

## MARKETING CANADA'S GRAIN

### VI.

#### SELLING BY SAMPLES

##### Commissioners Suggest Time is Ripe for Markets

The natural way of selling an article is to show it to buyers. When its volume becomes very large, as in the case of Canadian grain, this method becomes impracticable, with the result that there is shown instead either a sample of it, or a certificate stating its qualities according to the judgment of men accepted by both parties as competent and as disinterested.

Some countries sell by sample alone. The United States combines sample trading and trading by grades in every one of its grain markets. Canada is unique in having enacted legislation which made sample trading impossible. For in the terminal elevators through which most of the grain must pass, individual lots are merged in the general bin containing the grade to which the lots belong, and no trader can give a special price for a lot, the identity of which he cannot preserve.

The grading system undoubtedly cheapens transportation and storage, gives buyers and sellers the advantage of expert opinion on the grain offered, makes easier the financing of the grain by means of warehouse receipts, facilitates trading on the Exchange, and in many ways assist the production, transportation, storing and trading of grain. And if a perfect set of grades could be found, a set that would represent differences in value, and that would give no privilege to any class or interest, much could be said in favor of the Canadian plan of making sample trading impossible.

##### Grain Grown in Certain Districts.

Few would claim perfection for the set of several hundred grades which were recognized until lately. That set of grades tends to rob the grading system of much of its value, tending, as it did, to confusion, and to the reduction of the storing and handling capacity of the elevators; and apart from these objections, few would claim that the differences fairly represented the milling value of the grain. Western milling companies show a preference, and give a small premium, for grain grown in certain districts. They buy this grain and they do not need to send it to the terminal elevators, where it would be merged with grain of the same grade from other districts. They experience, therefore, no competition from those who send their grain to the terminals.

In every grade there are choice individual lots. For these the general grade price is too low. There is much grain slightly bleached, or slightly smutted, that really is as good as grain in high grades, but the law classifies it "bleached" and "smutted" and prevents the producer getting anything like its value. Western mills may give a small premium over the grade price for such grain, but there again the system of grading and binning gives them the field to themselves. As a commercial question there is no doubt whatever that the co-existence of the two methods of trading—by sample and grade—is preferable to the sole existence of one.

The main objections to sample trading are two in number. One is about mixing the grain and the other is about transporting it. The one comes from some of the producers and the other from some of the railway men.

##### Mixing and Milling.

It is not denied that nature mixes, and that her mixtures have to be corrected before the grain is ready for milling. Part of the process may be done in the elevators, but part, it appears to be held, must not be done except in the mills. It is indeed charged that even in the terminal elevators mixing is done, and it is suspected by some that there is mixing practised in some of the transfers elevators, Canadian and American, through which Canadian grain passes to the foreign markets.

But the argument is that mixing will be profitable to the terminal elevators, and that none of that profit will go to the producers. Only the terminal elevators will have, it is said, mixing facilities. Only they then will be able to secure the lots of grain that have special mixing values, and as the mixing will lower the grades of export grain, the export price will fall, and upon this lowered export price the price paid to the producer will be based.

(To be Concluded.)

## LONG SAULT DAM SCHEME

### Is Condemned by the Conservation Commission—Strong Reasons Advanced

The project for damming the Long Sault rapids, which created so much discussion last year, is condemned by the Conservation Commission, Ottawa. Plans that were filed in 1910 have not been approved, and the New York State legislature has revoked the charter under which the company concerned had secured certain rights on the United States side. Behind the project was said to be the Aluminum Trust, which sought a monopoly of half a million horsepower.

The Conservation Commission opposes the scheme on the following grounds:—

(1) That the Ashburton treaty provides that "The channels in the River St. Lawrence on both sides of Long Sault, Croil and Barnhart Islands," shall be equally free and open to the ships, vessels and boats of Great Britain and the United States. No constructions which would interfere with navigation in the slightest degree can be erected in any of the said channels without the consent of Great Britain.

##### Serious Damage Might Result.

(2) It is quite possible that serious damage would result from the construction of the works. Engineers have, it is true, given an opinion that there is no probability of such damages. On the other hand, the opinion of the residents along the shore and the most experienced navigators and observers is apparently almost unanimous in holding that the probability of serious damage is very strong.

(3) The proposed diversion of water by the dam between the Long Sault Island and Barnhart Island would take from the main navigable channel between Barnhart Island and the United States mainland about 50 per cent. of its water. The effect of such a diversion of water from the navigable channel is impossible to estimate.

(4) The construction of the dams in question will result in compelling navigation (other than by the Cornwall Canal) to follow a new route known as the South Sault Channel. Experienced navigators are of the opinion that this route will be much inferior to that now followed.

##### Small Expenditure in Canada.

(5) The time will undoubtedly arrive in the history of Canada, when deeper navigation upon the St. Lawrence will require to be provided for by the Canadian Government. Should the works proposed by the St. Lawrence Power Company be constructed, the government would no longer have a free hand in undertaking such an enterprise.

(6) The proposed scheme of the St. Lawrence Power Company contemplates making use of the Canadian side of the river simply as a convenient landing place for a dam. A very slight examination of the plans of the company is sufficient to make it clear that only a small portion of the contemplated expenditure will take place in Canada, and only a very small proportion of the total power developed will be developed in Canada.

(7) Looking at the whole scheme, it does not appear that any serious attempt can be made to show that Canadian requirements or Canadian interests are an appreciable factor in the plans of the company.

##### No Market for Power.

(8) No market exists at the present time upon the Canadian side for the power proposed to be developed, or for any appreciable portion thereof. When any large quantity of power is required in the territory tributary to the proposed works it can be otherwise divided.

(9) Should the time come when further power is demanded by Canadian interests, and the placing of a dam across the St. Lawrence River is determined upon, one-half of the power to be generated thereby will belong of right to Canada, and should be permanently retained for Canadian use without any exception or qualification.

##### Regarded as Illusory.

(10) The suggestion that power can be generated on the American side, or generated on the Canadian side and exported to the United States, and that thereafter, when it is required in Canada, the company can be ordered to deprive its United States customers of the power and deliver it in Canada, is regarded as being entirely illusory.

(11) The time will undoubtedly come when the powers will be of enormous value. The present proposal contemplates giving away a valuable asset, without substantial consideration, to a foreign company.

(12) The obvious conclusion from the facts above recited seems to be that the plain duty of Canada is to retain her rights, ownership and jurisdiction absolutely unimpaired and untrammelled.