

Commerce, at the close of the debate between the various interests will show the nature of the farmers' demands.

"The most important resolutions and the ones which induced the Conference to go the length of asking the several associations to send delegates to Ottawa, were (1) the one urging the Dominion Government to acquire (which may be by construction, purchase or lease without interfering with the essential feature) and operate the terminals at Fort William and Port Arthur. (2) The resolution growing out of this, asking that the Dominion Government acquire and operate the transfer elevators and (3) another providing for the special binning of grain at the terminals in order that a satisfactory sample market might be developed in Winnipeg to the mutual benefit of the producer and miller."

"The Government undertakes to classify Western wheat into grades according to certain specifications. The safeguarding of the producer of that grain as well as the millers of Ontario and Britain requires that the Government surround that grain in transit with such protection as will ensure its delivery at points of destination as inspected by the Chief Inspector."

"There is a growing and well grounded conviction among growers of grain in the West that existing conditions at the terminals at Fort William and Port Arthur and the transfer elevators between those terminals and the Atlantic seaboard, afford opportunities for manipulation detrimental to the best interests of the country. This conviction is borne out by the report of the Royal Grain Commission. On page 18 of the report the following statement appears:"

"There is a possibility of the elevator operators mixing grain contrary to the Grain Inspection Act—in some cases samples were produced to us that would lead us to believe that there had been either manipulation or serious mistakes made somewhere."

"This shows that the existing conditions not only afford an opportunity for mixing grain contrary to this Act, but that mixing and adulteration actually does take place. Again on same page we read: 'There is a very general complaint throughout Ontario that they did not get the regular grades of Manitoba grain, of wheat especially, in as clean a condition as is called for by the Inspection Act. We also found from examination of arrivals in Great Britain, that the grain as received there contains too great a percentage of foreign matter.'"

"The effect produced by the practice of not cleaning the grain as required by the Inspector is strongly stated in the evidence given before the Select Committee on Agriculture 1906, page 245: 'When grain goes forward with Mr. Horn's certificate attached and reaches the Old Country and it is not in clean condition when it reaches there, the effect is to spoil the reputation of our grain and so to reduce our prices. In the meantime the farmer who produced the wheat has been docked for dirt and the only party to benefit is the terminal elevator that puts out this grain as clean wheat.'"

"We submit."

"(1.) That all terminal elevators at Fort William and Port Arthur, excepting those owned by the C.P.R. at Fort William, are operated by dealers in grain."

"(2.) That practically all the line elevator owners share in the control of the terminals, either by actual ownership or by leasing from the railway."

"(3.) That approximately two-thirds of the wheat crop of 1907 forwarded to the Lake Front, went into store in elevators operated by grain dealers."

"(4.) That the fact that a terminal is owned and operated by a railway company, does not in our opinion necessarily insure protection to the growers of grain. This contention is supported by the report of the Grain Commission, see Appendix E, paragraph 9."

"(5.) That the licensing of firms interested in the grain trade as operators of public terminals should not be permitted. Apart from the opportunity afforded them to manipulate grades, it places a rival dealer forced to use such storage facilities at the mercy of a competitor."

"(6.) That the fact that our wheat is now received by Eastern Canadian and British millers out of the terminals not cleaned as required by the Act and sometimes showing evidence of being tampered with, although put out under the supervision of a Government Inspector, indicates that so long as those elevators are operated by parties who may profit by evading the provisions of the Act, no system of supervision can be relied on to prevent such practices, nor, in the light of such experience, restore the public confidence."

"(7.) That the Government supervision and private operation would require two sets of employees under different control. Apart from the danger of friction between the operators and supervisors, the cost of maintaining two sets of employees where only one would be required under government operation, is a strong argu-

ment in favor of our contention. Mr. Gibbs at the Conference in reply to a question stated that adequate supervision would be equivalent to Government operation."

"The arguments in favor of the Government operation of terminals will apply with equal force to the transfer elevators."

"Contrary to the recommendations of the Royal Grain Commission, we do not wish to see special binning in the terminals prohibited, but rather that a clause should be inserted in the Act making provision therefor and providing that those buying direct from the farmer in car lots should, as far as practicable, be provided with facilities for special binning their grain in lake and ocean shipping units, in order that the representatives of Eastern Canadian and Old Country millers might secure the types of grain suitable to their milling requirements and thus be placed on an equality with Western millers."

"The necessity for these provisions is clearly set forth by the evidence given by C. B. Watts, Secretary Dominion Millers' Association before the Standing Committee on Agriculture, 1906, page 258."

"Now let me point out the position in which we stand. Ogilvies have I do not know how many elevators, perhaps seventy-five or more, scattered throughout the North West. They can buy the best grades of wheat from the farmers. They can keep that wheat in separate bins and send it to their own mills and make the best grade flour. The Ontario mills are not in that position."

"Thus it will be seen that the Eastern miller would be relieved of a disadvantage he now suffers, in attempting to compete with his Western rival, while the Western farmer would receive the benefit of wider competition assuring him a higher level of prices."

"The old argument against special binning, namely, that it would lower the average quality of the grades going out of the terminals and hence the base price of grain, does not deal any serious blow to the position of those who favor special binning. It is not seriously contended, even ignoring its acknowledged dirtiness, that the wheat now going forward from the terminals is up to the average delivered from the farmers' wagons, as those possessing country elevators, especially the large milling companies cull large quantities, send the best direct to the mills and the residuum to the terminals for export, which must manifestly lower the quality of the export

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