

These are the main reasons why the contending parties are so desirous of getting a large volume of business at terminal points, and they form much of the basis of the controversy which surrounds this Bill.

Up to two years ago what is known as the grain trade, had possessed under the law, a monopoly of both country and terminal elevators, and they naturally developed an enormous industry in which they claim to have invested the sum of \$85,000,000. They have handled Western crops efficiently, and in recent years, generally satisfactorily, no matter what it may have been in earlier times. Whether they have taken a greater toll from the Western farmer than they should have done is a matter of controversy. The grain trade claim they have not done so, and refer to the Turgeon report which figures their profits at three-quarters of a cent per bushel. On the other hand, the farmers claim the elevator system has been built and paid for out of undue tolls taken from the farmer; that the terminals, through the privilege of mixing, have a very profitable business, and one of the Members of the Senate Committee made the statement that he had received settlement of an investment in the elevator business of \$320 per share for his common stock for which he had not paid one dollar. I am inclined to think that, notwithstanding the claims of the grain trade, and the estimate of the Turgeon report, that the terminal end of the grain business is very profitable, and perhaps far greater than the trade or the Turgeon report suggests.

Now the pools enter the business and come upon the scene. Up to two years ago the grain trade had possession of the field, and then it was that the great Western co-operative pools owned by the farmers came on the scene. Whether rightly or wrongly, smarting under a sense of injustice and tyranny on the part of the grain trade, extending over many years, the farmers started a co-operative movement to buy and sell and handle their own grain products. The greatest grain pools in the world's history have therefore come into existence during the past two years, including approximately 60 per cent of the Western producers, and which promises to increase their numbers in the future. While operating only during the past year, the pools have made remarkable strides, have been well managed, and the farmers claim that they have secured higher prices for their products, although this is denied by the grain trade, who produce figures to demonstrate that the trade has paid higher prices than the pools. Certainly the pools have performed a great

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service in distributing their marketing over the entire season, thus preventing a glut on the market early in the fall, such as has occurred almost every year in Western Canada.

On commencing business, the pools soon found that it was one thing to organize and talk co-operation, and an entirely different thing to start in business on the enormous scale which was necessary to handle their wide operations. They had no money; they had no country or collecting elevators; they had no terminal elevators; they had no plant or machinery to carry on their business, but they did have the one great factor, which was the grain itself. The first year they built 10 elevators. Now they have bought the Government line in Manitoba, and have taken over the great system of the Co-operative Elevator Company in Saskatchewan, with its 450 country elevators, and large terminals, and in Alberta they have purchased approximately 100 elevators.

The terminal end of it was solved by buying two small elevators, leasing a large one, and they have at their disposal a capacity of over 20,000,000 bushels storage at the present time. The House will therefore observe that the pool is now well equipped to enter the grain trade on a large scale. They possess the first essential for success by having the wheat itself; they have 830 country elevators as a collecting agency, and they have terminal facilities as well. They are therefore in a good strategic position to do battle with the great grain trade which has been built up through successive years by the ablest business minds in Western Canada.

There are one or two side issues that have an important bearing, and I want to mention them here. We see that the two contending parties for the grain trade of Western Canada are in a position to do business, but there are some side issues which affect the question, and which have led up to the introduction of the present legislation. Right here let us see what they consist of. When the pools were organized, the farmers were required to sign a written legal contract to sell and deliver to the pools every bushel of the wheat they produced. This contract, you will note, they can easily carry out at the 830 points where the pool has country elevators to which they can deliver their grain. The evidence showed there were 1,717 shipping points in the Western Provinces, and the additional elevator sidings were estimated at four hundred, making a total of 2,117 marketing points—not elevators, but marketing points. The pool this year will have elevators