Mr. Lake on Reciprocity

(Guide Special Correspondence)

Press Gallery, Ottawa, March 24

The reciprocity agreement has not been discussed in the House this week, the government, in view of the fact that the present fiscal year expires a week from to-day, having decided to devote all the time left at its disposal by the opposition, to voting money for the purpose of carrying on business. A large number of resolutions, practically all in favor of the pact, have been read, but even this method of bringing the matter before the attention of the House is now to be denied to members, the speaker having ruled, as a result of a protest by Hon. Geo. E. Foster, against this somewhat irregular method of taking up the time of parliament, which was concurred in by Sir Wilfrid Laurier, that the reading of these resolutions is not in order.

Another reference to reciprocity, was a somewhat remarkable speech delivered by R. S. Lake, the conservative member for Qu'Appelle on Tuesday, from which it appears that Mr. Lake is in favor of reciprocity but has come to the conclusion that by accepting the present agreement parliament will be prevented from making further reductions in the duties on manufactured goods and from increasing the British preference, a conclusion which is directly opposed to the statements in this regard made by the finance minister and other members of the government.

Mr. Lake Speaks

Mr. Lake, who was referred to by a speaker on reciprocity last week as the only member representing Saskatchewan either in the provincial legislature or the House of Commons who was opposing reciprocity, rose to a question of privilege and objected to any other member making a statement as to his attitude, saying that when he had a statement to make he would make it himself. So far he had refrained from expressing an opinion one way or the other, but had felt it his duty to carefully weigh every bit of information available before coming to a decision. He complained that the government had not supplied the house with sufficient information with regard to trade and prices in the British colonies and foreign countries which were affected as most favored nations, and said it was only within the last few days that Sir Wilfrid Laurier and Hon. W. S. Fielding had made statements which showed that the government had gone as far in the farmers interests as they would and that they would not tinker any more with the tariff unless to make some minor adjustments. Sir Wilfrid Laurier's statement a few days ago, that it was not the policy of the government to have reciprocity in manufactured products, was in accordance with the answer given to the manufacturers' deputation in January last. During the last few days he had received resolutions from different Grain Growers' Associations in the following form—they were all alike: 1. That the reciprocity agreement before the house of commons be ratified during the present session. 2. That agricultural implements be placed on the free list during the present session. 3. That the British preference be increased to fifty per cent. of the general tariff at the present session.

If the Grain Growers had been aware of the government's pledge to the manufacturers, they would not, Mr. Lake said, have passed these three resolutions, because the last two were incompatible with the first, and they must accept the alternative between them. If the members of the legislative assembly of Saskatchewan had been aware of the prime minister's statement that the present government had gone as far in the farmers' interests as they would, and that they would not tinker any more with the tariff, unless to make some minor adjustments, they also would not have added to their reciprocity resolution the clauses calling for a downward revision of the tariff and an increase of the British preference, because, if the reciprocity agreement passed, it precluded a reduction of the duties on manufactured goods.

Criticizes Guide

The arguments used by nearly every speaker on behalf of the memorial on the customs tariff presented by the great farmers' delegation on Dec. 16, were levelled at the undue protection granted to the manufacturers and the burden thus imposed upon the farming community,

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The Grain Growers' Guide

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THE GUIDE IS DESIGNED TO GIVE UNCOLORED NEWS FROM THE WORLD OF THOUGHT AND ACTION and honest opinions thereon, with the object of aiding our people to form correct views upon economic, social and moral questions, so that the growth of society may continually be in the direction of more equitable, kinder and wiser relations between its members, resulting in the widest possible increase and diffusion of material prosperity, intellectual development, right living, health and happiness.

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Grain Bill in Committee

(By The Guide Special Correspondent)

Press Gallery, Ottawa, March 24

The special committee of the senate appointed to take evidence on the contentious clauses of the Canada Grain Bill sat on Tuesday, Wednesday, Thursday and Friday of this week, and heard a large amount of testimony given by the representatives of the various parties interested. The sections referred to the committee were No's. 122, requiring the proprietor, lessee or manager of any terminal elevator to procure a license from the board of grain commissioners to be created by the bill, which license shall be revocable by the board upon summary proceedings; 123, providing that no person owning, managing, operating, or otherwise interested in any public terminal elevator shall buy or sell grain or be interested in any other form of storage of grain except where such terminal is operated in connection with a flour mill situate at the same point as the terminal elevator; and 242, which imposes a penalty of not less than $5,000 or more than $20,000 and imprisonment for not more than two years, for the breach of Section 123 or for mixing grain or making false returns.

Objection to these provisions of the bill, and especially to the clause prohibiting persons interested in terminal elevators from dealing in grain, has been made by two interests: The big grain dealers who are also owners or operators of terminal elevators, and the transportation companies which have leased their terminals to them. On the other hand the clauses have been endorsed by the Western Grain Growers, represented by Jas. Bower, president of the U.F.A., J. A. Maharg, president of the Saskatchewan Grain Growers' Association, and R. McKenzie, secretary of the Manitoba Grain Growers' Association; by the Dominion Millers' Association, and the grain section of the Toronto Board of Trade.

Personnel of Committee

The committee consists of Senators L. Melvin Jones (chairman), Lougheed (Calgary), Davis (Prince Albert), Campbell (Toronto) Beique (Montreal), Young (Killarney), Douglas (Tantallon), Watson (Portage la Prairie), Power (Halifax), and Sir Mackenzie Bowell (Hastings).

The majority of the committee are evidently favorable to the view of the elevator men, and it has been very noticeable as the evidence has been taken that some members of the committee, while endeavoring to bring out points in the testimony which favor this side of the case, have repeatedly interrupted the representatives of the Grain Growers and millers and have objected to their being allowed to state facts which they considered material to their case. Senator Davis, of Prince Albert, however, has taken up the cudgels on behalf of the supporters of the clauses under discussion, and has insisted on their being allowed to state their case fully.

The chairman, Senator L. Melvin Jones, has been very active in endeavoring to prevent evidence favorable to the clauses from getting into the official record, and Senator Young, of the Young Elevator Co., is acting the part of chief counsel for the elevator interests. Senator Lougheed first assumed this position, but his lack of knowledge of the grain trade led to his being displaced by the gentleman from Killarney.

Elevator Man Speaks

Walter E. Douglas, of Minneapolis, said he appeared to speak for a group of six investors residing in the United States who controlled the Northern, Winnipeg and Canadian lines of interior elevators, the Thunder Bay terminal elevator at Port Arthur, and the Empire terminal elevator at Fort William. The line companies sent their wheat to the terminals in which they were interested, and provided 85 per cent. of their business, but if these clauses became law they would be forced to give up the terminals which would be a great hardship to those who had invested their money in the enterprise. The business of the line elevators would be seriously crippled if it was separated in its management from the terminals, and, as to the latter, if no one who was in the grain business could own or operate terminals he did not think anyone would buy them and they would consequently be practically confiscated. He and his associates had $3,000,000 invested in the terminals and $2,000,000 in the line elevators.

In reply to Senator T. O. Davis, Mr. Douglas said the terminals and the line elevators were each self supporting, the charges being sufficient to pay all expenses, including depreciation and interest on the investment, but if they were forced to sell the terminals under the new conditions imposed by these clauses he did not think they would find anyone to buy them. He did not know of any terminals in the United States that were not connected with line elevators, and the only terminals at Fort William and Port Arthur that were not operated by firms having interests in line elevators were those belonging to the C.P.R.

Jones on Public Ownership

Senator Jones remarked that the Grain Growers had very strong views on the question of terminal elevators, and practically demanded either that these clauses should be enacted or that the terminals should be owned and operated by the government. If the latter course were adopted the difficulty of finding a purchaser would be removed.

Mr. Douglas—"If the government should decide to acquire our elevator interests in Canada we are ready to treat with them at any time."

Peavey's Representatives

F. B. Wells, representing F. H. Peavey and Co., a corporation which, he said, owned stock in a number of grain companies in Canada and the United States also objected to the clauses. He said the purchase of terminals by his companies had been based on the owning of country elevators, and the companies were operating under charters granted by the Dominion government which permitted them to own both classes of elevators and to deal in grain. They considered that the two branches of the business should go together, and would not care to retain their interests in the country elevators if they were precluded from owning terminals as well. This prohibition, he maintained, was unnecessary. He heartily endorsed the government in its determination to prevent the mixing of grain in elevators operated for the public, but he considered that the other clauses of the bill were sufficient to accomplish this end. The operation of these clauses would deflect the wheat to the United States ports, because it could be more profitably handled at Duluth where his company had their own terminals. A. L. Searle, also of the Peavey Co., spoke along similar lines. He said his company controlled the British America Elevator Co., the National Elevator Co., and had a lease of the Grand Trunk and Canadian Northern terminals. They also had interests in the Atlas Elevator Co. and the Security Elevator Co. Mr. Searle said the elevator interests all agreed that there should be no mixing of grain in public terminals, and Senator Davis asked how this statement agreed with the fact that one of his companies had pleaded guilty to a breach of the law in this respect. Mr. Searle said a charge had been made but they contended that they had not done any mixing. The specific charge against them was that they had made an incorrect report. The report made up by their bookkeeper did not agree with the government figures and they pleaded guilty to that fact. There was, he explained, a small deficiency of 175,000 bushels in a total handled of 30,000,000 bushels, and a large proportion of the deficiency was accounted for by the cleaning of wheat rejected for seeds. The C.P.R. terminal handled about 30,000,000 bushels, but he was not aware that there was no deficiency at all there.

Minnesota Law

F. T. Heffelfinger, another Peavey man, made a similar statement. Asked if there was any legislation in the United States analgous to these clauses, he said there was not. In Minnesota they had a commission with rather wide powers, such as were suggested in this bill, but that commission had no jurisdiction over a private elevator, and had no right to enter a private elevator. It was usual, however, that the owner desired them to inspect the grain, as it was on inspection that they sold. To a question as to whether there was satisfaction in Minnesota with the law there, Mr. Heffelfinger said he thought there was always some

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