



SASKATCHEWAN SECTION

This Section of the Guide is conducted officially for the Saskatchewan Grain Growers Association by F. W. Green, Secretary, Moose Jaw, Sask.

The Crux of The Elevator Problem

The big producer discussed the situation with the small producer. They arrive at the conclusion that both are in the same punt.

A RECENT visit to Regina necessitated my taking the early morning train, and as I settled back into my seat my attention was centered upon two prominent farmers whom I knew very well, and after the common salutations re health and weather, they commenced an animated discussion of the elevator question, and for convenience in recording what they said, I will call the one Mr. Capital G and the other Mr. Small G.

Mr. Capital G opened up by asking, "What is all this agitation the Grain Growers' Association is keeping up in reference to the elevators about?"

"Well," said Mr. Small G. "That is rather a large question, but of course you must know the history of this elevator monopoly. But, no, you did not commence raising grain until long after the initial stages of this agitation were passed. But I suppose you are aware that the present grain and inspection act, with all its provisions for safe-guarding the individual shipper, together with the loading platform facilities, is the result of the efforts of this association."

"Oh, yes," said Mr. Capital G. "I have heard that they lay claim to that. But that has nothing to do with the proposition now before us. These safe-guards are here, no matter how they came."

"No," said Mr. Small G. "the fight has only just begun. Your education in this matter is considerably out of joint. The fact that the Department of Trade and Commerce is now conducting an investigation as to why millions of bushels of wheat going into the terminals as No. 2 Northern can go out as No. 1, similar to a condition that prevailed at Duluth, which was discovered recently by a similar investigation, is proof that this matter is not so simple as it looks."

"But the terminal elevators have no connection with the interior elevators," said Mr. Capital G.

"That is where you are mistaken," said Mr. Small G. "The same brood that operates the interior elevators can manipulate things at the terminals to such an extent that I have no doubt will be a surprise to the Department of Trade and Commerce before they get through with the investigation."

"Well, now, look here," said Mr. Capital G. "It is three years since I commenced farming and this last year I grew some forty thousand bushels of grain, wheat, oats and flax; and I have made the discovery that I cannot afford to have my team hauling wheat in the fall when they can be working on the land. They are worth ten or fifteen dollars per day on the land. Moreover, it is difficult to get cars in the fall, when so many are shipping, so I built several bins in the field, holding some twelve hundred bushels each. They cost \$60 each, well floored and roofed, and will last five or six years. I ran my grain direct from the thresher into these and kept my teams at work on the land."

"I had an economy cleaner on my thresher, which screened out from three to five per cent. small wheat. This I re-cleaned and took to the mill and sold it at 75 cents per bushel. I then bagged up the remainder of these screenings and took them to the mill and sold it for chop feed at 60 cents per bushel; so that I marketed every pound that came through the thresher. I erected on the farm a set of modern scales and weighed every pound of grain leaving the farm. I loaded my grain during the winter over the loading platform, and the weights all held out close enough at Fort William to be quite satisfactory. I sent this grain to three different commission firms and every car except one went straight grade with no dockage, and this one was caused by getting mixed with snow; and every car sold at a premium over track price for the day, ranging half a cent to two and three-quarters cents, averaging about two cents premium."

The Neighbor's Experience

Now, my neighbor told his to the elevator here and they charged him one and three-quarter cents operating charge and one cent commission. That is,

PRESIDENT GATES URGES SUBMISSION OF PROPOSALS TO ELEVATOR COMMISSION

The following interesting letter and memorandum has reached us from President Gates, and we think it is of such general interest that we herewith publish it for the benefit of our members:—

Fillmore, April 9th, 1910.

F. W. Green, Esq., Secretary G. G. A.

Dear Sir:—In considering what action should be taken by our Association in respect to the commission of enquiry regarding elevators and other matters concerning the disposition of the grain crop of the province of Saskatchewan, we are in a very different position to that occupied by the Manitoba Association prior to the passing of legislation on the subject by the Manitoba legislature.

We, as an association have not been invited to confer with the government, or even, so far as I am aware, especially asked as an association to submit any proposal or evidence to the commission.

Nevertheless I think it will be generally expected that the executive of our association should prepare and submit to the commission, definite proposals. It is well known what we want and our demands and requests have been repeatedly stated in general terms, and with more or less explanatory detail.

I am of the opinion that we should reiterate our wishes with all the force at our command, and am of the opinion, also, that we should elaborate details as to what we consider practicable and satisfactory methods of achieving our ends.

While in the past we have struggled for the principle, and while the ultimate fixing of details rests necessarily with the legislature, it yet seems to me that the sittings of the commission afford us an opportunity of advantageously placing publicly on record what we deem essential features of any system which may be adopted by the government as the outcome of the report of the commission. We have the opportunity properly used of influencing that report by the submission of carefully considered, reasonable and practical proposals.

Perhaps the best way would be to submit in evidence to the commission, a memorandum which should be the official evidence of the executive, and which memorandum should be drawn up at a meeting of the executive to be held at some convenient time next month. This would give time to collect the latest available statistics as to number of elevators, amount of grain handled, information re farmers' elevators, etc.

Further, that each member of the executive and each member of the association be urged by circular to all sub-associations, and by statement in the official organ, to give whatever information is at their disposal to the commission as individuals.

When more is known as to the full scope of the enquiry, the executive should decide what evidence they could offer on other subjects, and take steps to present the same.

In the meantime I have prepared the enclosed memorandum which you might submit to the executive officers for their consideration preliminary to the suggested executive meeting.

This memorandum is not to be considered complete, but merely suggestions of some points upon which we ought to be agreed.

Yours very truly,

F. M. GATES.

WHAT WE WANT

Storage and shipping facilities independent of and separate from the buyers of and dealers in grain, where the identity of the grain may be preserved absolutely and without question until the same is sold, if the owner so desires; and where the weight will be correct and be the full weight after cleaning, less a uniform dockage set by law to provide for shrinkage and handling; and where a method of sampling is followed that will enable the grade to be determined in advance of shipment when necessary; and further that the certificate of the elevator operator with grade attached be such that under the system adopted it shall be recognized as negotiable to the same extent and in the same manner as a bill of lading.

That direct loading from platform and siding into cars be continued as at present.

That no expropriation clause be incorporated in any act of the legislature establishing or authorizing government ownership and operation of elevators.

That the government at every point where application is made by a sufficient number of farmers to warrant the necessary expenditure, provide either by the erection of new premises or by purchase and alteration of existing privately-owned elevators, the accommodation asked and operate the same.

That the system provide for cleaning grain at point of reception.

That the system be operated by a commission, the form and method of appointment of such commission to be:

As it is almost a certainty that any government will demand some form of guarantee from farmers that an elevator when provided at any point shall receive sufficient patronage to ensure that the ordinary charges for elevator service will produce a revenue sufficient to provide operating expenses, up-keep and sinking fund, it would be well to decide what would be reasonable and acceptable to both the government and our members.

A hard and fast agreement such as was demanded by the Manitoba bill would undoubtedly be unpopular and tend to defeat the success of the measure.

A guarantee of a given quantity of grain in the aggregate by a number of farmers and specified as to be 50 or 60 per cent. of the grain shipped by each of them would probably be more acceptable to the producer and should be perfectly satisfactory to the government.

Or, that the farmers of a district demanding elevator accommodation of the government, should contribute 25 per cent. of the cost of providing the same by subscribing for government bonds, and thus proving their interest in and evidencing to the government that the necessary patronage will be forthcoming.

That provision will be made by the system for handling single loads or quantities less than car lots, and arrangements made whereby the owner of such loads may receive an advance of not less than 65 per cent. (possibly 80 per cent.), of the estimated value, if he so desires.

F. W. GREEN.

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They bought his wheat at track price less two and three-quarter cents per bushel besides a considerable dockage; so you will see I got practically 4 cents per bushel more than he did, as considerable of mine was sold on 1/2 cent commission. My teams haul two loads per day the same as his, and put it directly into the car, and they were generally home first. They would not have hauled a pound more if they had put it into an elevator. Now, of what use would your government elevator be to me?"

"I know," he continued, "that you will likely say that I am not a representative farmer, and that hundreds cannot do as I do; but I want to tell you that I represent a class of farmers who can and do do it, and you will not get me to agree to load the country with debt for a system of elevators to help those who will not try to utilize the facilities that are offered them already. And you will have to shear off the sentiment from your argument and get down to pure business with me."

"Well, all right," said Mr. Small G. "these hundreds you speak of, who are not situated like you, may be put tens of thousands, and call them what you will, there is the condition to face that they do not help themselves, as I suppose you mean they do not take advantage of the provisions of the Grain Act, viz., to weigh and demand current weight and grade, or special bin and ship direct."

"Yes. Just hold on; you wait," he went on to say, "the condition is there are millions of bushels of our wheat is going on the market under this condition, and it places so much wheat in the hands of the large dealers and millers, who are also elevator men and exporters, that they can practically control the price of Canadian wheat on the ultimate market. And, as a matter of fact, it is to their interest to manipulate the price and quality of our exportable surplus in such a way that it pays them to sell Canadian wheat on the ultimate market so as to spoil its maximum value to the British miller for blending purposes, so they may beat him in competition (with Canadian flour made out of better qualities of grain) on his own market."

The Manipulators

"Do you see, they try to make conditions so that the British miller cannot compete with Canadian flour on the one hand and at the same time fix the price of our export wheat at less than its maximum value, so that they, the Canadian dealers, can buy Canadian maximum wheat at minimum prices; and so, while you, with your big outfit and farms are able to escape the cut-throat method of the Canadian elevator men at this end through the facilities given you by the efforts of this Grain Growers' Association—as I said, the fight's only begun—and the very condition you have described re this ignorant crowd who dump their wheat into the elevator on the elevator's terms, is the very condition, the breeding and feeding ground which makes it possible for these large dealers to create conditions at the ultimate market by which they fix the price for all Canadian wheat—of course, within certain limits—and by the power thus acquired skin you sharp as you are, along with all the rest."

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