

clean a condition as it 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 practise 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 booked 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 much 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 argument 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 operations 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

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 of 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 our 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 farmer's 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 stuff. In addition to this it is a common practice in country elevators to reduce the average quality of the grades by mixing and blending before shipment to the terminals. Also the various shipments going forward from the terminals will not be of an average quality though taken together they may average up to a certain standard. Some shipments will be good, some fair and others poor according as the accident of entry has grouped the grain. Thus all the Old Country dealer absolutely counts on, is that his shipment will just meet the grade requirements, hence his price is already based on a line quality of grain.

With respect to the grades, we would desire to see the word "red" preceding the word Fife in the definitions of the various grades of Manitoba wheat omitted. The effect of this would be that both Red Fife and White Fife could be admitted to the highest grade, the difference in these varieties according to our best Canadian authorities being confined to the color of the bran. The word "red" as it appears in the definitions is written with a small "r" and is used as a qualifying adjective. We submit that the word "hard" in the definition covers all that is essential in the word "red," that is to say, a grain that lacks redness owing to the content of the berry being starchy, i.e., soft, will be excluded by the presence of the word "hard."

To make provision for the grading of spring wheat other than Red and White Fife such as hybrids like Preston and Stanley, the following permissive clause should be inserted in the Act. "Hard varieties of spring wheat, other than Red and White Fife, may be graded one Northern or lower in the discretion of the Inspector."

In respect to "slightly bleached" and "slightly tough" wheat when dried, we would recommend that the word "sound" as employed in the definitions of the various grades of wheat should be defined as not excluding these wheats from the grades to which they would otherwise belong. The tests made by the Royal Commission and others have established the fact that "slightly bleached" and "slightly tough" wheat when dried, has not been deteriorated. Hence considering the multiplicity of grades already in existence it seems preferable to provide for entry of such wheats where their intrinsic value would place them.

We strenuously oppose any change in the car distribution clauses of the Act, that would interfere with the present system of allotting cars to farmers. We have submitted figures at the conference that clearly show that in practice only a very small proportion of delay to cars is due to the operation of the Grain Act, but that the delay is the result of detentions after cars are loaded and ready to be pulled out from points of shipment together with delays at sidings en route. Of the time occupied in transit over one-half is caused by delays within the control of the operating department of the railways.

The contention of the grain dealers that the abnormal spread between the price for "track" and "street" wheat