

such a basis has been presented herewith; it remains for the farmers to show the initiative and enterprise that are characteristic of other lines of life and business. Co-operation in agriculture is not a theory—it is a sound business doctrine which has been subjected to the most severe tests and where the fundamental principles have been followed and fully understood, it has been a complete success. It is by no means a panacea whereby all of the troubles of the farmer are overcome. No one should concern himself with such a movement without studying carefully its possibilities, its limitations and its difficulties. Such a study shows clearly, however, that only through co-operation can the farmer gain his proper place in the economic life of the world.

SUMMARY.

Agriculture has developed to its present condition from one of self-sufficiency because of the development of large cities, rapid means of communication and rapid transportation.

Industry has reached its present status of control of the economic, political and social life of the world because of the introduction of labour-saving machinery, the development of rapid means of communication and transportation and the resultant rise of large cities.

Agriculture, as compared with the industrial forces of the world, is in a very weak position. There is no stability in agriculture and farmers as a group are dissatisfied with their poor financial returns on their investments and labour.

The problem before agricultural producers is one of marketing, rather than actual production, as the latter question has received and is receiving a great deal of attention.

Farmers as a group are acting for the most part as individuals and as independent units they can do little to bring about changes or improvements in the marketing process.

It is only through concerted action that farmers can strengthen their position and stabilize their business. The

crops of South Africa are increasing rapidly and **unless strenuous efforts are made in market development and expansion, a period of severe agricultural depression will inevitably begin in the near future.**

Co-operative organization is the only means by which the desires and expectations of farmers can be given expression.

The doctrine of co-operation is not a theory but has proven remarkably successful in various parts of the world. There is no reason why it should not succeed in South Africa.

The most successful organizations of the world are based on the following general principles; the failures have resulted from disregard or violation of these fundamentals.

An organization should be created only because of economic necessity and it should have definite objects in view.

Outstanding benefits or accomplishments should be realized soon after its formation in order that the support of its members may be maintained.

The organization should control a good majority (at least 75 per cent) of the product it is created to handle.

It must control the actual sale and distribution of the crop in the markets in order to be permanently successful.

Voting power should be on the patronage or one-man-one-vote basis, preferably the latter. If the patronage basis is used, a limit must be placed on the number of votes accruing to one man, otherwise control passes into the hands of the large producers.

Financing of the organization must be on a sound basis and adequate cash reserves must be accumulated.

The organization must consist of producers only and if capital is required it should be contributed on a patronage basis.

The operation of the organization must be conducted at cost, plus if necessary, current interest on the capital stock.

The highest type of management must be obtained. Generous financial provision in this respect is one of the prime factors in success.