July, 1909 THE GRAIN GROWERS' GUIDE Page 35 The Elevator Question

WE REPRODUCE the following letter from a recent issue of the Free Press:-

To the Editor of the Free Press.

Sir,—A somewhat lengthy news item appeared in one of the city dailies recently, entitled "Elevator Capacity." The article, which I believe was in every way authentic, outlined the great increase taking place this year in the grain storage facilities of Western Canada, both interior and terminal. It offers a little food for reflection in view of a rumor current some time ago that the elevator companies, both interior and terminal, purposed erecting much additional storage, in order to complicate the question of government ownership of these facilities, which the farmers of the West, through their associations, are demanding.

One of the arguments advanced against the Government taking over and operating these elevators as grain storage elevators, which alone should be their function, is that they—the governments—would be obliged to take over a large amount of storage capacity, which is unneceasary and therefore useless.

When the actual time comes for the governments to take over these elevators, as I believe they will in the course of a few years, the question of taking over two elevators, where under a proper system one would easily do the work, will be a difficult one to adjust; and the present activity in building elevators, especially at the terminals, suggests that the private owners of them propose to make out of this as great a barrier as possible to Government ownership.

There is, at the present moment, terminal elevator capacity at Fort William and Port Arthur for over 18,500,000 bushels and has been for the past year. The crop of last year was easily the largest in the Canadian West, and yet at the opening of lake navigation this spring, there was under 12,000,000 bushels stored in the terminal elevators. In other words, less than two-thirds of their storage space was utilized and practically the same conditions have prevailed there in recent years. Additional terminal storage to the extent of over 6,000,000 bushels is now under contract and will be completed this summer, bringing the total capacity there up to almost 25,000,000 bushels, all being built by private companies.

The question naturally arises-why this great increase? It cannot be to provide for future needs, as private corporations, especially grain ones, do not spend hundreds of thousands of dollars for the future needs of the country, and the increase in transporta-tion facilities to Fort William, through the double tracking of the Canadian Pacific and the opening of the Grand Trunk Pacific, means that a very large portion of our grain will reach the lake front in time to be available for shipment down the lakes before the close of navigation and thus will not require winter storage. The amount also going east all rail from Fort William in the winter months has increased very much during the past few years and will still continue to increase in the future. The explanation for the increase in the terminal storage to more than double of that which was required last season, is found in the fact that the promoters and owners find these elevators extremely profitable as an investment; and also because they want to give the Dominion Govern-ment "cold chills" whenever Government ownership of the terminals is mentioned, by making the job they

will have to tackle as big as possible, and thus afford the ministers an excuse for "going slow" in spending the people's money. ここのなるない、これでのようなないとう

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the people's money. It is true the erection of a million dollar terminal, or for that matter, one a quarter of that size, is almost invariably preceded by the announcement that, "recognizing that the public interests demand it," etc., they are undertaking the work. This bears a close analogy to the bitter pill that is sugar-coated in order that it may readily be taken by the innocent child. In the case of the public the-sugar coating is scarcely necessary. The average "good farmer" and "shrewd business man," who are both, generally speaking, woefully ignorant of even the most elementary economic principles, smack their lips and think the additional storage will be a good thing for the country.

storage will be a good thing for the country. Is it? The doubling of the elevator capacity at Fort William simply means that \$2,000,000 has been expended in terminal elevators that would not be necessary under a proper business-like system, serving the many and not enriching the few,

Interest has to be paid upon the capital invested in these unnecessary elevators. They must be maintained in the way of repairs and a staff of men employed to operate them; additional Government officials must be employed "to protect the interests of the farmers," adding to the costliness of this method or system.

The question arises, where do these elevators get the profits which undoubtedly must be big, judging

