

"Hospital" Elevators

By E. CORA HIND, in the "Manitoba Free Press."

Years ago when all elevator storage at the head of Lake Superior was owned by the C. P. R. that company built a small cleaning elevator to take care of the screenings from the big houses and by the year 1912 the company owned three such elevators. They were not under license, there was difficulty in giving them any statutory license; consequently they were not under any effective supervision by the warehouse commissioner, and all the railways were helping along an irregular business which they had in their power to close up.

The irregularity consisted in the railways diverting cars to these houses and accepting for them, in lieu of bills of lading (the only legal document for such diversion) a bond which the railway companies themselves devised. For example, Davidson and Smith, Black and Muirhead, or any one of these houses learning of a car of grain consigned to any commission firm, which they thought they would like, would approach the commission firm and offer a small premium, frequently not more than 1/2 cent per bushel, to have the car diverted to them and the railway company accepted the diverting order and the special bond above referred to, instead of the bill of lading, which is, after all, the only legal document for the diversion of a car from the original consignee to another.

If to-day the railways were to combine and say we will not divert any cars to mixing or hospital houses, except on receipt of the "Bill of Lading" it would put a very considerable crimp in more than 75 per cent of the business done by these houses. As it is, more than one big firm has a standing arrangement with one of these "hospital" elevators that they will turn over any car they (the hospital) want on a fixed premium of, say, 1/2 to 3/4 of a cent. A few of the hospitals make a point of seeing and judging the merits of a car before asking for the diversion of it to their house, but the bulk of the business is done on the principle that any car will do if diverted to their house.

At the conference of grain interests over the matter of unequal distribution of cars at Fort William last winter it was claimed that the "hospitals" did not always go through the preliminaries of asking the consignees for diversion of cars, but pounced upon them and asked for diversion afterwards.

Terminals But Not Terminals.

By one of those curious anomalies that creep into acts of parliament, all these private or "hospital" elevators are "terminal" elevators. Clause Y of Section 2 of the Grain act states "Terminal elevator includes every elevator or warehouse which receives grain, and is located at any point declared by the governor-in-council to be a terminal." Fort William and Port Arthur have been declared terminals; therefore all the elevators at the head of the lakes are terminals, whether they have any facilities for acting as terminals or not. As one witty member of the grain commission remarked recently all these private or "hospital" elevators might as well be called aeroplanes as "terminals"; they are as well fitted for one office as the other. They have, with two exceptions which are new, no storage capacity. They do not issue warehouse receipts — in fact, they dare not, for if they did it would be quite possible for some one, a rival, for example, to buy up sufficient warehouse receipts to put a house out of business by simply compelling them to retain in their working house bins the grain that those receipts represented.

It was not until after the passing of the Grain act of 1912 that any of these private houses had "hospital" licenses. Under that act "hospital elevators" were defined as "including every elevator or warehouse which is used for the cleaning or other special treatment of rejected or damaged grain and which is equipped with special machinery for that purpose." There is nothing to indicate that these houses shall not handle other grain as well, nor that they must necessarily give it special treatment; some of them have cleaning machinery only. Under Clause 3 of Section 124 of the act houses having "hospital" licenses are permitted to have grain headed out. This is subject to Section 99, which deals with the systematic reduction of the quality of grade, and Clause 5 of Section 115, which states what kinds of grain may not be graded.

Power to Make Rules.

The power to make rules for the regulation of "hospital" elevators was left with the board of grain commissioners. It will be noted from all of the foregoing that there is nothing in any of the clauses which prevents these houses being erected on the water front, and, as a matter of fact, all the later and larger houses are on the water front and do ship in boats. While they are terminal in name, they do not issue warehouse receipts because they have no storage therefore they are not and cannot be subject to the regulations which govern public terminal elevators. These regulations require that owners or lessees of such elevators must not buy nor sell grain that he must account for every bushel of every grade going out; he must be subject to being officially weighed up whenever the board of grain commissioners deem it necessary and any shortages of his house are public knowledge.

It is not very difficult to see that under these conditions it is better to have a hospital than a public terminal elevator. It is not surprising, therefore, that the number of these elevators has rapidly increased with more now under erection, and that all the later houses are larger and have every modern facility for the quick handling and mixing of grain. These houses claim that last year they handled a quarter of all the grain business at the head of the lakes, or in other words, they handled through these houses and mixed in one form or another somewhere in the neighborhood of ninety million bushels of wheat alone, to say nothing of other grains; if figures are based on receipts at these ports, if they are based on amounts of grain actually shipped, it would be somewhat less, but still an enormous amount, and all this under a grain act that is fundamentally opposed to the mixing of grain. It would be funny if it were not iniquitous.

Should be Made Public.

The board of grain commissioners has been watching these houses with great care, and if the board reported to the department of trade and commerce the amounts of grain handled through them, cargoes shipped, etc., these reports have never been included in the published annual reports of the commission and are without doubt pigeonholed somewhere in the department. It is to be hoped that at the forthcoming session of parliament some of the western members will insist upon their production. They should make very interesting reading.

Evidently the commissioners felt that it was time something was done, and they did the only thing in their power to do: They refused to issue new licenses for "hospital" elevators. The act gives them power to state the number of "hospitals" there shall be at any one point.

This, in effect, drove the owners of these private houses to Ottawa to seek for the amendment of the Grain act to permit of them mixing grain. The full and final text of their defence of private houses has never been seen by any but the eight men who went to Ottawa on this delegation. The claim is that they had to present it to Sir George Foster hurriedly, that it had been much changed and altered on the way down and there was no time to have it copied and that only notes were retained; but the interests behind these elevators are undoubtedly among the strongest in the grain trade and it is claimed they put up a powerful case. It has leaked out gradually that Sir George Foster only approved the possibility of these amendments coming before the house on the understanding that they should be practically unopposed; the deputation would have to secure assurances that the Grain Growers' associations and similar organizations would not object. The whole matter, so far as detail was concerned, was kept very quiet. A short time after the deputation returned a list of amendments was submitted by the board of grain commissioners to the Winnipeg Grain exchange and other bodies for consideration, and there the matter rested. The memo of suggested amendments is as follows:

1. Amend Section 2 (y) to read as follows:—

(y) "Terminal elevator" includes every elevator or warehouse which receives or ships grain for the

public, and is located at any point declared by the Governor-in-Council to be a terminal.

2. Add the following as 2 (bb):

"Private elevator" means an elevator or warehouse which is equipped for receiving, handling and shipping all grades of grain, and which does not receive, handle or ship any grain for the public.

3. Amend Section 124 to read as follows:

124. (1) Every hospital and private elevator shall be required to take out a license and furnish a bond in such amount as the board determines.

(2) Every hospital and private elevator shall be governed by such regulations and restrictions as are imposed by the board.

(3) Notwithstanding anything in this Act, but subject nevertheless to the provisions of Section 99 and Sub-section 5 of Section 115, grain which is being shipped out from a hospital or private elevator shall, at the request of the owner or possessor thereof, or of his authorized agent, be inspected and graded, and the grade so arrived at shall be the grade thereof.

4. Amend Section 99 to read as follows:

(99) All grain placed in public, private or terminal elevators in the division shall be subject to inspection both inwards and outwards.

The council of the grain exchange was not by any means united in their views as to the wisdom of these amendments and the matter was referred to the whole exchange for consideration and action.

Hospital Elevator Grain Controlled.

On January 5 all hospital elevator interests received the following letter, over the signature of the secretary of the Dominion Grain Association:

"Under directions from the board, I am to-day notifying the chief inspector and chief weigh master that on and after February 1, 1917, all hospital elevator owners and operators will be prohibited from mixing or blending grades in their elevators. Any deviation from a disregard of this order will mean immediate suspension of license."

Commissioner J. P. Jones, who is the only member of the board at present in Fort William, when asked as to the actual meaning and effect of this notice to owners and operators of hospital elevators, said that its effect will be to make hospitals live up to the technical interpretation of the act as it stands to-day. Thus, hospital elevators will be able to do nothing but terminal storage and to fulfil their ostensible function of taking care of damaged grain. "The status of hospital elevators," said Mr. Jones, "has never been properly defined, but they have been protected in their operation by rules and regulations laid down by our board. They were permitted to buy and sell grain which they held in storage, contrary to what is permitted to terminal elevators. This privilege they will still retain, but they will, after February 1, be compelled to keep each grade intact, and only blend it with grain of like grade."

He was of the opinion that the majority of hospital elevators have too small a storage capacity for them to pay a reasonable return on the investment in machinery installed out of the storage fees allowed on grain.

TEACHING THRIFT.

The United States National Education Association and the American Society for Thrift are offering cash prizes amounting to over \$1,000, as well as special medals for the best essays on thrift, written by school children. These organizations have announced that "each county superintendent in the United States is receiving an urgent request asking him to assume the leadership and perfect the organization in his county."

"Every child in the United States will, under this plan, be permitted not only to compete for the cash prizes, aggregating more than \$1,000, which are being offered for thrift essays, but the winner in each county will be given a special medal and will be invited to appear on the programme of the county institute and read his prize winning essay."

"An indication of the widespread interest in this matter is shown by the fact that the National Education Association has placed an order for 2,500 medals, and Secretary D. W. Springer states he believes the number of counties competing in the great American essay contest will even exceed this number."

More than 20,000 children participated in the thrift essay contest last year, and eleven contestants, representing eight States, received prizes.