

keting wheat at the country point is the loading platform, and the evidence before the Committee would seem to indicate that only five per cent of the total crop was handled in this way. Wheat shipped over the loading platform is not affected by this legislation in any way, shape or form, so that we can leave out of consideration grain loaded in this manner, as it does not concern us in consideration of this Bill.

The next method of marketing grain is the sale of street wheat, whereby the farmer takes his grain to the country elevator and sells it for cash in waggon-loads. The sale is made as one would buy a pair of shoes in a store. The farmer delivers his wheat, takes his pay therefor, and the transaction is closed. The volume of the annual crop represented by street wheat is very large, and was estimated before the Committee as about fifty per cent of the total crop. This volume of street wheat is also not affected by the proposed legislation, either directly or indirectly, so that we need not consider it any further in discussing the merits or demerits of this Bill.

Then there is the third method of selling grain, known as "special bin grain." In each country elevator there are different sized bins, and a number which have accommodations for one car load only. If special bins are available, which is usually the case except in the rush season, the farmer can have his car-load run into a special bin without having it graded, and he can order it shipped forward to a terminal point any time he desires, and the identity of his grain is kept separate. Special bin grain is not a large percentage of the total marketed, in fact it is an infinitesimal quantity compared with the general total. Some of this special bin grain is bought outright in the elevator, and would not come under the Bill, but where it is shipped to a terminal the provisions of the proposed Bill would apply. The volume, however, is not sufficient to concern us very much.

There is a fourth method of marketing grain which is brought directly under this Bill, and it is this class of grain, known as "graded grain" in general bins, which is the basis of most of the trouble. Evidence before the Committee would tend to show that fifteen per cent of the crop is handled in this way, and in a crop of 400,000,000 bushels, the House will see that 60,000,000 bushels annually are involved, or in a 300,000,000 crop some 45,000,000 bushels would be involved. It would appear that this class of grain is the main bone of contention between the contending parties. The pool people claim that the legislation only affects this small portion

of the crop, but on the contrary the grain trade claim that the volume of this grain would be a great deal more than fifteen per cent, and would more probably run to forty per cent; but in any case it is a sufficiently large volume which, diverted from their system, would mean the difference between success and failure in their operations.

In answering the question, why pools and the grain trade fight over this 40,000,000 or 60,000,000 bushels, a new element enters into the matter, namely, the question of terminal elevators. When the grain trade entered the grain business they found that, like all other businesses, certain equipment was necessary, involving large capital expenditures. First they had to have country elevators as a collecting agency to collect grain, but they could not carry on with this alone. The necessary corollary of the country elevators were elevators at terminal points to take care of the grain on arrival at the head of the Lakes, and later on, the same class of elevators at Vancouver. Huge terminal elevators, involving from \$2,000,000 to \$4,000,000 each, were therefore a necessary part of the general equipment. In this way a terminal elevator system has come into existence, and the Government has provided that on the arrival of grain at terminal points it is weighed by Government weigh-masters into all Public terminal elevators. The farmer, therefore, has complete protection provided by the Government for the weighing of his grain at terminal points. From these terminal elevators grain is loaded out into boats, or for Lake and rail shipment during the Winter months.

Why is the terminal elevator question so important in this issue? For these reasons. Both parties to the controversy are contending for volume of business at the terminals for various reasons, the main being as follows:

First, because the grain trade get one and one-half cent for every bushel put through the terminal elevator, and an additional one-thirtieth cent per day per bushel storage after fourteen days.

Second, because they get certain advantages in the great turn-over by way of a difference in dockage between the dockage allowed by the inspection Inspectors and the actual dockage shown by the out-turns at the terminal elevator. That is a very material consideration.

Third, and most important of all, because through the mixing of wheat they are able to turn a loss of grade into a gain, or at least, to protect themselves in losses of grade which more or less frequently occur as a result of guaranteeing grades at country points.