

THE OTTAWA DELEGATION

Memorandum Presented to Minister of Trade and Commerce

The delegation which visited Ottawa on behalf of the Grain Growers' Associations of Saskatchewan and Manitoba to urge the Government to operate the terminal elevators and to make some changes in the administration of the Grain Act, at the request of the Minister of Trade and Commerce submitted the following memorandum before leaving for the West:

Hon. Sir Richard Cartwright,
Minister of Trade and Commerce,
Ottawa, Ont.

Sir,—In further reference to the different matters we discussed with you in our interviews of April 28th and May 4th, we beg to submit the following memorandum:—

1st. We desire to enter a strong protest on behalf of the farmers of Manitoba and Saskatchewan against any suggested change in the provisions of the Grain Act, in respect to the system of distributing cars for handling grain, in so far as it would affect the supply of cars to the provinces of Saskatchewan and Manitoba.

No clause in the Act has contributed so much to the protection of farmers as the clause referred to; hence the necessity of no change being made that would prejudice the interests of the farmers of the two provinces.

2nd. That necessary changes be made in the system of securing samples for inspection and making report of out-turns so as to provide that the inspector should not know the name of shipper, consignee or point of shipment until the grade of the grain in the car is determined.

3rd. That permission be granted the Grain Growers' Associations to have a representative to act in conjunction with the samplers of the department to secure samples of cars shipped by farmers.

That no license be granted to interior public elevators for receiving, shipping and storing grain built after..... unless they contain at least eight bins of eleven hundred bushel capacity for special binning grain and be equipped with proper cleaning appliances.

5th. That a properly qualified inspector be appointed in Britain whose duty will be to examine into shipments of Manitoba wheat arriving at British ports, with power to enquire into difference that may arise between buyer and sellers.

This in principle is applying to grain the policy the government has adopted in respect to agricultural products exported from Canada to Great Britain.

RE STORAGE CHARGES.

1st. The charge for elevating, storage and insurance at the terminals at the Lake front is $\frac{1}{2}$ c. per bushel for first fifteen days and 1-30 of a cent per bushel per diem each subsequent day, or 1 cent per month, making the storage from the close till the opening of navigation from 4c. to 5c. a bushel. We are credibly informed that the charges at the ports east of the Lakes is $\frac{1}{2}$ c. per bushel for elevating, and the storage from 1st Dec. to 1st May is only 1c. per bushel additional. We therefore urge your department to take the necessary steps to have the insurance and storage charges in the terminals at Fort William and Port Arthur reduced so as to be on a parity with similar service east of the Lakes, before the next crop begins to move.

2nd. That the following words be added to Sec. 27 of the Grain Act:—"Excepting in TERMINALS OWNED OPERATED BY RAILWAYS."

Re praying the Government to acquire and operate terminal and transfer elevators we submit:

1st. That the movement in Western Canada and the farmers' organizations connected therewith, for improving conditions for distributing our grain product is purely industrial and wholly disassociated with any proposal having for its purpose a general policy of government ownership of public utilities, and further that grain dealers who are not beneficiaries of the present ownership or terminals are in accord with our petition.

2nd. In order to produce the best results the character of Manitoba wheat demanded by the Inspection Act must be maintained in transit to the ultimate market.

3rd. We believe the impression is fixed in the public mind that so long as the terminal elevators are operated by companies who buy grain in the interior and who warehouse their own grain as well as that of the public after inspection, can manipulate the grain to their own benefit, if so disposed. Knowledge of the practices of the

present operators of the terminals, in the interior elevators in contravention of the provisions of the Grain Act, has destroyed all confidence that improper practices can be prevented in those houses by government supervision, be it ever so rigid, and affords no assurance that the standard of our grades will be fully maintained.

4th. Owing to the corporate system of carrying on business and the facility with which persons and corporations can secure dividend bearing stock certificates of other corporations, it seems impossible by legislation to prevent grain dealers and other large interests that has to do with the transportation of grain, such as railroads and banks, from having monetary interests in privately owned terminals and thus become the beneficiaries of any undue profits that may accrue by the elevator operator violating the provisions of the inspection act; evading the vigilance of the inspector in charge or otherwise.

5th. The large returns from money invested in terminals has a tendency to induce the building of more storage than is required, causing an unnecessary charge on the grain for maintenance. Three private companies are arranging to build houses at the Lake front this year, making a large addition to the storage there. This, in face of the fact that at present there is a storage capacity of 18,852,700 bus. at the lake front in which there was only 10,342,993 bus. of all grain in store 31st March of this year and little more than that at the same date last year; at no time did the total in store during open navigation exceed 7 to 8 million bushels.

6th. A great economy of elevator space would follow the government assuming control and operating the whole system, inasmuch as different grades could be assigned to different elevators, while under the present system each elevator has to retain space for each grade and class of grain.

7th. The grain trade of Western Canada, yet in its infancy, is yearly assuming larger proportions, and private concerns are yearly increasing their holding and fortifying their grip on the trade. The longer the government defer declaring their intentions of operating the storage facilities the greater the difficulty they will have to meet when they will intervene in behalf of the public.

8th. The system of operating that now obtains involve the maintaining of two sets of employees: that of the owners who operate the elevators and those employed by the government to see that the employees of the elevator owners will discharge their duties according to the provisions of the law.

9th. Were the Government to assume the operation as well as supervision as now, all that would be necessary for them is to provide employees to do the mechanical work, that is, to run the machinery, as they have now in their employment the necessary technical and expert labor as well as the office organization required to fully operate the terminal system.

WHAT IT WOULD COST.

The Grain Growers expressly desire that none of the cost of operation or maintenance be charged to the public revenue. Assuming that terminal elevators can be built at a cost of 20c. per bushel capacity, the 18,852,700 bushel capacity now at Fort William (allowing nothing for depreciation) would cost \$3,770,540, which at 4 per cent. would involve annually an interest of \$150,821.00. To meet that charge, together with cost of maintenance and necessary addition to staff, you would have an approximate revenue based on the receipts of 1908 as follows:—

Put through elevators at $\frac{1}{2}$ c. per bush.,	
80,000,000 bush.	\$500,000.00
In store Jan. 1st, which remained in say 4 months at $\frac{1}{2}$ c. per bush, 7,000,000 bush....	332,500.00
Say received before opening of navigation and charged 2 $\frac{1}{2}$ c., 3,000,000 bush.	82,500.00
Total	\$1,015,000.00

11th. The commodity that provides this revenue must of necessity pass through the terminal elevators on its way to the ultimate market. All the Government is required to do is to care for it on arrival. No necessity to solicit business.

12th. The most reprehensible feature of modern economics and the one productive of the most baneful results is the speculation in food products through option dealing. That operation in wheat is made possible by large