

The Dominion Millers' Association.

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CHAS. B. WATTS,

CENTRAL WHEAT BUYER.

TELEPHONES Office, Main 2655.
House, Beach 69.
Room 514, Board of Trade Building.

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Hon. W. L. McKensie King.

saving in the Inspection Department in the large staff that they have to employ to watch the staff in the various private elevators. I may tell you privately that the Cedarvale elevator last year earned over 50 per cent on such rates as above and I think over that the previous year. When they can do that on these rates, only getting the grain that comes to them and getting comparatively speaking little export grain, as the Railways encourage it to go to Midland and Depot Harbor, as much as possible where they have a far shorter haul to Montreal surely the elevators at Port William where all the grain from the Northwest must go through should be able to handle the grain profitably at the same rates, and I am sure that they, (the Government) would find by the end of the first year that they could pay full interest on the cost of the elevators, laying aside the sinking fund, depreciation reserve fund and reduce their charges to those in vogue at all the elevators this side the lakes.

I believe that a Government monopoly of the elevators at Port William is an easy and business like solution of all the difficulties which surround the handling of the great crop of the Northwest, and this appears to be the conclusion everyone I have discussed the question with has arrived at, excepting some members of the Opposition, who fear it would be placing too much patronage in the hands of the Government and of some Government members who are afraid to endorse an expenditure of five or seven million dollars, which it would probably require to buy the elevators, because their experience with the I.C.R. and the government elevators at Montreal and Port Colborne have been unprofitable. Of course the situation at Port William is entirely different, as the I.C.R. and the Montreal and Port Colborne elevators only get what they can draw from competing sources, whereas at Port William the whole of the grain of the Northwest, which will increase in quantity year by year must come through these elevators, excepting what goes via Duluth, as foreign buyers want a Dominion Government Certificate and are willing to pay 1/2¢ to 1¢ per bu. more for grain carrying it than carrying a seaboard certificate. The Government could easily prevent the present operations being transferred to Duluth by the Peasey or other Grain Companies, by refusing to issue a Canadian Government Certificate for any grain shipped out of Duluth elevators which was not fully up in quality to the average shipped out of the Government elevators at Port William, and as the Government would not select the grades then the grain going out of the Duluth elevators, if it was fully up would also have to be unselected and the inducement to the grain companies to divert the grain to Duluth, would be done away with, besides the three Transcontinental lines would use their best endeavors to carry the grain to Port William in order to get the longest haul possible out of it.

Yours sincerely,

Chas. B. Watts

Secretary.