paid to a Canadian exporter or any Canadian who has control of American funds. A Canadian pays and a Canadian receives and the rate of exchange represents the point at which the demand for and the supply of American funds are equal.

ABOUT TECHNOCRACY

About 300 years ago an English Lord Chancellor who made a living by practising law and filled his leisure time with excursions into the realm of practical science, pictured an ideal society in which science made possible a comfortable existence for every member of the community. Following this Lord Chancellor's advice science became experimental instead of a purely intellectual recreation, and in the laboratory the theories of men of science have been worked out and then transferred to the field of industry until today we have reached the point where, because of antiquated economic ideas and practices, science itself is creating more misery and want than ever the lack of science created.

The conquest of nature and the aiding of labor by machinery were confidently expected by the seers of a century or two ago to eliminate the drudgery of work, to reduce the hours of labor, to provide in abundance for all the necessities and the comforts

of life, and in general to increase the sum of human happiness. Science was to be the great agent of civilization as Francis Bacon pictured it; through machinery man was to secure the leisure which would enable him to improve both body and mind. But look at the difference between the vision and the reality: the actual result is seen all around us today in an appalling amount of misery, poverty, destitution, starvation, while the machines stand idle and men clamor for work.

And now comes technocracy—the revolt of the thinkers, the planners, the inventors, the makers and the masters of the machines. There is nothing new about it. "What is the use of it?" asked an English statesman of the scientist, who was developing the dynamo. "Well," replied the astonished scientist, "you might tax it!" Industry has taken the achievements of science and built them into a system in which they never can minister to the well-being of society as Francis Bacon and his successors fondly believed they would.

"If a rich man offers \$500 for a Pekingese puppy while a poor man offers \$495 for the education of his children," writes Professor Clay, "the productive resources of society under competitive conditions will be devoted to getting the rich man his Pekingese puppy before the education of the poor man's children will be thought of." That in principle is the essence of the economic order of today: the achievements of science have been directed not toward social well-being but the creation of profit and with it the satisfaction of those who can afford to pay. And the more science is brought into the system—the more machinery replaces labor—the more concentrated purchasing power becomes; the machine tends to create poverty where it should create abundance for all.

A rational, sensible, decent, moral economic system would distribute throughout the whole of society the benefits of the machine. It would serve instead of enslaving humanity; it would be capable of indefinite expansion to further the well-being of humanity instead of being subject to periodical break-down. And that kind of an order can only be built on the basis of co-operation. The social order which will secure for the people as a whole the inheritance of the triumphs of science must substitute service for self-interest, the making of life for the making of profit, and co-operation for competition.

If by technocracy be meant control of industry by the technician, the co-operator must object. The control of industry should rest ultimately with the people for only in that way can it be directed toward the well-being of all the people.

DEBT ADJUSTMENT

We desire to call attention to the advertisement of The Imperial Oil Company in this issue of the Co-operator. Debts, prices, and markets, we have repeatedly said, form the major problems faced by farmers today. The Imperial Oil Company is making, on a purely voluntary basis, a valuable contribution toward the solution of the first problem, the only one of the three coming within its field, and we recommend a careful reading of its plan not only by debtors but all who are interested in efforts to keep agriculture on its feet.



THE CO-OPERATIVE MARKETING BOARD

Office—Eighth Floor, Wheat Pool Building.

Téléphone 905 160

Members of the Board:

Hon. D. G. McKenzie, Chairman

F. H. Downing

H. C. Grant

W. A. Landreth

F. W. Ransom, Vice-Chairman

Roy McPhall

William Robson

Secretary: John W. Ward

STARTING NEW CO-OPERATIVES

Any group of persons interested in establishing a new co-operative association in Manitoba may obtain information both as to methods of procedure and as to the conditions generally necessary to successful operation by applying to the Co-operative Marketing Board, or to the Registrar of Co-operative Associations, who is the secretary of the Board. Under Part VI of the Companies Act, which now governs co-operative associations in Manitoba, it is the duty of the registrar, under the Minister of Agriculture for the Province, to assist persons desirous of becoming incorporated under the co-operative part of the act, to prepare and have available model forms of memoranda, by-laws and contracts for the use of co-operative associations.

The duties of the registrar and secretary of the Board have brought him into close touch with the Co-operative Movement throughout Manitoba for a number of years past. He has drawn up the charters and by-laws of many of the co-operative organizations now operating in the province, has received their annual returns, examined their financial statements, corresponded with their officials, visited many of their business premises, assisted their book-keepers with their accounting problems, and sat as a visitor at many meetings of members and boards of directors. He has seen some organizations fail and many more succeed, and has made it his business to find out the reason for both failures and successes. The experience and information thus gained are freely at the disposal of any group in Manitoba who are contemplating the organization of a co-operative, and if after getting information from this and other sources those interested decide that conditions warrant them in going ahead, the necessary documents, with by-

laws suitable to the needs of the particular business to be carried on will be prepared without expense and without the necessity of engaging legal assistance.

SAVING MONEY AT HAMIOTA

The annual meeting of the Hamiota Consumers Co-op was held in the Orange Hall, Hamiota, on Wednesday, December 20th. There was a large turnout of shareholders and a lively and interesting discussion of the affairs of the society took place.

R. W. Brethour was nominated chairman for the meeting, and V. E. G. Little, secretary.

H. A. McIntosh gave the auditor's report which showed a net profit for the year's trading (after all expenses had been taken care of), amounting to \$1,654.36.

K. R. Fraser, as president of the board of directors, gave the directors' report and pointed out that the directors had in every way tried to carry out the wishes of the shareholders at all times; with one thought in mind, the greatest good for the Association.

The following were elected directors for the coming year by acclamation: K. R. Fraser, V. E. Little, H. Hyndman, Chas. Penny, Jas. Reid, Jas. Anderson, Jr., and Geo. McConnell, with alternate choices of Wm. Murray and J. W. Stewart.

H. A. McIntosh then gave the manager's report. He pointed out that the healthy growth of the association for the past three years was very remarkable in view of the depressed business conditions existing during that period. He explained that the organization, which at the end of 1929 owned net assets amounting to \$4,367.22, today owned net assets valued at \$8,645.40, and that during the period the society had returned to its shareholders and patrons the sum of \$4,583.47

in interest and patronage dividends.

Regarding the business for 1932 Mr. McIntosh stated that the shareholders and patrons had shown splendid loyalty to their organization in the business they had contributed. Every department of trading showed a profit, and this could not be achieved without sufficient volume to take care of overhead.

Under the head of general business a very lively discussion took place. Several resolutions were passed which will be a guide for the directors in formulating a policy for the coming year.

At the conclusion of the general meeting the directors held their first meeting for the new year and elected K. R. Fraser as president, Chas. Penny, vice-president, with H. A. McIntosh as secretary-treasurer. The monthly meetings of the board will be held the first Monday of each month, at 3 p.m., in the winter months, and 8 p.m. in the summer months. Any shareholder or patron who wishes to discuss any question with the board may bring his question before them at any of these meetings.

CO-OPS MUST REGISTER

There are still a number of co-operative associations in Manitoba which have not complied with the provisions of the new Companies Act, now in force in this province, which requires that all companies which were in existence and doing business before Aug. 1, 1932, shall become registered in the office of the Provincial Secretary. Any incorporated company or co-operative association which fails to do this will be in default and its charter will be liable to cancellation.

The responsibility for obtaining the necessary forms from the Provincial Secretary's office rests with the officials of each organization, but to save trouble to these officials and to prevent the

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Consumer Co-operation

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

SIXTH YEAR OF PROGRESS

Addressing the sixth annual meeting of the Manitoba Co-operative Wholesale, the President said:

A year ago we remarked that economic conditions not only in Western Canada, but throughout the whole world were unprecedented. Today we have to admit that during 1932 there has been no apparent improvement and we are inclined to commence the New Year in a spirit of pessimism for, as far as we can see at the present time, there is very little to which we can look forward, that would offer any encouragement or solution to our problems.

While we realize this is all too true, we are glad to be able to report to the delegates that the Wholesale (as well as Locals) is still forging ahead and has considerably strengthened its financial position during the past year. This has been made possible by the loyalty and co-operation of the Locals, for which, at this time, we wish to express our sincere appreciation.

The Wholesale was not formed for the purpose of making a profit but rather to accumulate a volume of business and thereby build up a bargaining power in order that our locals may be placed in a position to meet competition in both quality and price.

In this connection, we wish to point out, for the benefit of Locals not yet affiliated with the Wholesale, that, had their business been placed with us, it could have been handled with practically no additional overhead cost and, therefore, any surplus accruing therefrom would have been available for allocation as a Patronage Dividend. May we suggest that this matter be given serious consideration in your reports to your Locals as we believe that the advantages to be gained by a United Movement would much more than off-set any inducement to operate alone. Further: We believe that in the near future, because Consumer Co-operation is gaining ground and therefore compelling more attention from capitalistic

interests, it will be found necessary to unite our efforts for our own protection.

Adequate Reserves Necessary

We find the tendency of our locals is to attempt to carry on their business with too small an amount of working capital. In many cases this condition is brought about by their paying out Patronage Dividends to the point where the local is absolutely dependent upon borrowing from the bank to purchase its supplies.

This practice may be excusable when a newly-formed local is commencing operations; but after a local has become well-established, to continue appointing Boards of Directors and asking them to become personally responsible to the bank and guarantors for a line of credit to carry on the locals' business, should be looked upon as a weakness. We suggest therefore, that some arrangements be made for building up a reserve, that will remedy such a condition.

Credit

I believe the fundamental principle of Consumer Co-operation was based on cash purchases and cash sales. In "Credit" I see a great danger not only to locals but to the entire organization.

Therefore, in the interests of the Consumers' Co-operative Movement in Manitoba, I appeal to those who have accepted the responsibility of directing the affairs of our organization, to endeavor to establish our movement on a sound cash basis.

Education

Our experience in the Consumers' Co-operative movement in Manitoba has taught us that with efficient direction and management, and by putting into practise the true principles of

co-operation which have proven so successful in Great Britain and other parts of the world, that locals established in this province can be equally successful.

We find, however, there are many shareholders who are apparently inclined to regard the immediate saving of the nickel as their only interest in our organization. Unfortunately this applies in a great measure to our most prosperous locals, as well as to those that have not been quite so successful.

We are inclined to become so engrossed in the development of a paying business that we are likely to overlook the more important part, which is educating our people along the lines of true co-operation. This, we believe, is the great secret of our success. Just as surely as this branch of our movement is neglected, we cannot hope for any greater success than the present economic system has achieved.

New Lines of Merchandise

Quite frequently we have requests from locals for prices on certain commodities for which we have made no arrangements. On approaching the supplier for prices, almost invariably his first question is: "What volume do you expect to handle?" This is to say the least, rather embarrassing to us, as representatives of a Wholesale, especially if it develops that we do not handle (during the whole year), as much of this particular commodity as would be handled by one of the smallest retail stores.

Our question is: Would it not be better, before entering any new lines, to communicate with our locals, stating we have had enquiries for certain articles and try to ascertain how many locals favor handling them and would be prepared to push the sale of such a line of goods, providing of course, that prices were right?

(Turn to Page 14)

When in Winnipeg

Enjoy comfortable accommodation in the most central location—at reduced, reasonable rates.

St. Regis Hotel

FIRE-PROOF

Smith St.

(Just south of Portage Ave.)

Winnipeg

Co-op. Poultry Marketing

A Message from Manitoba Egg and Poultry Pool

Head Office: 85 Lombard Avenue, Winnipeg

1932 CHRISTMAS POOL

	1932	1931
Lbs. Marketed	2,169,486	1,897,275
Carloads	132	112
Loading P'ts	120	116
Contributors .	7,846	7,440

The total volume for 1932 shows an increase over that of 1931. The increase was all in turkey volume, for the delivery of chicken and fowl was considerably below that of 1931.

The quality was not as good this year. In 1931 we graded in 215,000 pounds of special turkey and only 72,000 pounds this season. Some of our shippers expressed their dissatisfaction on receiving their grade statement, but letters received from the local secretaries, in nearly every instance, were to the effect that quality was not as good as that of 1931, and in their opinion the grading was all that could be expected.

The carry-over of 1931 dressed poultry on January 1, 1932, was 582,000 pounds. The selling of which extended to September 1932, delaying the forwarding of the final payment until October, 1932, approximately nine months later than our usual time for sending out the final payment.

On January 1, 1932, we were faced with a carry-over of approximately 577,000 pounds, which makes it impossible at the present time to say when we can make the final payment on the 1932 Christmas dressed poultry. We can say, however, that in view of the fact that the storage stocks of dressed poultry in Canada right now are the lowest on record, that it should not require as much time to dispose of our present carry-over as it did last year.

Annual Meeting

The eleventh Annual Meeting is to be held in the City Hall, Brandon, Manitoba, on Wednesday, February 15, 1933.

Registrations of delegates will commence at 8.00 a.m., and meeting will be called to order at 9.00 a.m. Each delegate elected to attend the Annual Meeting (if name has been forwarded to head

office) will be mailed a notice informing of the date and time of meeting, also, instructing them how to purchase a single fare first-class ticket to Brandon and secure a certificate from their railroad agent.

Resolutions to Be Presented

Copies of resolutions to be discussed at the Annual Meeting were mailed to all local secretaries on January 7, 1933. Please get together and consider them and see that your delegate is well informed as to the opinion of your local as to what should be done with each resolution as it is presented for discussion.

Every year final payments are returned to our office by the postal authorities because of wrong initials and post office address being given on loading day. To eliminate this in the future we would ask all shippers to examine their name and address on their dressed poultry voucher, and if it is not correct to notify head office at once, or if you move and change your address, forward your new address to head office.

"Fish Trades Gazette", London

December 3, 1932.—The introduction into this country of chilled, fresh-killed poultry from Canada is a significant event in the trade and one that is not only welcomed by buyers, but is itself an expression of the ideals of the Imperial Conference.

On Wednesday a company of Canadian government and trade officials headed by the Right Hon. G. Howard Ferguson, High Commissioner paid an auspicious visit to 271 Central Markets, Smithfield, the establishment of Messrs. Zwanenberg Ltd., where there was staged a special display of Canadian Poultry Pool's chilled turkeys and chicken, from the first sample shipment which arrived from the Dominion on Monday. This was virtually the inauguration of a "new" poultry trade, which will be conspicuous for the excellent grading, quality and packing of the produce, one which must inevitably interest retailers.

Hitherto Canada has supplied

our markets only with frozen poultry. The new venture in the chilled product supplies a deficiency not peculiar to Canada. The poultry directly after killing, is very carefully prepared under proper temperature conditions and specially chilled. The excellent, standardized grading carried out under the supervision of the Canadian government is a tremendous asset to salesmen and buyers alike. Each turkey or chicken bears a tab indicating its quality; each box in which it is packed bears the government inspector's stamp. In fact, Canadian organization has made the product and its presentation to the English market flawless.

A "Fish Trade Gazette" representative was informed that the Canadian Poultry Pool was running out well! Expert buyers were placing big orders, and now the sample shipment has made such an impression, Messrs. Zwanenberg have more Canadian chilled turkeys and chickens coming on consignment.

A letter from Wadman, Son, France & Co., wholesale food specialists of Liverpool, received as we go to press, states: "I should just like to compliment you on your shipment of turkeys to this country, Christmas, 1932. Condition excellent; quality excellent. Public opinions: every bird gave entire satisfaction. I could have disposed of three times the quantity. I purchased 50 cases. I should like to ship direct next year."

1932 Voluntary Storage Eggs

The final payment, amounting to 5c. on Extras and 3c. on Firsts, amounting in all to \$3,100.00, will be mailed from head office to all shippers on January 18, 1933.

Dressed Poultry Standards

Referring to above E. G. Horwood, Superintendent of the Manitoba Pool, says:

"In spite of opinions expressed to the contrary we wish to state here that Dominion Government Dressed Poultry Standards were interpreted and intended to be applied in the grading of poultry exactly as they were during the dressed poultry marketing season of 1931. If there have been instances of evident change in the application of the standards then the grader or in-

spector himself is responsible and was not carrying on his work according to instructions. While there have possibly been such instances, we are inclined to believe that generally speaking the fact that dressed poultry was very noticeably lower in quality was responsible for lower grades. This has been the opinion expressed in the majority of letters received from our local secretaries in reporting on their dressed poultry shipment."

BRITISH EGG MARKETING SCHEME

An egg marketing scheme adopted by the National Farmers' Union and the National Poultry Council for submission to the Ministry of Agriculture, embodies the principle of compulsory organization and the registration of all egg producers except those who keep fewer than 25 laying hens or ducks. The scheme is contingent upon protection for home production by means of tariffs and quotas, and embodies suggestions for revision of the existing egg grades, the most important effect of which would be to reduce to 1 3/8 oz. the minimum weight for standard eggs, now 2 oz., which is considered too high, and forces producers to sell a large proportion of their eggs under a lower grade. The scheme has not yet been worked out in detail, since its submission to the government is recognized as the preliminary to the appointment of a re-organization commission to investigate the whole problem of egg marketing.

—I.C.A. News.

Australian eggs, according to "The Produce Markets Review," are well on the way to commanding the British egg market. A few years ago 1,000,000 dozen was a good export figure. Last year Australia exported 5,213,000 dozen; the present season's figures now stand at 8,190,000 dozen and are expected to exceed 9,000,000 dozen by the end of January, which is the end of the 1932 season.

BRITISH MILLING COMBINES

A further stage in the trustification of the British milling industry is marked by the announcement that an offer has been made to the shareholders of the Associated London Flour

Millers, Ltd., for the purchase of the preference and ordinary shares of the company for cash. The directors have strongly recommended the shareholders to accept the offer. The Associated London Flour Millers, Ltd., was formed in 1921 by the amalgamation of a number of milling companies. It ranks third in order of size amongst the milling concerns of a purely commercial type, and its output represents about 5 per cent. of all the grain milled in the country. It has at present under construction in London a new wheat-cleaning plant, as well as a mill which is being equipped in the most modern style. It is believed that the prospective purchases is either Spillers, Ltd., or Joseph Rank, Ltd., the two larger milling combines, each of which mills about 20 per cent. of the total grain supply.

—I.C.A. News.

At a meeting of South African agricultural co-operatives in Pretoria last October it was decided to centralize purchasing in one organization. The combined purchasing of the 200 co-operative organizations entering into the formation of this central buying agency is approximately \$10,000,000. Isn't this an example western Canadian farmers might well follow?

CO-OP MARKETING BOARD (From Page 8)

matter being overlooked, the secretary of the Co-operative Marketing Board, some weeks ago, sent the necessary forms and instructions to all co-operatives in Manitoba. It was also arranged that copies of the by-laws of the associations should be furnished by the Registrar of Co-operative Associations instead of each association having to supply them. Some of the forms sent out have evidently either gone to the wrong address or have been ignored.

Farmers have to decide whether they want their wheat handled by business men with years of experience of wheat, or by farmers with years of experience of business men.

—The Wheat Grower, W. Australia.

Natural Leaf Tobacco FOR SALE

Sample package 13 lbs. good leaf tobacco, mild or strong (with a real briar pipe free) \$2.00; 50 lbs., \$7.00; 100 lbs., \$12.00. Pure Quesnel, 4 lbs. for \$2.00. Shipped Anywhere. Agents Wanted.

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Co-operative Dairying

A Message from Manitoba Co-operative Dairies

LET'S FACE IT—TOGETHER

We face a new year. Difficulties that have dogged the dairying industry for months past are still at our heels. Ahead loom what seem to be even bigger difficulties.

But don't these very difficulties create an equally big opportunity for co-operation—true, practical co-operation in working out our salvation? May we, then, bespeak your continued loyalty, steadfast faith and intelligent activity in making our Co-operative Dairies serve producers to the utmost through these trying times.

This Winter

As we all know too well, the price of all farm products is low. But cream prices are relatively higher than others. On many farms the cream cheque is well-nigh the sole revenue coming in to buy the bare necessities of existence. Certainly, more and more of our farm families are working hard to ship every can of cream they possibly can.

During the winter months adverse weather and feeding conditions handicap the cream producer and reduce his output, work as he will. At the same time however, our Canadian people are eating just as much, or more, butter than in other seasons. They are, in fact, just now making away with butter faster than the producers can ship the cream to make new supplies. In other words, the domestic market absorbs the entire output, including the increase due to the efforts of our farm families to ship the greatest possible amount of cream.

And Next Spring

Now, it is very fine that more families are turning to dairying to earn those very necessary cream cheques. Thinking farmers have agreed that the way to a permanently better agriculture follows the cowpath. But here is one of the difficulties that loom ahead: What will happen next spring—when the cows get out on pasture and bring home twice as much milk at night . . . and

cream shipments are, perhaps, doubled? Canadian creameries will make a vast deal more butter; but Canadian consumers will go on eating much the same amount. A surplus seems inevitable. New outlets must be found. That means export.

Export means that we must pay for carrying our butter to the Old Land, meet the competition of New Zealand, Australia, Denmark . . . and lose a big share of the net proceeds in exchange. Just what this may mean next spring is hard to foretell. But under the conditions of today it would mean that the net price of butter in Canada (both on export and on domestic markets) might drop very much below present levels.

What's to Be Done?

Is it possible to do something to head off such a catastrophe? Yes, two practical courses are open which interest the Canadian dairy industry: 1. To adjust exchange between British and Canadian money. 2. To set up Marketing Committees to take care of our exportable surplus of butter without affecting domestic market prices.

We sometimes hear reports that efforts along these lines have been launched—and are making headway. As it means so much to dairymen all over Canada, our producers are urged to give support to any such movement which offers reasonable relief.

About Subscriptions

At the annual meeting of Manitoba Co-op Dairies it was decided in view of resolutions passed at the district meetings, to discontinue the subscriptions for members to "Farm & Dairy." This journal has, however, during the

past year, been changed from a semi-monthly to a monthly publication. Hence, the subscriptions already in force have a number of issues to run. Those of our members who have been getting this magazine in the past will, therefore, continue to receive it until the end of 1933.

GOLD AND BUTTER PRICES

F. H. Sexauer, president of the Dairymen's League Co-operative Association, New York, is convinced butter prices in New York will never go above 25 cents as long as the British pound is depreciated in relation to the dollar.

"Just why the English monetary system," he says "which at present values gold on a ratio of about 14 grains to \$1 as against the United States 23.22 grains per dollar, (also the Canadian dollar), should so affect butter prices in this country may not be evident to the casual observer. However, it was well illustrated just recently when it checked an upward movement of butter prices and broke the market.

"About two weeks ago butter reached a top price of 26 cents in New York. In Chicago it sold around 24 and on the Pacific coast at 29 cents. A price advance had begun when with national butter stocks at a low point, the Pacific coast found its normal locally produced supply insufficient. Butter normally moves eastward from Chicago, but when the Pacific coast cities began reaching out for supplies this movement was reversed. As a natural result eastern prices, both Chicago and New York, advanced under the stimulus of this increased demand.

"A situation existed that was promising for the dairy industry. Suddenly the upward movement was checked and prices broke. New Zealand butter which had not been entering United States

(Turn to Page 15)

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MANITOBA

Co-op Livestock Marketing

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

1932 BUSINESS

During the month of December the volume of livestock that came forward to the Union Stockyards, St. Boniface, showed a decline of 338 cars, as compared to the same month in 1931. The following is a statement showing the high five firms on the St. Boniface market during December.

1st—Can. Co-op....	136 cars	21.6%
2nd	101 "	16.1%
3rd	92 "	14.6%
4th	80 "	12.7%
5th	68 "	10.8%

Your organization has almost retained the percentage on this market. During 1931 your organization handled 2,971 cars, or 25.8%, and during 1932, 2,119 straight carloads and approximately 170 carloads in trucked-in stock, or 24% of the livestock brought to the Union Stockyards, St. Boniface, for sale. The reason for a substantial reduction in the number of cars handled is the fact that some 2,700 cars less came forward to the St. Boniface market during 1932.

It is also of interest to our members and others to quote the number of cars handled by the various firms on this market during 1932; 1st, Canadian Livestock Co-op. 2119 cars; 2nd, 1134 cars; 3rd, 1118 cars; 4th, 1117 cars; 5th, 990 cars; 6th, 848 cars; 7th, 815 cars; 8th, 585 cars. During the year two of the firms operating discontinued doing business leaving only eight firms operating on the St. Boniface market at this time.

As usual, gossip has been to the effect that the producers' co-operative livestock marketing organization has been losing business. Many would like to see this happen—and many of our producers at this time, owing to the extremely low prices for livestock, have become indifferent as to the method of marketing their stock. But in spite of all that, the facts are as given above; and we are confident that the co-operative marketing of livestock is just as sound as it ever

was and that producers, generally speaking, are determined to continue marketing their stock in a co-operative way.

In meeting from time to time producers from districts where there is no active co-operative livestock shipping association, we have found a large number of them expressing the thought that they would like to have their stock consigned to the producers co-operative livestock marketing organization; but for various reasons the men looking after the shipping are consigning to other firms. The producer is the one that should decide where his stock is delivered. We would suggest, where they have United Farmers' locals, or some other society meeting regularly, that they discuss livestock marketing. If they do that, we are sure that the decision will be to instruct your shipper to consign the livestock marketing organization, and in that way assist in building up a stronger co-operative livestock marketing organization.

A New Name

Our sales agency at St. Boniface starts out on this new year under a new name—"Canadian Livestock Co-operative (Western) Limited."

The most important change in the operation of the agency lies in the new relation of this agency to the other units which comprise the all-Canadian hook-up. Under the new arrangement the St. Boniface agency is to be controlled by a board of six directors; three from each of the provinces of Saskatchewan and Manitoba. Provision is also made for minority representation on the board of C.L.C. (Western) from the other provincial units. As a separate enterprise, however, this organization will not be responsible for the transactions of similar business institutions in other parts of Canada.


While the purpose is to maintain independence as a separate business unit, there is no thought on the part of the directors to divorce the activities of

the St. Boniface agency from those co-operative agencies operating on the other public markets in Canada. In fact it is felt that the welfare of the whole structure will be furthered. Our Montreal agency has been operating on this basis since last June under the corporate name of Canadian Livestock Co-operative (Quebec) Ltd. Needless to say the reorganized agency is continuing the services of most of the excellent staff which has been built up in the past five years. A few reductions were necessary in the interests of economy and efficiency but no new appointments were made.

These are times when it is indeed hard for our members and patrons to enthuse over this or any other business enterprise, because, no matter how efficient we may claim to be, we are painfully conscious of the fact that the returns we are sending back from the sale of livestock shipped to us fall far short of the actual value of the product itself; most of all, they fail to enable our farm people to secure those goods which they must purchase in order to live respectably.

While this is true, we are firmly convinced it is also true: that in the farmer's own business and educational organization lies the main prospect of agricultural recovery of Canada.

Canada's organized farmers have accomplished unbelievable things in the past, both in the field of business and politics. It may well be that our farm organizations throughout Canada hold the key to national and international recovery today. If so, then it is up to every one of us to make our contribution. Think this over seriously.



The Farm Insect Powder

"Considering its efficiency," writes an enthusiastic user, "the ease in which it can be applied and the large range of stock to which it is adapted, I believe Dri-Kil will prove a great boon to stockbreeders."

Dri-Kil is sold on a 120-day Money-Back Guarantee.

Ask your dealer, or write to:

Canadian Co-operative Wool Growers Limited

Western Branch: REGINA, Sask.
Toronto Lennoxville

CONSUMER CO-OPERATION

(From Page 9)

Here is another suggestion: The people appointed each year to manage your business are only human. They can make mistakes. If they do, don't forget to let them know about it in a friendly way. That may be good for them and good for the organization. You have a right to expect the best possible service.

If our movement is to succeed, the Head Office must have the co-operation of the local managers and directors. Sometimes your manager and staff need a little encouragement. Sometimes they get it, and if so, appreciate it. More often they do not. The path of those occupying executive positions is not always paved with roses in these times. Let us get more of the spirit of goodwill in our movement. It is the secret of success. We have accepted the challenge and responsibility of putting over the Consumers' Co-operative movement in Manitoba. It can be accomplished only by the true spirit of Co-operation. Let us each do our part, with this object in view.

I feel it my duty at this time to sound a note of warning to our locals. So far you have proven loyal to your organization and as a result our locals and the wholesale alike, have made good progress. This year may be a severe test to your loyalty. There is the possibility of an attempt being made by the opposition to insert the "thin edge of the wedge" in an endeavor to weaken or destroy our movement. We should be on guard against bait that may be offered as an inducement to purchase supplies direct rather than through your own Wholesale. Surely we are agreed that the success of our organization depends upon the development and maintenance of our own source of supplies.

We would remind you at this time, that it will be your duty as well as your privilege to elect a board of directors to carry on the business of the Wholesale for another year. We would point out that this movement was not organized for the purpose of giving any person a position. Therefore in making your choice, select men in whom you

have confidence and stand behind them one hundred per cent. as you have done in the past and thus fortify our position against any attack from the outside.

FARM INDEBTEDNESS IN THE RED RIVER VALLEY OF MANITOBA

(From Page 5)

farmers owed an average of \$720 to the banks which comprised 4.30 per cent. of the total debt. Stores were owed .75 per cent. of the total indebtedness, 41 farmers having an average of \$132 credit from this source. Other debts were owed by 114 farmers which averaged \$6.29 apiece, or .09 per cent.

The total land area of the 150 farms reporting on debt information was 76,652 acres of which 62,595 acres were improved. The debt per acre occupied was found to be \$11.17 and per acre amounted \$13.68. For the 139 farms of operators who actually reported having debt the total land area was 70,714 acres of which 57,690 acres were improved. The debt per acre occupied on these farms was \$12.12 and per acre improved \$14.84.

Proportion of Debt to Capital Invested

The total capitalization of the 157 farms was \$2,980,331. On the 150 farms reporting debt information it was \$2,742,976 and as the total debt was \$856,198 the proportion of debt to capital was found to be 31.21 per cent. For the 139 farms having debt the proportion was 34.07 per cent. This then represents the burden of indebtedness carried by a sample of farmers in the Red River Valley. It does not, however, tell the whole story as many of the operators (43 of the 157) are renters and so the total debt against the land on these farms is not shown.

For this reason the records of 70 of the owners were isolated which gave the indebtedness of farmers who own their land. It was found that these 70 farmers had an average debt of \$9,132 which is considerably higher than the average of \$6,160 given for the 139 farms already referred to. The average capital investment on these farms was \$18,091 and the proportion of debt to capital was 50.48 per cent.

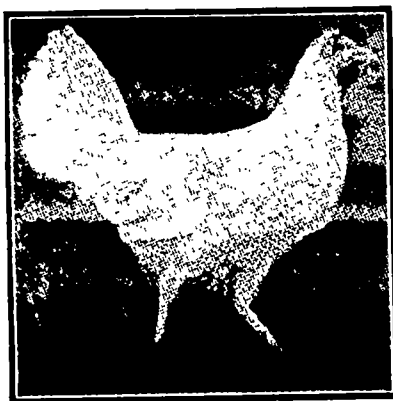
Farmers Settling in Later Years Carrying More Debt

Table 2 gives the indebtedness of farmers who started in the different settlement periods. It can be seen that the majority started with considerable initial debt and that their debt then was very nearly as high as it is now except in the case of those settling before 1904. The farmers who have settled since 1920 are carrying a far greater amount of debt than those settling in the earlier periods. For those settling before 1914 the proportion of debt to capital is around 25 per cent. and for the 1915-1924 period it is between forty and fifty per cent. while for those settling after 1925 the proportion of debt to capital is over 98 per cent. The figures indicate that those settling in earlier periods have perhaps incurred their debt by enlarging their farms and that those settling between 1909 and 1914 are carrying practically the same debt though their capital investment may have increased. In the case of those settling since 1925 accumulated unpaid interest is responsible for a considerable proportion of the amounts owed. Before the slump in prices beginning in 1929 came it appears that farmers were in general meeting their interest payments and a few were making substantial payments on the principal but at the prices prevailing during the past two years very few farmers have been able to even meet the interest payments.

Income and Expenses

In support of this point of view it may be said that it was found that the average cash receipts on these farms in 1931 were \$2,145.50 while the average operating expenses, including \$315 for family labor exclusive of the operator's, were \$1,837 per farm; to this must be added \$350.20 actually spent on new buildings, equipment and livestock purchased. It should also be noted that items such as taxes are included in operating expenses whether paid or not but interest on investment and depreciation on buildings and equipment are not covered under this heading. The margin of income over expense is thus not large.

C. V. Parker.



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Coarse ground for hen mash. \$1.75
Fine ground for chick mash. 2.00
Bole's Baby Chick Starter. 2.50
Two-Purpose Lime Grit,
(a substitute for Oyster Shell) .95
in five-bag lots. one bag free
Yeast, per lb. .15
Bole's Balancer, per 100 lbs. 2.67
Charcoal, per 50 lbs. 1.45
Proffiter, Egg Mash, per 100 lbs. 1.95
Producto Egg Mash, per 100 lbs. 1.55
Red River Egg Mash, 100 lbs. .84

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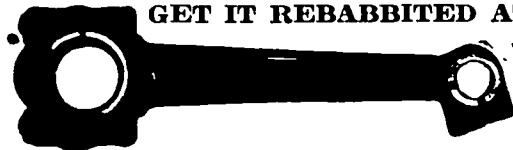
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GOLD AND BUTTER PRICES

(From Page 12)

was suddenly able to jump the 14 cent tariff wall and come into competition with the domestic product. The New Zealand butter shipper who had been selling in England at about 19 cents on the English money basis, equal to 12 cents on the United States gold basis, found it more profitable to ship to this country despite the tariff.

"In other words, because of the difference in quantity of gold between the present monetary systems of England and the United States, this country's dollar increases in value to about \$1.47 when converted into English money. Thus New Zealand was able to sell butter on the Pacific coast at a price that paid the tariff, covered shipping and left a larger profit than if the product had been shipped to England.

"This entry of New Zealand butter quickly broke the market for domestic butter. It is evident that so long as the gold value of England's money and that of the United States continues at the present wide difference butter prices cannot advance here. Any time such prices do increase the New Zealand product will again be attracted." * *

Acting in co-operation with New Zealand the Australian Dairy Export Board decided to restrict exports of butter to England after December 2nd in order to ensure continuity of supplies.

LIVESTOCK

ENGLISH COLLIE PUPS. ENERGETIC
heeler stock 3 months old. Males \$3.00, females \$1.00. Gordon Anderson, Lenore, Man.

"IT'S SURE DEATH TO LICE FOR BOTH
hens and chicks," says Mrs. F. Conway, Lillooet, B.C. of Stanfield's Lice Kill. 60 cents a tube or 2 tubes, \$1.00, postpaid. Winnipeg Veterinary & Breeders Supply Co., Ltd., Winnipeg or Calgary.

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Dressed and headless, 3c; Tullibee, round 1½c, dressed, 2½c; Mulletts, 1c per lb. Langruth Trading Co., Langruth, Man.

FRESH FROZEN FISH. PICKEREL, 5c lb.;
Round Jackfish, 1½c, Mulletts, 1c. If no station agent add sufficient money to pre-pay charges. Rorketon Fish Co., Rorketon, Man



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Debt Adjustment AND Interest Reduction

*by IMPERIAL OIL LIMITED
on accounts owing by Prairie farmers
for products bought in 1929 and 1930*

TODAY burdens of debt are disturbing nations and individuals and causing fear to weigh heavily upon all people. Until fear is overcome and employment increased, thereby strengthening prices, difficulties will continue to prevail.

Because of this situation the Company has by the means at its disposal provided labor and earnings for a larger number of people with the twofold object of reducing unemployment and strengthening the market for agricultural commodities. As a further contribution to the improvement of conditions, the Company will apply the following plan with regard to the individual debts which are owing to it by farmers in the Prairie Provinces for products supplied in 1929 and 1930:

DEFER PAYMENT AND CANCEL INTEREST

(1) Payment of these debts will be extended over a period of five years beginning October 1, 1933, with equal annual installments due each October 1.

(2) The Company hereby undertakes to cancel entirely all interest charges on these farm debts from the time the goods were purchased until October 1, 1933, thus very materially reducing each farmer's liability to the Company and relieving him in present difficult times from further accumulation of debt.

LOW CARRYING CHARGES

(3) The Company will carry these accounts on its books after October 1, 1933, at a rate of four per cent. interest.

(4) The Company will adjust principal and interest payments in direct ratio to the price of wheat prevailing on October 1 of each of the five years when installments will be due.

(5) In 1929 and 1930 a large volume of petroleum products was supplied on credit because many farmers were then unable to pay cash for the fuels and oils needed to seed and harvest their crops. In this extremity the Company departed from its established policy of selling for cash. Otherwise thousands of farmers would have been unable to work their land and the Company hoped that satisfactory crops and prices would restore prosperity to the entire western agricultural community. The wheat produced with these products was marketed at an approximate average price of 70 cents per bushel.

WHEAT PRICES REGULATE PAYMENT

Taking this price as a basis the Company is prepared to extend an adjustment of principal and interest whereby the farmers' annual payments will be in the same ratio to the amount due as is the price of wheat, at the time payment is due, to the price of 70 cents. The price upon which adjustment will be made will be the price of No. 1 Northern Wheat at Fort William at the close of the Winnipeg Grain Exchange on October 1 of the year in which payment is due. If the price should be below 70 cents, the installment due from the farmer will be reduced proportionately. On the other hand, should the price be in excess of 70 cents the installment due will not be thereby increased and the farmer will enjoy entirely the added benefit of a higher price.

APPLIES FOR FIVE YEARS

(6) The same method will apply during the five years over which payments are being extended. For example: if wheat is 70 cents a bushel or more on October 1, 1933, a farmer owing an installment of \$63 would pay his installment in full. If, however, wheat is 60 cents a bushel on that date his installment would be \$54, a saving of \$9. If wheat is 50 cents a bushel on that date his installment would be \$45, a saving of \$18. Should the price of wheat be below 50 cents a bushel a reduction in the same ratio will be made. This plan includes an arrangement to continue the business relationship between this Company and its Western farmer customers. A farmer may at any time after October 1 next pay his account in part or in full and the amount payable will be adjusted on the basis of the price of wheat on October 1 preceding date of payment.

INDIVIDUAL OBLIGATIONS SMALL

While many thousands of farmers in the west are in debt to the Company, the individual obligation is not large. The Company has served Western farmers from the pioneer days and is proud that since petroleum products were first required on the Prairie farms it has maintained a continuity of supply at all points. In its long dealings with the farmers its experience has been that they meet their obligations as quickly as their circumstances permit. In view of conditions, when through no fault of their own, their incomes have been greatly reduced, the Company believes that they should be given all possible assistance by deferred payment, by low interest charges and by prorating their obligations to their earning ability.

IMPERIAL OIL LIMITED

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Calgary, Alta.

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