

GRAIN GROWERS' MEET GOVERNMENT

ON January the 25th the Committee of the Manitoba Grain Growers' Association met with the Manitoba Government to discuss the principle upon which the Government should provide publically-owned elevators. The Government, two weeks ago, accepted the principle and asked the Grain Growers to present their scheme, which was done, and they will take it up and place a bill containing it upon the Statute books at the session of the legislature which will be held next month. The conference lasted all the forenoon, and at the conclusion the Government promised to give the matter their earnest and careful consideration, in the very near future. This is how the matter stands at the present time. The Grain Growers have prepared a memorandum of the principles upon which they deemed the publically-owned system should be provided. Copies of this memorandum were presented to the Government and were published in the daily papers of Winnipeg on the same day.

The members of the Government present at the conference were: Premier Roblin, Hon. Robert Rogers, Hon. G. R. Caldwell, Hon. J. H. Howden and Hon. Hugh Armstrong.

The Grain Growers' committee comprised D. W. McCuaig, J. W. Scallion, R. C. Henders, R. McKenzie, G. H. Malcolm, Peter Wright, J. S. Woods, F. W. Kerr, R. J. Avison, R. M. Wilson, who are all members of the Board of Directors of the Manitoba Grain Growers' Association. In addition the other members of the committee were: T. A. Crerar, president, and John Kennedy, vice-president, of the Grain Growers' Grain Co.; also D. D. McArthur, former director of the Association, R. A. Bonnar, the legal advisor for the Grain Growers, was also present at the conference.

GRAIN GROWERS' MEMORANDUM

The memorandum presented to the Government by the Grain Growers was as follows:

Financial Provisions

The Provincial Government would assume the responsibility of providing for the financial requirements in respect to purchasing the existing elevators or erecting new ones, or both.

It is not intended that the Government should provide, by the credit of the province, for any expenditure in connection with the operation or maintenance. The Government would issue debentures payable, say, in forty years. This would not be too long a period, since there is no doubt that the undertaking would be permanent, and especially since the grain handled is intended not only to bear the cost of maintenance and operating expenses, but to provide a sinking fund as well, to care for debentures at maturity.

The revenue received through the operation of the elevators would be based on what would be sufficient to meet ordinary operating expenses, interest on debentures and provision for maintenance, for sinking fund, or for both. Since the traffic is eventually intended to pay the initial outlay, the elevators would, as a matter of course, be exempt from taxation.

It has been estimated that three millions of dollars would provide new storage sufficient for the present requirements of the province. If the existing elevators were all purchased, on the basis of their actual value today, considerably less than two-thirds of that amount would be required. An additional sum for re-construction would be necessary. When legislation is passed, creating the system, debentures or bonds would be authorized by the legislature on the credit of the province to that extent, i.e., \$3,000,000.00, and supplied as requirements would demand.

The Revenue

The revenue would come from a charge of one and three-quarter cents for receiving, cleaning and storing wheat, one cent for oats, one and one-half cents for barley and two cents for flax, for first fifteen days, with an additional storage charge thereafter of one-thirtieth cent per bushel per day. Under these charges the commission would bear all

Scheme outlined by Committee now in hands of Cabinet

insurance costs. Other sources of revenue might be available.

The sinking fund, created to pay off the indebtedness would be treated strictly as a sinking fund, and not as ordinary revenue. For new elevators required from year to year, such yearly appropriations would be made as would permit of their construction when found necessary.

Elevator Commission

The commission would consist of three members, to be named by Board of Directors of the Manitoba Grain Growers' Association, and appointed by the Government.

Their term of office would be for life,

(b) Where complaint supported by a statutory declaration is made to the executive of the Grain Growers' Association which such executive is unable to adjust with the commission direct, the executive to submit same to the Court of Appeal of the province, or three members thereof, with power to such court to dismiss a member or members of the commission, if sufficient cause be deemed to be shown for such dismissal.

Auditor and Auditing

All accounting and book-keeping of the commission, both at head office and initial points, would be subject to the examination and report of the provincial

THE GRAIN GROWERS' REQUESTS

That the Government shall provide storage elevators at each shipping point in the province, the expenditure to be met from the grain passing through these elevators.

That an offer be made to purchase existing elevators upon a fair valuation of their actual worth, or at an estimate at which they could be duplicated under the new system.

That the elevators be under the absolute control of a commission of three competent men, who should be nominated by the Manitoba Grain Growers' Association, and appointed for life by the Government. This commission to be beyond the reach of any party influence, and to be perfectly independent, subject only to a vote of the legislature or a hearing before the Court of Appeal.

That all employees of the new elevator system be engaged by and responsible only to the commission.

That elevator operators take careful samples of all grain stored in their elevator, and also weights of such grain.

That particular attention be given to special binning.

That the identity of the grain be preserved from the farm to the market.

That the head office of the commission be in Winnipeg, where a sample market could be maintained in the interests of the producers, as well as the millers.

consistent with efficient administration and good conduct.

In the event of a dismissal, as herein-after provided, or in the event of the resignation or death of any or all of the commissioners, the appointments to fill the vacant positions would be made in the same way as the original appointment was made, i.e., named by the

auditor. The provincial auditor would not be required to vouch for disbursements before they had been made. His duty would be to examine the whole financial business of the commission, and present at the end of each year for the consideration of the legislature, report and financial statement independent of the regular public accounts,



"Woodburn," Home of J. C. Stewart, La Riviere, Man.

Board of Directors of the Association and appointed by the Government.

The administrative work of the commission would be investigated and dismissals made in two ways.

(a) The conduct of the commissioners to be subject to investigation by the legislature with power to the legislature by a two-thirds vote to dismiss a member or members of the commission.

the report setting forth clearly a complete summary of revenue and expenditure, with the number of elevators erected within the year, the number of employees and generally all matters of interest connected with the work, that the public would be entitled to know.

Work of the Commission

1. If the present owners expressed a willingness to sell their elevators,

the first duty of the commission would be to secure a valuation of the existing elevators within the province. (If the existing elevators were secured, the commission would, as rapidly as convenient, re-arrange them to meet the requirements of the new system, having in view always economical management, the idea being that all grain shipped by individual farmers would be special binned.) In respect to valuation, the purpose would be to arrive at, as near as possible, the actual business worth of these elevators at the present time as a public utility. In arriving at this, the following factors would have to be taken into consideration.

(a) Depreciation in value since date of erection.

(b) Volume of business handled, or value as a going business concern. (Many elevators are worth nothing more than their depreciated value, less cost of removing and re-erecting them in a manner suitable to the needs of the system.)

(c) Adaptability to requirements of a public system. (In this would enter the facilities of elevators, as far as special binning, cleaning and rapid handling was concerned.)

(d) Condition of building, foundation, machinery, etc.

(e) Rates of insurance and cost of operation.

Upon this basis an exact estimate of each individual elevator could be secured with comparatively little cost, and an offer made to purchase upon this basis. If the existing owners refuse to sell at the valuation thus arrived at, the commission would proceed to the erection of a new system as rapidly as could conveniently be done. This new system would be uniform in respect to style of construction, machinery, method of operation, etc.

2. It would also be the duty of the commission, when they were securing a valuation of the existing elevators, to secure an estimate of the cost of a new system of elevators suitable to the end for which it would be created. Data could be collected indicating the amount of grain tributary to the different shipping points in the province. The cost of erecting a new system would also be an aid in arriving at a correct valuation of the existing ones. In arranging the elevators, provision could be made with a particular view to special binning.

Official Samples and Weights

The operator in charge of each elevator shall preserve official samples of all grain delivered to the elevator. This would be done by taking a sample from each load delivered, after it was cleaned, and putting it into a receptacle made for the purpose of preserving such samples. After any grain had been delivered, the sample in the receptacle would be the truest sample that possibly could be secured of the lot delivered. As soon as the car load had been delivered at the elevator the owner of it could, if he wished, have the elevator operator forward a portion of the sample secured, under seal, to the office of the commission at Winnipeg. The commission would provide a sample room in Winnipeg, where these various samples could be displayed in bowls, with information setting forth the shipping point from which they came, and the commission merchant who was entrusted with the selling of it.

Intending purchasers would visit this sample room, select the samples that suited them, and purchase from the commission merchant who had the handling of it, if a price satisfactory to the owner could be secured. This purchaser representing the domestic or foreign miller, would have the guarantee of the commission that the grain back in the Commissioners' elevator, represented by the sample he had seen, would be delivered to him without being in any way mixed with other grain. This guarantee of the preservation of the identity of grain would form the basis for a sample market.

The grain, when shipped, would be graded by the inspector, as at the present time and the grade affixed. If, however, it had been sold on sample, the purchaser

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