

THE ECONOMICS OF WESTERN  
CANADIAN AGRICULTURE

By

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### Proposed scope of thesis.

Economics is a social science and, as such, has to do with living men, not merely as individuals, but as members of society. Moreover, it has as its particular sphere of investigation that portion of their activity which is concerned with getting a living. An investigation is scientific only in so far as it systematizes and correlates facts, the test of its conclusions being their capacity to afford a basis for the description and practical use of the matters under inquiry.

In an investigation of Western Canadian agriculture from the economic viewpoint, our task is first of all to collect and arrange in systematic order such facts as may be of consequence for the problem under discussion. In so doing, it will be advisable to note the significant features of Western Canadian agriculture, the beginning and progress of organization among agriculturists, and the particular aspects of the present situation. Having done this, the test of the accuracy of the investigation will be found in its adaptability for use as a foundation upon which to rest such generalizations as are of moment for the future of Western Canadian agriculture.

It has been said that economics is a science of tendencies only. This being the case, it cannot be expected that any suggestions or generalizations which may be offered will be in the nature of unalterable laws. If, then, in this economic study of agriculture in the Canadian West, there may be expressed in a systematic manner certain facts which are of more or less common knowledge to everybody, and may be made of such explanations and generalizations as logically follow from the facts already stated, it will be justifiable to say that the investigation has been neither too ambitious nor too limited in scope.

### Significant features in Western Canadian agriculture.

Canada includes among her natural resources grain fields, timber lands, mines, fisheries, furs and water power. Agriculture holds first place among Canadian industries, and must continue to do so because the greater part of the fertile land in Canada lies in the Red River Valley and the Great Central Plains, which areas are peculiarly suited to agricultural pursuits, especially grain growing.

The population of Canada is now about seven million, of whom, until very recently, the vast majority were engaged in agricultural activity. Even now despite the sensational urban movement of the past two or three decades more than one half the people of Canada still live in the country. In Western Canada, there are practically no manufactures, and the prosperity of the Prairie Provinces, which are pre-eminently agricultural in nature, stands or falls with that of the farmers who make up their population.

The fact that the grain growing area of Western Canada is wholly inland, and the possibility of getting free land, there means that by far the greater part of the produce must be for sale in distant markets, and not merely for local consumption. That is practically equivalent to saying that without adequate transportation facilities, Western Canada must necessarily have remained indefinitely in a somewhat primitive stage of development. The farmers of Western Canada owe their most sincere thanks to the men who in times past blazed the trail, as it were, of Canadian transcontinental railways, and dared much to see it through to completion, and to the Dominion Government which at every turn supported and subsidized the railroads which were to mean so much to the ultimate prosperity of the nation.

### Beginning of agriculture in the West.

As early as 1811, Lord Selkirk has<sup>d</sup> been instrumental in establishing an agricultural colony in the Red River district, although prior to that, mens' sole interest in the land, West of Lake Superior, had been the fur trade. This young colony and others which were later established had no kid-glove existence to face. In addition to the inevitable privations of a new country the colonists were confronted with the hostility of the Nor'-westers, successive clouds of grasshoppers, and overflow of the Red River, and in due time the horrors of the Saskatchewan Rebellion. The latter, however, was not unproductive of some lasting good--the settlers of the North-West Territories were granted title-deeds to their land, representation in parliament, and further protection by an increase in the Mounted Police Force. Still further progress was made by the entrance into Confederation of two new provinces, Alberta and Saskatchewan in 1905.

The recognition of the rights of the Canadian West was manifest in the construction of coast-to-coast railways. By the building of the Canadian Pacific Railway, finished in 1885, a trans-continental route was opened up, and the vast fertile areas of Manitoba, Saskatchewan and Alberta thrown open to settlers. Other trans-continental railways and many hundreds of miles of branch lines have been constructed and have been of incalculable importance to the Canadian West, and to the prosperity of Western farmers.

### Beginning of concerted action.

The beginning of concerted action among the farmers of Western Canada in the first decade of the twentieth century must be attributed in part to the greatly improved facilities for transportation and communication made possible by the trans-continental railways, and in part to the investigations conducted and statistics collected by government officials and others concerning rail and water transportation.

Some statistics of the Port of Montreal in 1904 are particularly interesting. The scarcity of export grain contributed to low freight rates and unprofitable business, the quantity for export from Manitoba being less than would usually be had on a crop of fifty million bushels, because of the crop shortage in Ontario and the consequent milling of Manitoba wheat there. It was estimated that at the premailing rate of increase, Canada would have in the twentieth century, if she cultivated only one-quarter of her available wheat lands, an annual wheat production of eight hundred million bushels, the only two methods for handling this business being:

- (1) To increase terminal facilities on Canadian soil;
- (2) By allowing business to be taken care of in American ports.

The popularity of the St. Lawrence route and the desire for national entity would seem to justify the former.

Later statistics are equally significant. As to grain trade of the Canadian North-West, the average rate on wheat was from seven to eight cents per bushel from the elevator at the head of the lakes to the vessel at the seaboard. The average published rate, all water, was six and five-eighths cents, including insurance. A comparison between the two rates is only necessary to show to what extent the North-West was discriminated against, the conclusion being that a deep water route would control and determine the rates of transportation on the products of the North-West.

An extract from a Bulletin ( the United States Department of Agriculture) on European trade, states that the grain deficit in Western Europe had caused its dependence upon the grain of newer countries such as Canada. Relating that fact to traffic possibilities and to the upper lake trade, it was concluded that while eighty per cent of the trade, consisting of iron and ore, could not be diverted, there was a grain trade, part of which might be diverted by a deep water route to Montreal.

There was even then a water route from Fort William to Montreal, via the Great Lakes and St. Lawrence, and passing through the Sault St. Marie, the Welland, Cornwall, Beauharnois, and Lachine canals, deep enough to admit vessels of fourteen feet draught.

#### The Report of the Georgian Bay Canal Commission.

In view of these statistics, the Georgian Bay Canal Commission was appointed to investigate the advisability of a deep water route direct from Georgian Bay to the St. Lawrence, through the French and Ottawa Rivers. The investigation covered a considerable period of time and included the amassing of a great deal of technical detail concerning channels, locks, dams, bridges, etc., and in 1908, the report was made, the general conclusion being that the St. Lawrence canals have not been successful in diverting a fair share of the lake transportation. Modern lake freighters, which have been instrumental in giving the cheapest rates in the world on the different lakes, cannot use the present canals. A special type of boat was necessary and since the completion of the fourteen-foot canals, few vessels of the required type have been built.

At both ends of the proposed Georgian Bay Ship waterway are two different systems of water transportation, which commerce demands should be united in the most efficient manner by both rail and water transportation. No doubt, the Dominion government will be obliged in the near future to increase the dimensions of the St. Lawrence canals. This, however, would not be set in opposition to the proposed Ottawa river route. In the first place, the volume of Canadian trade is likely to justify both routes. The Georgian Bay route is the most direct, being shorter by nearly three hundred miles than any existing or possible route. The reduction in the time of transit will enable the vessels to make more trips during the season, which will have a tendency to reduce freight rates from Fort William to Montreal. Its Northern position will give great advantage for the conveyance of perishable goods. Only this route can compete successfully with the route which the authorities in the United States are trying to develop. Moreover, its course is far from the international waters boundary and no international waters are involved. For these various reasons the proposed Georgian Bay Ship waterway (to accommodate ships of as much as twenty feet draught) would be likely not only to attract attention but to secure trade. This efficiency, if built, will depend not only on its large dimensions, and modern equipment, but also on its business organization. The possibility of the large corporations using this canal will not lead to its control by them, because it may also be used by individuals, thus ensuring competition and cheaper rates.

Just at this time, the farmers of the West were beginning to realize that concerted action on their part was necessary if they were to make any marked progress. The influence of existent railways and waterways, as well as somewhat gigantic proposals such as the Hudson Bay Ship canal, both of which would facilitate greatly the marketing of the Western grain crop could not fail, in some measure at least, to swing public opinion in the West in favor of national projects and adequate legislation.

At any rate, preliminary attempts in the direction of organized effort were begun, by the formation of the Territorial Grain Growers Association which was to include members from the whole of the North-West Territories. This organization was somewhat too cumbrous, there being at that time very few locals to carry out the resolutions of the central association. It is not-

able, however, because it is almost the first organization of its kind in the West but was destined to be not long the only one. The Manitoba farmers were the next to follow suit; this they did by organizing the Manitoba Grain Growers' Association. This new farmers' organization was faced by many problems, but by none more pressing than the conditions of crop marketing and the alleged abuses of the Winnipeg Grain Exchange.

#### The Winnipeg Grain Exchange.

When the grain growers of the West began to produce wheat not merely for local use but for sale in more widespread markets, thus causing it to become a factor in finance, special markets for the handling of grain were established in the larger trade centres. The modern grain exchange is not merely a gambling mechanism for the speculator, but rather a centre where the legitimate trader may do business.

A grain exchange is the place where grain dealers assemble to obtain information and maintain regulations for the prompt performance of contracts. It is on the ground, as it were, to see that the grain trade is carried on in an efficient and upright manner, and to deal with offenders. Its members are grain dealers doing business in the exchange territory--milling companies, export companies, line elevator companies, individual traders, and commission men, the latter of whom are in an excellent position to do business, their only requirements being bank credit, membership in the exchange, and obedience to its rules.

Winnipeg, although located four hundred miles from the point where the grain is stored for sale delivery, is the greatest primary wheat market in the world, that is, more wheat direct from the producer passes through there than anywhere else in the world.

In Western Canada the grain is stored in bulk by grades whereby the cost of handling is cheapened. The grading of wheat is a very important element in the grain trade of Canada, and is in charge of Dominion government officials, who, during ~~one~~<sup>the</sup> grain season sometimes have to work in night and day shifts to avoid being engulfed by the incoming cars of wheat. Wheat samples must be taken from each car and the foreman of the sample<sup>ing</sup> gang fills out a card with all particulars and sends it with the samples to the Chief Grain Inspector. The grading is done only in daylight and even then long experience is necessary. Grade certificates are issued for each shipment and these, with the weight bill, and the bill of lading, are negotiable on the market. Re-inspection may be had by application to the Chief Grain Inspector, and if there is still dissatisfaction a final appeal may be made to the Survey Board.

#### Report re Trade Conditions.

As early as 1905, the average Western Canadian farmer knew very little about the way his crop was marketed, and not without some justification feared that where there was mystery there were also abuses. Accordingly, E. A. Partridge was sent by the farmers to Winnipeg to investigate matters. He thought he saw five companies controlling the export trade, and also their margin of profit so as to keep out all competition. The smaller companies were doing likewise on a smaller scale; for example, the elevator companies often cut their charges to do away with competition from farmers' elevators which sold to independent dealers. Concerning grading, he thought it duly uniform but that undue attention was paid to minor details such as color. Mr. Gaddes, Mr. Partridge's predecessor, found fault with the Survey Board in that it was merely an echo of the Grain Inspector. Mr. Partridge thought that many frauds, properly attributable to line elevator men, were actually attributed to the Inspector, nevertheless, he thought it advisable to have a farmers' agent stationed in Winnipeg to safeguard the interests of the farmers.

### Formation of Grain Growers' Grain Company.

The question finally occurred to Mr. Partridge, as to the advisability of forming a farmers' company to market their own wheat. The remedy for the present ills, he thought, lay in the co-operation on a large scale of the farmers themselves. Accordingly, he gave the report of his Winnipeg investigations at the convention of the Manitoba Grain Growers' Association in Brandon, and also at the annual convention of the Territorial Grain Growers' Association in Moose Jaw, but was unable to arouse much enthusiasm about his proposal concerning a grain growers' trading company. At his home town, Sintaluta, Manitoba, he was more successful. The farmers of that district pledged their support to the proposed joint stock company, to be composed wholly of farmers, and to be known as the Grain Growers' Grain Company, Limited. The stipulations concerning this company were, that shares should be twenty-five dollars each, that no one could hold more than four shares, and that these shares were transferable only by vote at annual meetings. Thus there could be no possibility of clique control. A committee was appointed to oversee the affairs of the infant grain company until the election of the directorate, <sup>at a meeting</sup> to be held in Brandon in March, 1906. At this meeting details were discussed, the Sintaluta provisional directorate was allowed to stand, and the canvassing committee was enlarged.

The stock selling campaign was no child's play. It is to be remembered that hitherto the farmers had had little to do with co-operative measures, and were unduly suspicious. However, considerable headway was being made, despite the fact that rumors were rampant to the effect that the Grain Growers' Grain Company was a political move of the Conservatives, but a more tangible difficulty than a mere rumor was threatening. A telegram informed the directors that difficulties were rising at Ottawa to prevent the farmers' company from getting a charter--the shares of the company with a capital of two hundred thousand dollars were not allowed to be less than one hundred dollars. Nothing daunted, the organization committee decided that if a Dominion charter were unobtainable, they must be satisfied with a provincial charter. A Manitoba charter was arranged for without undue delay, providing for a provisional directorate. Five members of the original committee were in Winnipeg, and it was decided to organize at once, because there could be no representative general meeting of the shareholders before harvest.

Thos. Coulter of the Independent Grain Company accepted the management of the Grain Growers' Grain Company, but in addition to an efficient manager, the immediate necessity was a seat on the Grain Exchange, because without that the farmers could not enter the arena as grain dealers. The price was twenty-five hundred dollars, for which they had only ten hundred dollars in cash. However, five Sintaluta farmers gave their personal notes at the bank for the amount needed.

Financial arrangements were made with the Bank of British North America, an office was rented, circulars were sent out soliciting grain, and the wheat began to come in. At the Grain Exchange, the farmers' company was now being taken seriously. Sometime previously the Grain Growers' Grain Company had issued a circular, stating that the farmer who sent in the most grain would get the largest profits. This, the Exchange claimed, was virtually dividing the commission with the shipper, which was contrary to the rules of the Exchange.

Accordingly, the Grain Growers' Grain Company was expelled from trading privileges. That this was only a pretext on the part of the Grain Exchange was the firm conviction of E. A. Partridge and many of his colleagues, but it looked as

though the Exchange would be successful in putting the young company out of commission before it got well started. The grain was steadily coming in, their account was already overdrawn at the bank, the shippers were getting uneasy and there was no place to sell.

Luckily, the assistant manager succeeded in making several sales in the East which tided things over for a time. At length, in desperation, the president and vice-president laid their case before Premier Rodmond Roblin, and his cabinet, and the Manitoba government set a time limit, within which the Exchange could either remove their ban against the Grain Growers' Grain Company, or lose their provincial charter.

In the meantime, affairs at the bank were becoming so straitening that E. A. Partridge and two of his fellow directors were obliged to give their personal notes for an unlimited amount, in order that business might be carried on at all. Chiefly through the instrumentality of Jno. Kennedy, one of the directors, a large boat load of wheat, which was being unexplainably delayed at Fort William, was hastened through to Buffalo, and this shipment and several other unusually large ones relieved the situation greatly.

Meanwhile, the Grain Growers' Grain Company was not without opposition from the general public, the most unjust accusation being that the leaders were in it simply for what they could get out of it. So keenly did E. A. Partridge feel about this that he resolved to refute it by resigning the presidency whenever the Company was on its feet. His associates tried to dissuade him, but he was so insistent that they finally accepted his resignation. T. A. Crerar, then a young farmer at Russel, ex-school teacher, student of economics, and ardent supporter of the Grain Growers' Grain Company was made its president, much to his own surprise.

#### The Grain Exchange Again.

The report of the Royal Commission, appointed in 1906 by the Dominion government to investigate conditions in the grain trade, corroborated the belief of the farmers that they were the victims of a combine. Accordingly, in November of that year, D. W. McCuaig, president of the Manitoba Grain Growers' Association, laid formal charges--that is, of conspiracy in restraint of trade--against three members of the Winnipeg Grain Exchange. It was evident that the Grain Exchange meant to lend their members every support because practically all the lawyers of Winnipeg were retained by the defendant. However, the farmers' association succeeded in obtaining the legal services of Ex-Premier Haultain of Saskatchewan. So confident were the defendants of victory that they expected to be acquitted at the preliminary hearing. However, the judge committed them for trial.

The Manitoba Grain Growers then made certain demands of the Manitoba government, namely, that the charter of the Grain Exchange be altered in certain respects so that business might be on an equitable basis between buyer and seller, that arbitrary interference with the business methods of individual firms be prohibited, that the government have full access to the books of the Grain Exchange, and that gambling in futures be made a criminal offence.

The members of the Grain Exchange protested that the Exchange was only one factor in the grain business, for example it was the North-West Grain Dealers' Association which wired prices to country points and this organization was wholly separate from the Grain Exchange, that it was impossible to handle the grain of the country unless trading in futures were permitted, and that they would cease to do business entirely rather than submit to an alteration in their charter. At this point, a recommendation was made that a conference be held between the government, the Grain Exchange, the grain growers, Reeves of municipalities, bankers, railroads, etc., to discuss all matters pertaining to the handling of grain, including amendments to the charter of the Grain Exchange.



The activity of the Manitoba Grain Growers' Association was proving that the farmers would act in concert, and was making the struggle of the Grain Growers' Grain Company for the restoration of their trading privileges on the Grain Exchange a more serious procedure. Accordingly, on April 4th, 1907, Hon. Robert Rogers, in the absence of Premier Rodmond Roblin, issued a statement condemning the arbitrary action of the Grain Exchange in refusing trading privileges to the Grain Growers' Grain Company and stating that if the Grain Exchange did not, within the month remedy matters, the government would do so by legislative action. As a result of this, the Grain Growers' Grain Company was admitted once more to the privileges of their seat on the Exchange from which, despite Premier Roblin's official statement the previous fall, they had still been excluded upon one pretext or another.

The trial of the three members of the Grain Exchange took place in the assize court in April. The section of the Criminal Code under which they were tried was considered ambiguous by the presiding judge, and he, therefore, declared that there had been no undue restraints of trade, which practically amounted to saying that restraints of trade were permissible so long as they were actuated by personal interest, and that personal malice must be proved before such restraints could be legally punishable. The Grain Growers were dissatisfied that they should lose the case on a mere technicality, and appealed the case, but without success. The Grain Growers had lost their case against the three members of the Grain Exchange but had won no small victory in that the Grain Growers' Grain Company had won back its place on the Grain Exchange.

#### The testing of the Grain Growers' Association.

Meanwhile, danger was threatening from a new quarter. Apparently, without cause, the Bank of British North America informed the directors that it wished to close their account. The farmers quickly inferred that this was merely another move of the opposing forces. Their dilemma, however, was short lived. The manager of the Bank of British North America resigned to take over the management of the Home Bank in Winnipeg, and almost the first account he sought was that of the Grain Growers' Grain Company. The Home Bank had but lately ventured into the West, and the possibility of mutual advantage resulting from a union of the newly organized farmers' company and the young bank, induced the Grain Growers' Grain Company to make a heavy investment in Home Bank stock, so that as their business expanded, the Company might be sure of an extended line of credit as it was needed.

Another, and very severe test of the Grain Growers' Association, was near at hand. Despite the numerous set-backs already experienced, the farmers' company had made unprecedented progress. Many of the grain men, particularly the elevator interests, had tried to discredit it among the farmers, nevertheless, many of the grain growers had begun to realize that the farmers' movement was in reality a great co-operative movement destined to better economic and social conditions. Far from being a merely local affair, the Grain Growers' organization was beginning to assume an appearance of almost national importance, extending from the Red River Valley to the Rockies.

In Alberta, the rapid expansion and solidification of the whole farmers' movement was well typified. Hitherto, Alberta had been largely a ranching province, but with increase of grain growing there came, too, increased organization on the part of the farmers. Originally, there were two farmers' societies in Alberta. The Canadian Society of Equity was organized by a



number of farmers from the United States as a branch of the American Society of Equity, and attained considerable proportions. In addition to this, there was the Alberta Farmers' Association, that is, the Alberta branches of the Territorial Grain Growers' Association, and, it was not until 1909 that the two farmers' organizations joined forces to form the United Farmers of Alberta. The Winnipeg grain dealers, having in mind the rapid development in Alberta and the possibility of shipping grain via the Panama canal, located branch offices at Calgary. The Grain Growers' Grain Company did likewise, and also opened up a Seed Branch Department to supply good seed grain to the farmers.

Suddenly, like a lightning flash, word came to the Grain Growers' Grain Company that by a majority vote the Winnipeg Grain Exchange had suspended, for a year, the commission rule under which grain was handled. The significance of this for the farmers' company cannot well be overestimated. Hitherto, the Grain Growers' Grain Company had handled wheat on a straight commission basis, and, having no other source of revenue, could scarcely hope to compete with the powerful elevator interests. They also thought that the action of the Exchange was an attempt to create an absolute elevator monopoly, and that the elevator men were really trying to entice the farmers to injure themselves, because with the commission men (not merely the Grain Growers' Grain Company) out of existence the elevator interests could do precisely as they pleased.

There was only one thing to do and that was to appeal to the farmers' loyalty. This they did by sending out a circular letter stating the facts exactly as they were. Nor was such confidence misplaced. The farmers rose nobly to the occasion, and despite the apparent loss of one cent per bushel, enabled the Grain Growers' Grain Company to go over the top, with one hundred and fourteen per cent more grain handled than the previous year.

Meanwhile, the elevator interests had tried in still another way to influence public opinion. There began to appear in five Winnipeg papers articles by a writer, avowedly a farmer, who sought to discredit the farmers' movement. The Grain Growers' Guide, which had become the official paper of the Grain Growers' Association, accepted the challenge, and undertook to bring to bay this mysterious press correspondent. He was discovered in a few weeks and found to be in the pay of the elevator men. Threatened exposure sufficed to silence this disperser of unhealthy criticism against the organized farmers.

#### The Internal Elevator Company.

The government ownership of elevators was not a new idea. The abuses of the system then existent had been forcing it upon the attention of the farmers for some time. The elevators were the only points of contact between the farmer and the place where his grain was finally marketed. Moreover, these elevators provided the only means whereby the grain could be sold quickly if the transportation facilities were inadequate. In order to avoid monopolistic abuses, the farmers thought the remedy lay in the ownership and operation by the provincial governments of the system of internal storage elevators and by the Dominion government of the terminals.

Just prior to the elections in 1907, the Manitoba Grain Growers made such a request to the Manitoba government. A conference was held of grain growers, reeves of municipalities and others interested, at which the previous request of the Grain Growers was reported and emphasized. At the first session of government after the election nothing was done, however.

Meanwhile, the grain growers of Manitoba, Saskatchewan and Alberta were carrying on an educational campaign concerning the need of a government system of elevators, and at the annual Grain Growers' conventions in the three provinces the idea was strongly upheld. An Inter-Provincial Council of Grain Growers' and Farmers' Associations had been formed and this council urged the executives of the different provinces to try to obtain definite action from their respective governments.

At the suggestion of Premier Roblin of Manitoba, a conference of the premiers of the three provinces was arranged. The farmers hoped that this might lead to uniform legislation, including government ownership of elevators, their idea being that the province should purchase existing storage houses at a fair valuation, and issue government bonds to finance the situation, and build new elevators where needed.

The provincial premiers met at Regina in 1908 and discussed the situation. They then sent for Geo. Langley, a director of the Saskatchewan Grain Growers' Association, and a member of the Saskatchewan legislature. It was 1909, however, before the Inter-Provincial Council had an official report, and that was to the effect that there was such a tangle of overlapping jurisdictions and public interests that the premiers were unable to move, despite their desire to help the farmers.

The Grain Growers passed this report on to their legal advisor, who so shattered the alleged objections that very few remained. No definite action was taken until December, 1909, when the Committee on Agriculture in the Saskatchewan Legislative Assembly recommended the appointment of a committee to investigate thoroughly the government ownership of internal elevators as asked for by the Saskatchewan Grain Growers' Association.

#### The Manitoba Government Elevators.

Two days later, at the annual convention of the Manitoba Grain Growers, Hon. Geo. Caldwell announced that the Manitoba government had decided to establish a line of internal elevators as a public utility, owned and operated by the public.

This victory meant much for the farmers in Manitoba, and it was only necessary to get together to arrange the details. The government and the grain growers then each prepared a bill for the consideration of the legislature. While leaving full financial control in the hands of the government, the grain growers demanded that the elevators be operated by a commission entirely independent of any political party, and provided that no officer of the grain growers could act on this commission. The government refused the farmers' bill on the plea that it would be unwise to let the control of the managing commission out of their own hands, the farmers did not approve of the government's proposals, and as a result negotiations were broken off. The Manitoba government now prepared a new bill but did not remove the features which were so objectionable to the farmers. This bill was passed and the government voted fifty thousand dollars for initial expenses, and two million dollars for acquiring elevators. The Manitoba Grain Growers did not approve of the government plan, and therefore refused any responsibility concerning it, though they were prepared to co-operate with the Manitoba Elevator Commission when it got under way.

#### The Saskatchewan Co-operative Elevator Company.

In Saskatchewan an altogether different plan was evolved. The investigating committee consisted of Geo. Langley, M.P.P., F.W. Green, secretary of the Saskatchewan Grain Growers Association, and Prof. Robt. Magill of Dalhousie University. Many schemes were considered but all were cast aside by the commission in favor of an experiment in co-operative ownership managed by the farmers themselves, assisted financially by the provincial government, thinking that in this way many of the risks and limitations of the other plans would be avoided. They based their conclusions on the fact that, however powerless the farmers had once been, they were now in a very different position; and on the great change which had taken place since 1900--much better transportation facilities, real competition with the elevators as a result of loading platforms, the development of co-operation among the farmers through the Grain Growers' Association, the organization of the grain growers' Grain Company, and the protection afforded by the Manitoba Grain Act.

The commission suggested the enactment of special legislation to provide for the financing of the undertaking by the farmers themselves, assisted by the Saskatchewan legislature. The government introduced a bill embodying the recommendations of the commission, and an act was passed incorporating the Saskatchewan Co-operative Elevator Company, Limited. Because of the financial arrangements with the provincial government the capital stock was not set at a fixed price, but was subject to change by the government. The company was empowered not only to own and operate elevators, and buy and sell grain, but, also, to deal in lumber, coal and other commodities, and to do anything else incidental to the handling of grain. The Grain Growers' Grain Company agreed to act as selling agent for this newly organized Saskatchewan Co-operative Elevator Company.

#### Concerning terminal elevators.

In addition to government ownership of country elevators the grain growers were agitating for government control and operation of terminal storage facilities. This, they thought, the only effective remedy for existing abuses, because mere legislation and government supervision were of themselves insufficient.

In 1908, the Inter-Provincial Council of Grain Growers and Farmers' Associations sent delegates to Ottawa to lay before the Dominion government the question of the acquisition of terminal storage elevators, but they met with no signal success. Again in 1910, a memorandum was presented, but the grain growers got nothing more definite than a respectful hearing from the government. Fortune favored them, however, in that the Warehouse Commissioner, acting quite independently of the grain growers, verified their assertion that certain shady deals were being put through by elevator men at the lake front.

#### The Grain Bill.

The result was the drafting of a grain bill to improve certain matters. However, the 1911 elections took place before it could be even discussed, and when the new Minister of Trade and Commerce presented the bill, it was in a much altered form, but was not <sup>without</sup> some practical effects. The new government proposed to grant government control of terminal elevators, but only on an experimental scale.

#### The Board of Grain Commissioners.

Owing to the grain blockade due to car shortage, the Western farmers looked upon this new legislation somewhat askance. One of the proposals of the government was the formation of a Board of Grain Commissioners with wide discretionary powers, so wide, indeed, that the grain growers felt that the protection for which they had struggled so bravely was being forfeited. Their consternation was very great but of little avail, and the bill passed the Commons, and was handed over to the consideration of the Senate. Here, however, Hon. Senator Lougheed withdrew the offending clause, and the farmers breathed freely once more.

The Board of Grain Commissioners soon concluded that outright purchase of terminal elevators was necessary if grain dealing companies were to be eliminated. This, however, was not immediately practicable, and, accordingly, the grain Commissioners recommended the building of a three million bushel elevator at the head of the lake to meet the immediate need for increased terminal facilities. They were also considering the need for terminal storage in the interior as well as at the lake front. Congestion at Western terminal points was imminent, freight rates were soaring, the export market was disturbed, and there was no reserve of storage capacity in Western Canada to meet the emergency. Therefore, it seemed that it was time to erect government terminals nearer the grain field.

The Grain Growers' Grain Company in the Pit.

So far, the difficulties of the grain growers had been largely due to events over which they had no control, but their unfortunate experience in the Pit could be attributed to no one save themselves. The Board of Control had great confidence in their manager and left things largely in his hands. That he ventured into the Pit is not entirely to his discredit; it was their place to watch his proceedings and check him if need be.

In 1911, whenever the proposed reciprocity agreement was reached between the United States and Canada, oats began to fall in price, and this despite the shortage of oats in Great Britain and Europe. The manager of the Grain Growers' Grain Company thought the drop a merely local situation and decided to buy up some later on at a higher figure. The manager's motive in so doing may have been quite legitimate, nevertheless, it was contrary to the business ethics of the Company.

Moreover, he soon found himself in trouble with the bears (those who wish to depress the market) who decided to so overstock the Grain Company with oats that their line of credit would be gone at the Clearing House, and oblige them to pay a marginal deposit on every bushel. Thanks, however, to the splendid export connections which had been built up with the Old Country, and the equally satisfactory arrangements with the Home Bank the farmers' agency was selling oats for export very rapidly and was likely to escape unscathed.

Meanwhile, attacks began to appear in print against the credit of the Grain Growers' Grain Company, neglecting to take in to consideration the rapid increase in paid-up capital and the ability of the farmers to get credit outside of Winnipeg. Soon the bears were ready to buy back again giving the Grain Company an opportunity to actually corner the market had they been so minded.

The situation had changed greatly for the grain growers in Western Canada. Co-operative marketing of grain had passed the experimental stage and was now an established fact. The co-operative movement spread rapidly among the farmers in many districts as a result of the very real success of the Grain Growers' Grain Company. It will be remembered that, at the time of its organization, the promoters of the Grain Company were unable to obtain a Dominion Charter. Now, however, it seemed imperative that their charter be so extended as to permit the carrying on of business in provinces other than Manitoba. The new charter giving special powers was granted in 1911 by special act of parliament, despite considerable opposition at Ottawa.

The history of the co-operative movement was in itself a strong argument for further co-operation. As for the High Cost of Living, the remedy might partially be found in giving the farmers an equal chance with others to utilize natural resources, and by due co-operation to reduce production and distribution cost to a minimum.

The time was now ripe for an extension of co-operative enterprise on the part of the grain growers--the acquisition of a timber limit in British Columbia and the co-operative buying of flour and apples. Later, nearly all articles generally used by the farmers, such as twine and coal, were added to the list. So successful was this co-operative purchasing by the farmers that it came to hold a permanent place in their activities.

Expansion, also, was taking place in the direction of better elevator accommodation. As for terminal facilities, the Grain Company leased from the Canadian Pacific Railway, a terminal elevator at Fort William, capacity, twenty-five hundred thousand bushels. Concerning country elevators, the farmers had been most insistent on their government ownership. This had been granted in Manitoba, not without considerable disputing on both sides. The fact remained, however, that the government elevator system in Manitoba was being operated at a decided loss, and the government as much as told the farmers to operate them themselves if they were dissatisfied.

This the farmers were quite ready to do, though the Grain Growers' Grain Company was not sanguine of immediate financial success. The need for improvement in the service which farmers were getting at country points was so urgent that finally in 1912, the farmers assumed control of the government system in Manitoba. Conditions at once began to improve, and by 1915, the service was so excellent that the project could be considered nothing save a complete success. The handling of co-operative supplies, such as flour and coal, at country points began in 1913, and was soon greatly extended. In addition to those leased from the Manitoba government, the Grain Growers' Grain Company leased and erected sixty elevators of its own.

#### The Grain Growers' Export Company.

The ideal of the farmers had been to reduce to a minimum the cost between the Western Canadian producer, and the Old Country producer, and having this in view, the Grain Growers' Export Company was organized in 1912. The organized grain growers had passed relatively unscathed through many severe tests, but through none more fatal than that of internal disagreement which now confronted them. As in all such questions personal prejudice entered into the question. The share holders had every confidence in President Crerar and the resignation of four of the directors did not serve to alter their opinion. However, it left only five directors to cope with the difficult situation of the Export Company.

The Export Company had on hand a large amount of ocean freight, which it was thought better to use, they, themselves, buying grain to make shipment. That decision, as it turned out, was unfortunate because the grain shipped went out of condition, and caused a loss of approximately twenty-five hundred thousand dollars. The <sup>an</sup>sereness of the farmers in seeing that the money loss was due to no flaw in the principle of the Export Company, but to a series of untoward circumstances over which the directors had no control is much to their credit. They still believed that the export part of their business could be made a success and their faith was justified in the next two seasons.

Meanwhile, in Saskatchewan, the Saskatchewan Co-operative Elevator Company was rendering excellent service. So many elevators were being erected that the directors thought it advisable to form a Construction Department of their own. Also, it was decided to operate a Commission Department of their own in Winnipeg, not because of any dissatisfaction with the Grain Growers' Grain Company, but simply because of the steadily increasing volume of business which would seem to justify two such farmers' agencies there.

It was evident that the general acceptance of the co-operative movement throughout the province would entail organization on a large scale. A permanent building was arranged for in Regina, which was to be the headquarters of the Saskatchewan Co-operative Elevator Company, and also of the Saskatchewan Grain Growers' Association. The ideal of service is the vitalizing principle of all co-operative enterprise, and this the Grain Growers' Association has as its particular sphere of activity to foster. Not a little of the initial success of the Saskatchewan Co-operative Elevator Company was due to the energy and ability of its president, Chas. A. Dunning.

Co-operative hail insurance in Saskatchewan.

As a result of a lengthy discussion at the annual Grain Growers' convention in Prince Albert concerning hail insurance, the Saskatchewan Co-operative Hail Insurance Commission came into being. The legislation of the provincial government brought into effect municipal co-operation on the basis of a provincial tax brought into force by local option. Administration would be in the hands of the Hail Insurance Commission which would set the special rate of the tax.

Trading Department of Saskatchewan Grain Growers' Association.

Soon after this the provincial government provided for such a widening of the charter powers as would enable the association to organize a co-operative trading department. This they did in 1913. The Trading Department of the Saskatchewan Grain Growers' Association is in the form of a whole-sale body through which all the locals can act in unison. This central office sells only to organized locals, and they in turn sell to their members. The saving thus effected cannot be reckoned merely from the quantities of goods handled co-operatively but must include a large aggregate saving resulting from a reduction of prices by outside dealers. Whatever the future may hold, the fact remains that much valuable legislation has already been obtained from the provincial government by the Saskatchewan Grain Growers.

Together with the grain growers of Saskatchewan and Manitoba, the United Farmers of Alberta had consistently advocated the government ownership of both provincial and terminal elevators. At the instigation of the Alberta representatives on several farmers' delegations, the Dominion government declared its intention of establishing internal elevators at Moose Jaw and Saskatoon in Saskatchewan, also at Calgary in Alberta, and probably on the Pacific Coast.

Alberta Farmers' Co-operative Elevator Company.

By this time the government operation of the Manitoba elevators had proved an utter failure, whereas in Saskatchewan the co-operative elevators were proving successful. A close study of the latter enabled the Alberta Farmers to work out a plan along similar lines. The act, incorporating the Alberta Farmers' Co-operative Elevator Company, was passed in 1913. Full control and responsibility was to rest in the hands of the United Farmers. From their own resources they were to provide sufficient funds to finance the purchase of grain and handling of other articles at each point where an elevator was built. The provincial government was to advance a loan to an extent of eighty-five per cent of the cost of construction and as security take a first mortgage on the elevator and other property of the company at the given point, the loans being repayable in twenty equal annual instalments.

By the end of the second year, the number of locals had increased from twenty-six to eighty-two, but not without many difficulties, most of them financial and arising from the attempt to finance such a large amount of grain on a small paid-up capital. Just at this point the enemies of co-operation were given a practical demonstration of the readiness of the various farmers' organizations to support each other, in that the Grain Growers' Grain Company appeared at the critical time, and lent its powerful financial assistance to the still struggling agency in Alberta.



### Co-operative Department.

Farmers proceeded to encourage the co-operative shipment of live stock by their local unions. Moreover, the Co-operative Department, as in the case of the Grain Growers' Grain Company, and the Trading Department of the Saskatchewan Grain Growers' Association, was soon extended so as to make possible the co-operative purchasing of beef, flour, coal, twine, etc. Coal sheds were built in connection with many elevators, the staff enlarged and the entire Co-operative Department organized on a thoroughly business-like and efficient basis.

The possible scope of co-operative purchasing is practically unlimited and naturally much antagonism against it is prevalent in the business world. The farmers ask for nothing save a square deal--equal opportunities to all and special privileges to none. Their desire is merely to place business on a legitimate basis--if middlemen are crowded out it will be because of no malicious intent on the part of the farmers, but simply because there were too many of them. Their wish is not to strike either directly or indirectly at the credit system. No new country can do without credit facilities, but on the other hand, is the man with cash to receive no consideration? The flaw in our banking system is that it fails just when it is most needed--in times of crisis. The problem can be solved only by co-operation in its true sense--a general getting together and dispassionate viewing of all questions from all possible angles, as a result of which there will come mutual concessions which will in turn bring about closer unity.

### The United Grain Growers, Limited.

The Grain Growers' Associations had attained a strength and influence little short of colossal. A certain amount of competition among the various units was inevitable, and a closer union of their various organizations in the three provinces was thought advisable. In 1915, the Canadian Council of Agriculture, comprising representatives of the whole Grain Growers' movement met and discussed the details of such organization. The plan discussed was the formation of one large business organization in the management of which each of the individual organizations would have some voice.

Hence, it did not seem advisable to carry provincial divisions into the marketing machinery, thereby decreasing its effectiveness. With this view, the Saskatchewan representatives could not agree and negotiations were for the time dropped. Later, however, the Alberta Farmers' Co-operative Elevator Company and the Grain Growers' Grain Company were amalgamated under the name United Grain Growers Limited.

This merger is unique in that it is in no sense monopolistic in nature--the aim being service, not exploitation. That the Saskatchewan Grain Growers' executives decided not to amalgamate their co-operative marketing machinery with that of the others does not mean that they were antagonistic to such a union. Indeed, the relationship of the two present trading agencies concerning inter-provincial matters and in the broader educational aspect of the movement, is most amicable.

### United Farmers of Ontario.

In Ontario, for many years, there were various farmers' clubs, associations or granges. At the annual meeting of the Dominion grange, however, in 1913, the advisability of consolidating the various units was discussed. Soon after, the old organizations were dispersed with and there was instead the United Farmers of Ontario, and the United Farmers Co-operative Company, Limited, with aims and organization similar to those of the Western grain growers. The United Farmers of Ontario made rapid progress, and in 1916, affiliated with the Canadian Council of Agriculture, that is, the inter-provincial body of the organized farmers of Canada.

### The United Farmers of British Columbia.



### The United Farmers of British Columbia.

Among British Columbia farmers the first step was taken by the Cowichan Creamery. That temporary organization, the Vancouver Island Farmers' Union, was soon more fully organized and became the United Farmers of British Columbia. Their problems were not unlike those in the Prairie Provinces, although their paramount consideration was fruit rather than grain. However, its most efficient manipulation promised to be along co-operative lines as laid down by the farmers' companies of Manitoba, Saskatchewan, and Alberta.

### The Canadian Council of Agriculture.

The Canadian Council of Agriculture is the official central organization of the various provincial locals throughout the Dominion. Through this Council all the provincial farmers' organizations can work harmoniously to create a national force which will itself represent public opinion, and which cannot fail to lead to better citizenship of all classes in Canada.

### The National Political Platform.

The organized farmers who make up the Canadian Council of Agriculture have been thinking constructively along national and economic lines to formulate a well-balanced programme, applicable to the entire country. The Farmers' Platform which the Canadian Council of Agriculture submitted to the Liberal convention at Ottawa, may well be referred to as a new national policy. It was not meant as an expression of the desires of any one class of people in Canada, but as an appeal to all.

The most striking parts of the programme relate to the customs' tariff and to taxation for revenue. The first industry in Canada is agriculture. The whole of Canada prospers in direct proportion to the prosperity of the farmer. Nevertheless, the national policy of the past forty years has failed to recognize agriculture as the basic industry of Canada. By means of the customs' tariff the very instruments of production have been exorbitantly taxed, as a result of which agriculture has been handicapped and the economic progress of Canada retarded. The foundation upon which the Farmers' Platform would lay a new national policy for Canada is upon a low customs tariff and a direct method of taxation.

The War has proved the efficacy of direct taxation as the most efficient fiscal policy in times of stress. Hitherto, Canada's fiscal policy has always spared capital at the expense of the producers and consumers. The Farmers Platform, therefore, recommends a graduated personal income tax, a graduated inheritance tax on large estates, a graduated income tax on the profits of corporations and a direct tax on all improved land and natural resources, to provide the greater part of the Dominion revenue.

Concerning government ownership of railways, the farmers contend that all the railways of Canada should be under one national system, owned and operated by the people. Proportional representation is also advocated in order that minorities may be given some share in legislation.

The Canadian Council of Agriculture at its recent session in Winnipeg formally announced to the public its intention of entering into the field of politics, and called for a meeting of the representatives of the organized farmers of the three Prairie Provinces and Ontario to arrange for such a co-ordination of effort. Accordingly, the Farmers' Platform has been revised

and brought up to date, two of the most important new planks calling for the federal electorate being placed on a provincial basis, and for personal naturalization only.

#### Crop marketing plan.

One of the most recent and most significant acts of the Canadian Council of Agriculture relates to the marketing of the 1919 crop. As early as 1908, a Board of Grain Commissioners with wide discretionary powers had been appointed, and had been appointed, and had done much valuable service. However, in 1918, owing to war conditions, a Board of Grain Supervisors was appointed to oversee the marketing of the 1918 crop, but without much actual authority. In 1919, the situation seemed to necessitate still more drastic measures, and the Council of Agriculture recommended that the Dominion government create a body similar to the United States Grain Corporation. This, the government did not do. The United States Grain Corporation is simply a body to accept the farmers' wheat when the domestic trade refuses to handle it at or above the minimum set by the United States government, that is, this corporation attends to all export trade but otherwise does not operate at all within the boundaries of the United States.

#### The Canadian Wheat Board.

The Dominion government, however, organized the Canadian Wheat Board, which, on the contrary, has full control of the marketing of the 1919 crop, for domestic use as well as for export. Participation certificates are issued to the farmers when they sell their wheat, so that, when the Canadian Wheat Board has completed the sale of the 1919 crop, every farmer may receive the whole net proceeds of the sale of his grain. The amount to be paid in excess of the initial price of two dollars and fifteen cents cannot be known until the transaction of the Board have been completed and the average price for the whole crop and the expenses of the Board ascertained.

It would benefit Canadian wheat to be shipped to the United States where prices are high and the Wheat Board may begin at any time to sell to the Southern markets. If the prices in the United States are higher than those obtained by earlier sales of the Board, the value of every participation certificate will be increased. It is possible, however, that should Canada continue her present method of selling wheat, the United States will next year close her markets to Canadian wheat, and this possibility must inevitably influence the farmers in their attitude toward the Wheat Board.

#### The Canadian Board of Commerce.

The High Cost of Living is no mere newspaper expression, but is a veritable fact in the experience of every Canadian. In an effort to cope with the difficult problem, the Dominion government passed an act creating the Canadian Board of Commerce, with Judge H. A. Robson of Winnipeg as chairman. "The Board of Commerce", he says, "is to be the peoples' court on the High Cost of Living". Machinery is provided for the investigation and restriction of trusts monopolies and mergers. This is simply an amplification of the Order-in-Council of last year, but presumably without its restrictions, because the Board can freely examine all records and costs of producers and can demand evidence from all classes of business men. Whether it would dare to expose men or corporations protected by the existent customs' tariff, is another question. No profiteer, it is assumed by the Board, can stand long in the limelight of publicity.

The Board of Commerce has been in a position to render excellent service. That it has not entirely done so is proven by the fact that the Canadian Council of Agriculture is even now gathering evidence to show that the Board which was appointed to relieve the High Cost of Living, has rather by its actions disturbed the sources of food production, especially in the livestock trade, and has thereby created a Dominion-wide distrust in its ability to afford relief. That the Council of Agriculture is endeavoring to collect such evidence is not of itself a sufficient reason for condemning the Board of Commerce, but that there is an abundance of such evidence to collect is very condemnatory.

#### The people and the High Cost of Living.

The people in our cities all over Canada continually complain that the High Cost of Living is crushing them. Government officials keep telling the people that they have stopped advancing prices and that they expect to see food prices come down. The food profiteer and others, however, still continue their nefarious business. It is possible that the city dwellers often demand more than they are really willing to pay for. Thrift, however, is of itself, insufficient to cope with the situation. The farmers of the West have learned that mere legislation is ineffective, and have demonstrated their thrift by investing their savings in co-operative distributive systems and productive enterprises. By so doing, they have put themselves in a position of practical independence, so that they can attend to their own affairs, including political and economic conditions. It is possible that the laborers in the Canadian cities would benefit more by a constructive programme, such as the farmers, than merely by strikes and perpetual demands.

#### International trade and the High Cost of Living.

Very closely related to the cost-of-living problem is the question of international trade. Our balance of trade is favorable only when exports are in excess of imports. Otherwise, exchange, the method by which one nation discharges its indebtedness to another, will be at a discount and the means of obtaining credit from abroad practically gone. For example, Canadian money is at a discount in the United States, and United States money is at a premium in Canada because Canadian imports from the United States are much larger than exports to that country. Prior to the war the balance of trade between Canada and the United States was settled by England, where Canada was borrowing very heavily, but at present English exports are small and Canadian exports are being sent there on credit.

Owing to the war, Canada's national debt has greatly increased, hence the decline of Canadian money, especially in the American Exchange is of somewhat portentous significance for Canada's future well-being. That there is an abundance of money in circulation must not blind the Canadian people to the actual facts of the case, because much of it is fictitious owing to being inflated by paper currency.

To say that what Canada needs is a favorable balance of trade may convey very little to the mind of the average Canadian. However, the means of helping to attain such is to some extent within the power of each individual. Increased national economy and increased national production means simply increased economy and production on the part of a nation of individuals. The unfortunate thing about the situation is that the present tariff prevents men from starting out on a basis of equality, so that some individuals notably agriculturists, are handicapped at the very outset.

profiteering.

By profiteering is meant that species of greed, because of which men who are in a position to do so, demand profits which are unduly high and artificially depress the supply available for consumption. At present, little is done to restrain conscienceless profiteers save by the Board of Commerce. That there are men of ability and integrity on this Board is undeniable. At the same time, it is questionable whether the Board of Commerce will have and exercise authority to expose profiteering which goes on under the shelter of the protective tariff. The protectionist element in Canada is only too ready to state that it is the farmers who are striking hardest at the present fiscal policy and that in so doing he is himself a profiteer.

This is a decidedly debatable question, because, as it happens, the farmers are asking for no special privileges but imply for justice. Moreover, the farmer is not in a position to act as a profiteer even if he were so minded. The farmer does not himself set the price of his wares. Farm materials and equipment and farm labor, are themselves well up in the list of high prices. The decline in prices paid to the farmer is much more rapid than in the prices paid to retailers or manufacturers. Then, too, there is a great difference between the price paid to the farmer and that paid to the middlemen. Hence, for these various reasons it would seem scarcely justifiable to accuse the farmer of being a profiteer.

The grain dealers side of the story.

The grain dealer, too, has been looked upon by the consuming public as a profiteer. The Grain Exchange has always argued for open trading, and, in 1919, saw the prospect of a good price for Canadian wheat. However, after the market had been open for six days, it was closed by the Dominion government (not because the price was low for it was higher than had been anticipated) and the handling of the 1919 crop was placed in the hands of the Canadian Wheat Board. Arrangements were made whereby the country elevators might be utilized, and their owners reasonably compensated. The president of the Grain Exchange gives it as his opinion that the world price cannot be even approximated wholly by cash trading, and that although the Grain Exchange has been much criticized upon this very point the successful exporter must be able to utilize the markets for future delivery as the only means of reducing the risk of price variations. Despite the abuses which are incidental to any undertaking as large as the Winnipeg Grain Exchange, it is undeniable that the grain dealers who trade there-on have proved themselves well-nigh indispensable to the grain trade of Canada, and should not be indiscriminately branded as profiteers.

The Grain elevator, as a means of facilitating the marketing of the farmers' wheat is of real advantage to <sup>grain growers</sup> them. However, despite this fact, the farmers have always looked upon the elevator companies and elevator interests as their natural enemies. Whereas, W. C. Clark says that short of an Archangel Gabriel at the wheel, evils were bound to develop. Concerning the future of the country elevator system there is likely to be keen but healthy competition between farmers' line companies, millers' elevators, and ordinary line companies. The ordinary line companies are on the whole efficient and will therefore keep up the standard of the farmers companies, which in their turn will force the ordinary companies to give the farmers service, and will bring a part of the profits of the business to the farmers themselves, while the milling companies by paying premiums will keep prices approximate to the milling value of the grain.

The rapid expansion in the value of Canada's field crops, implying, as it does, increased production, which in turn has a direct effect on the High Cost of Living, has been brought about largely by arrangements rendered possible by the success of the Victory Loans in Canada. The farmers of the West have subscribed liberally to the several Victory Loans which have been launched in Canada, and in so doing have demonstrated, not only their patriotism, but also their ability as practical men to foresee the benefit which would ultimately accrue to themselves from such an investment of their savings.

The disposal in Europe of the exportable surpluses of food provided by the farmers of Canada in response to the war production campaigns was reported on by Dr. J. W. Robertson who had been sent by the Minister of Agriculture to investigate conditions in the United Kingdom and on the continent. According to the terms of the Peace Treaty Germany was obliged to make reparation for her rapacity in destroying the machinery of production in many of the warring countries. In the meantime,

many of the devastated areas were looking to Canada for help and guidance. Satisfactory arrangements were made with the British Ministry of Food and also both France and Belgium, and conversations held with the representatives of Greece and Rumania concerning an agricultural policy for the restoration and improvement of agriculture in those countries. From Dr. Robertson's statement it is evident that Canadian agriculture has won considerable prestige in Europe and that many European countries will form their agricultural policy to a large extent upon the example and precept of Canadian agriculturists.

#### The object of greater production in Canada.

It is generally conceded that Canada's crying need at the present moment is greater production. The salvation of Canada is to be found only in bringing into use the great wealth now lying latent in her arable lands, forests, fisheries, and minerals. Greater production also means greater population, a larger number of workers to develop our resources and increase our output. As to the object of production there are many who vaunt the One Big Union slogan "Production for use and not for profit". There are others who contend that all production is for use, otherwise, there would be none; no one will long continue to produce an article that no one will use. Moreover, the producer will not be satisfied with a wage which merely permits of existence, the something beyond that being called profit. Hence, we may conclude that all production is for both use and profit. To this conclusion the objection is made that profit is often distributed in such a way as to ensure profit to a certain class of producers only. If we are to look below the surface it is evident that the intrinsic object of production is not merely goods, save as they add to the sum total of human well-being, and that the ideal must be the removal of all artificial barriers so that all may have an equal chance for development.

#### Industrial Conference.

A National Industrial <sup>Conference</sup> was held in Ottawa in September, 1919, for the purpose of bringing together capital and <sup>labor</sup> so harmonize their <sup>conflicting</sup> demands as to facilitate increased production. Other classes were represented including war veterans and agriculturists, and many problems were discussed such as the eight-hour day and collective bargaining, the general consensus of opinion being, however, that the long-standing dispute between capital and labor was not to be settled save by placing the matter before every class in the Dominion.

### Nationalization of agriculture.

A scheme of special interest, though of little practical importance to Western Canadian farmers, is a plan outlined by the Russian government to partly nationalize agriculture. The peasants are unwilling to change their surplus rye and wheat for paper roubles which will buy nothing on account of the lack of manufactured goods. As there is no incentive to production vast areas are being left uncultivated. The government has now passed a bill by which the state is enjoined to cultivate all land which in the spring of 1919 was not cultivated by its present owners. The defect of the scheme is that it is being tried only as a last resort and after all other nationalization schemes have failed.

### The railway situation in Canada.

The railways of Canada are of great importance to the Western farmer because of his isolated geographical position and the fact that his crop is nearly all meant for sale in distant markets to which he can send his produce only by means of railway facilities. It is generally believed that railways partake of the nature of public utilities and as such should be operated, not by private companies for profit, but by the people for the people. In other words, ultimate government ownership of railways is inevitable. Under ordinary circumstances the acquisition of the railways by the government would have undergone a process of gradual development toward the ultimate goal. The mishaps of our railway policy, however, have forced progress along this line ahead of public opinion in the East, which has made powerful opposition under the guidance of by no means disinterested parties.

The Dominion government was forced to undertake the operation of the National Trans-Continental by the refusal of the Grand Trunk to carry out its agreement. It was obliged to keep the Grand Trunk Pacific afloat because again the Grand Trunk defaulted, and the alternative was to abandon the railway which in the interests of the country could not be permitted. It was forced to take over the Canadian Northern railway because it could not go on under private ownership. The same pressure of circumstances now compels the acquisition of the Grand Trunk. To leave the Grand Trunk in possession of the Grand Trunk Pacific while the government assumed all the obligations of the latter would entail a financial smash-up involving the Grand Trunk, the Grand Trunk Pacific and also the provinces of Alberta and Saskatchewan which are involved through bond guarantees running into many millions.

### Debut of the Grain Growers into politics.

One of the most significant features of the present situation in Canada is the recent debut of the farmers' associations into politics. There is scarcely a Canadian publication which has not something pro and con to say concerning the political revolution (political revolution the con element prefer to call it) through which we are passing. The main concern, however, is that we are now to have class representation and class government instead of party government. The principle behind the new political movement is that the people themselves shall decide the candidates to stand for election--not merely cast their vote after two political parties have chosen the candidates.

This method may not be ideal. It is, however, a more democratic method of selecting representatives, and in practice can be no worse than we have had under federal government. The system of party politics is not in itself bad. It grew out of the day when politics was a study in itself, and each party represented some distinct principle in government. Moreover, it grew out of a day when education was not so universal as it is in Canada today. Presently, however, the principles of the party system degenerated until it became the tool of a small clique. In the main then the new movement is the political upheaval of a system which has so degenerated that a change is requisite.

For some time the organized farmers had been becoming aware of the fact that they could not long take a merely passive interest in politics, the Farmers' Platform of the Canadian Council of Agriculture being the first outward evidence of constructive activity.

#### Political events in Ontario.

The recent elections in Ontario however, registered the most spectacular manifestation of this new force in Canadian politics. The Hearst government was overthrown and the Farmers, as the largest group in the legislature, have with E. C. Drury, as premier, assumed the burden of governing Ontario.

#### Political action among Saskatchewan grain growers.

During the summer of 1919, the Saskatchewan Grain Growers held conventions at sixteen points in the province, and at all these meetings distrust of old-line parties was an outstanding feature. They were characterized, too, by their unity and total absence of any revolutionary spirit. As a result of these conventions the farmers decided to complete organization to place their federal candidate free from party allegiance in all Saskatchewan seats.

The Saskatchewan Grain Growers' political movement was put on a permanent basis by the appointment of an executive and officers, W. G. Orchard being president. Arrangements were made to set aside a day early in October to be known as Independence Day on which would be made a province-wide canvass, the Farmers' Liberty Drive, with a view to promoting interest in the organization's political activities. This duly took place and 2,000 house-to-house canvassers covered the province to secure campaign funds and to learn the political leanings of each person whom they canvassed.

A most interesting by-election took place in Assiniboia where Hon. W. R. Motherwell, himself the founder of the organized grain growers, decided to stand as Liberal candidate against the organization. He stated that he was in sympathy with the object of the grain growers, but that they were weakening themselves by going into politics. The result of that election on October 27th was a sign of the times, Mr. Motherwell being defeated by a large majority.

#### The United Farmers of Manitoba.

At the annual meeting of the Manitoba Grain Growers' Association in January, 1920, the name United Farmers of Manitoba was adopted for two reasons; first, there will be no doubt that all farmers are included in its connotation; and secondly, there will be no question about the alignment of the Manitoba grain growers with the farmers' movement throughout Canada. The political executive brought before the convention a general plan of action in accord with the principles of the new national policy, which it was deemed advisable to follow in all districts of Manitoba providing for a constituency organizer, systematic apportionment of work, method of raising funds, remittance of money, and <sup>educational</sup> literature.



## The United Farmers of Alberta.

In Alberta, the general opinion concerning political action was very like that in Saskatchewan, and Manitoba. The financial success of the undertakings of the organized farmers in Alberta has been less than in Saskatchewan, but their loyalty and enthusiasm is undoubted. The United Farmers of Alberta, therefore, adopted the constitution for a new political association, the object of such an association being to organize a body through which Federal and Provincial organizations may act collectively where common interests are concerned.

## Canadian vs. old Roman farmers.

The future of Western Canadian agriculture cannot well be prophesied. That it has passed the early days of privation and later struggle for recognition is perfectly true. That the political and economic situation of Canada, in which the Western farmer plays no small part, is decidedly disturbed at present, is equally true. There is a tendency, even among well-informed people, to attribute the unrest in the world today to our capitalistic system of industry. That this is not wholly to blame will be evident from a comparison of the present economic situation in Canada and that in Rome, centuries ago.

Cato (150 B. C. ) spoke of irrigation and frequent

tillage as means of fertilizing the soil. When asked what was the surest profit rising out of land, Cato replied: "To feed stock well and with moderation", by which it may be concluded that he meant a low cost of production. Pliny, in commenting on Virgil, says that the poet believes alternate fallows profitable, but adds, as a commentary, that if the land be not sufficiently extensive it might be well every second year to plant beans, or some other crop which enriches the ground. The above comments might quite easily be taken from the pages of an agricultural journal in Manitoba or Saskatchewan.

Moreover, the Emperor, Diocletian, in 301 A.D., issued an edict concerning profiteers such as might now be published by the Canadian Board of Commerce, in which he said: " If the raging avarice without regard for mankind increases and develops so that there is only seen a mad desire without control to pay no heed to the needs of the many it seems good to us who are the fathers of the people that justice intervene to settle matters impartially". Accordingly, Diocletian fixed the price of beef, wheat, and the rate of wages.

## Proposed agricultural reforms.

It is generally agreed that agricultural reforms are urgently needed and some of those proposed are both varied and interesting.

(1) One proposed reform relates to the elimination of middlemen, to the effect that they should be eliminated entirely when the transactions are between farmers who deal in products of the farm. What is needed, it is claimed, is an organization known as the United Farmers of Canada, all working for the good of the nation. By so doing, they would benefit themselves by being able to buy cheaper, and place their goods on the market cheaper, while the only person hurt would be the unnecessary middlemen, many of whom never pay any taxes.

(2) It is held by some, that in the evolution of the agricultural profession, there is much needed a more up-to-date, accurate system of accounting. When a farmer sees clearly the cost price of his product, he will want to know the cost price of that product to his district, province and country. Then he will be able to set a

selling price on that product and then sell to the ultimate consumer, and in co-operation with that consumer will operate stores, warehouses, and factories. Thus as education advances, the problem of the High Cost of Living and the middleman will gradually adjust itself.

(3) Dominion-wide co-operation, it is argued, would bring together the farmer who is dependent on the consumer who is dependent on the consumer, and the consumer who is equally dependent on the farmer. Co-operation, not only among farmers themselves but between producers and consumers generally would reduce living cost and prevent profiteering. The Dominion government would be the ideal place to handle this, but as it has delegated so much of its authority to the provincial governments, this would more likely come under their jurisdiction. There is no reason why these should not co-operate to make the benefits Dominion-wide.

(4) Intensive farming is contended by some to be the most needed reform in agricultural practice. By this is meant a system of crop rotation, including such crops as corn, grasses and clover, which method will add fibre to the soil and in that way prevent soil drifting. The ultimate success of farming in the West being dependent upon a persistent effort to conserve land fertility, it is contended that mixed farming, crop rotation and weed control are the determining factors.

(5) Another suggestion is that of industrializing agriculture. Sugar beet growing and sugar manufacture, potato growing and starch manufacturing, will afford the opportunity for deep plowing and the growing of hoe crops. Some experiments have already been made along this line with satisfactory results, but inertia kept the farmers from continuing despite the obvious advantage of such industrialization of agriculture.

(6) <sup>S</sup>To far, there has been discovered no remedy to remove the uncertainty of farming; first, the uncertainty of raising a crop and secondly, the uncertainty of disposing of it advantageously when grown. What is needed, it is said, is a market at home, and this we cannot have without a large increase of population. The proposal, then, is to decrease the size of the farms in the Canadian West to three hundred and twenty acres. This, it is claimed, would greatly increase the rural population and incidentally the demand for farm implements, coal, lumber and clothes, which would in turn enable a greater number to obtain their livelihood in the cities, and our problem is solved.

(7) To relieve the uncertainties of farming, another proposal is the erection of cold storage warehouses in small towns, or an arrangement to have refrigerator cars call regularly. This, it is said, would greatly benefit many farmers and prove an incentive to small dairying.

There are valuable suggestions in each of the above proposed reforms, though each alone would be inadequate to greatly improve agricultural conditions. The keynote of the problem seems to be co-operation, education, and more scientific methods, and the greatest of these is education.

### The attitude of Western farmers toward education

The time has passed when education was looked upon as the special pre-rogative of the strictly professional class. The Western farmer is beginning to realize that only as he gives his sons and daughters the very best educational advantages can he hope to give to agriculture that dignity and sanity which is its due, as the basic industry of the nation. The education required is that which will develop the many sided activities of the individual, awaken latent possibilities, and widen the range of vision.

#### The agricultural college.

For some time it has been dawning upon the minds of various educationalists that our present High School curriculum has a tendency to draw our young people away from the farms..

Vocational training is becoming increasingly popular, and in no branch of industry is this more true than in agriculture. The Agricultural College has provided a medium for training men for leadership, entirely apart from the training it gives in fitting men to make business farming more profitable. If the potential value of these educational institutions were fully appreciated by the Western farmers and demands made that they be equipped for scientific agricultural research in all its phases, and for the practical study of agricultural and rational economics, the Agricultural Colleges would develop still more rapidly.

We have indeed taken long strides in Western Canada for leadership, but we have not stabilized it. There is required a many-sided education of the highest type and which is common to many of the people, before we will attain the wisest thought and best developed ideas and ideals.

#### The economic future of the Western Farmer.

The fact that agriculture is Canada's basic industry, and her immediate need increased production, particularly of farm products, has been so often reiterated as to be almost a commonplace. This, however, does not satisfactorily explain the present economic condition of the Western Canadian farmer, or in any way forecast his economic future.

Food is the primal need of humanity, and a necessity which is of daily recurrence and upon which life itself depends. Never before in the annals of history, has there been recorded such a world-wide shortage of reserves in food supplies as is now being written in the lives of hundreds of starving men, women and children. The farmers of Western Canada contributed much to the winning of the war, and must continue to do battle against the famine which is threatening the devastated areas of many of the warring countries. This is not merely a matter of fundamental necessity with respect to national policy for Canada, but is a duty owed to humanity. The agriculturists of Western Canada are called upon, as never before, to add their quota to the world's need.

Even now practically all the free homestead land in the Prairie Provinces which is at all suitable for cultivation is taken up. This means that people who wish to enter the farming profession in Western Canada must either buy their land or homestead land of an inferior grade, which in either case necessitates a certain amount of initial capital.

Saskatchewan has attempted to solve this problem by Farm Loans. The Saskatchewan Farm Loans Board, in the summer of 1917, launched the greater Production Loan Campaign to sell Greater Production Farm Loan Bonds, the idea being to borrow from the people of Saskatchewan who have money to loan and lend it to the farmers who wish to borrow on first mortgage. Owing, however, to financial restrictions and particularly to the fact that the Victory Loan was being launched almost simultaneously, the greater Production Loan Campaign was almost immediately withdrawn. At present the money is loaned for thirty years on the amortisation plan. The loan is a straight loan from the government, through the medium of the Farm Loans Board, and the full amount of the loan, <sup>is paid direct to the farmers with a 2% commission</sup> less the expense of getting the loan through any association or company. The amount loaned represents loans made to over fifteen hundred farmers, many of whom are settled in the newer districts of the province, far from railways where the regular mortgage companies are reluctant to make loans.

In Alberta, the need for farm credits is being partially met by the Farm Mortgage Scheme and the establishment of Rural Credit Societies, as sanctioned by the Rural Credits Act of Alberta. That the Rural Credit Societies are not being established more rapidly, it is hinted by some, is not due to the disinterest of Alberta farmers, but rather to the disinclination of Hon. Chas. Mitchell, Provincial Treasurer of Alberta, to offend the banks and mortgage companies which operate in that province.

That Western agriculturists are likely to continue to get a good price for their wares is an undeniable fact, and one which our city economists are only too ready to draw attention to. What they ignore, however, is the fact that men are farming as a means of livelihood for themselves and their families, and that they have a right to demand such prices as will obtain the modern comforts which the income from their farms permits. They forget, too, that many of the city people who now complain so incessantly about the high price of milk and pork, left the farm because they did not like milking cows, or feeding pigs. A far greater economic change is ~~more~~ necessary than the mere appointment of a government board to investigate food prices, and this can come only when agriculture is placed on a proper economic basis.

The fact that there is likely to be for some time a lively demand for farm products will inevitably lead to a renewal of immigration from Great Britain and elsewhere, particularly to the Western provinces. These new settlers will undoubtedly be given a cordial welcome, but it might be wise to temper that welcome with a timely warning as to the necessity for careful discrimination in the choice of land, and that unduly high prices for farm land should be avoided.

That farming in Western Canada is not all fresh air and sunshine, every Western farmer knows. At the same time, the fact that so many men cling to the farm is proof that they consider the profits proportional to the difficulties of production. Since grain crops are so dependent on climatic and soil conditions over which the farmer has no control, the process of grain growing, to

a large extent, partakes of the nature of a gambling exploit. That the rewards are often large, as in 1915, is true. That they are often not large, as in 1919, is equally true, as many farmers in the dried out areas of Saskatchewan and Alberta will heartily testify. From these facts we may conclude that the ultimate prosperity of the Western farmer will depend largely upon a due exercise of business foresight and upon the simple expedient of keeping his head level, so to speak.

Essentials to progress among Western farmers.

It must be admitted that not all farmers are men of vision. Nevertheless, the majority of Western farmers are reasonable and broad-minded and believe the principles for which stand to be fundamental to progress. There are several things which are absolutely essential to the success of the farmers' movement. In the first place, they must know the meaning of co-operation in its truest sense. This involves more than the joint stock principle prevalent in the various farmers' organizations at present, and includes a social sense, as it were, a spirit of other fellowship which is actuated by motives much higher than mere self-interest.

Moreover, while the farmers' movement is not in any sense a money making concern, it being, like all reform movements worthy of the name, more idealistic than materialistic, still a certain amount of money is necessary to carry on the educational campaign contemplated by the movement. The patronage dividend is looked upon as an ideal by all co-operative companies, but there is grave danger should the directors lay more stress on the farmers as customers than as shareholders, that the carefully built up fabric be dissipated by such undue generosity.

It is necessary, too, that the farmers movement have at heart the interest of the general public, and that of laborers and soldiers. That many of our returned soldiers are themselves becoming farmers should mean a special bond of union between all farmers and all soldiers. As the soldier citizen contemplates his future, he naturally turns to the land, because the land is the primary source of existence and its cultivation is the fundamental industry of Canada. There is a future for the Canadian farmer--a future so sure that those who are most interested in the returned soldiers do not hesitate to influence them to cast their lot with the farmer.

In the fore-going pages, there has been given a brief history of organized effort among Western Canadian farmers, the most significant features of the present agricultural situation in Canada, and the prevailing tendencies at the present movement, that is, toward co-operation, scientific methods and education. Further than this, it would be beyond the scope of this thesis to go.

No country as an agricultural country can be complete in itself. There are two main currents of economic energy--agricultural and urban, and these must be made to flow so that their action will not defeat each other. It is the task of present day statesmanship to co-ordinate the various industries, and to promote co-relationship between the growth of our cities and our rural communities. We want no class distinctions in Western Canada. We want happy and efficient Canadian citizens.