

Elevator Exaction Again

Big interests of Winnipeg Grain Exchange attempting
to Destroy Small Dealers and Commission
Men and thus Kill Competition

By ONE WHO KNOWS

A REWARD EQUAL TO NINETENTHS OF THE FINE WILL BE PAID BY THE WINNIPEG GRAIN EXCHANGE TO ANYONE SECURING INFORMATION WHICH WILL LEAD TO CONVICTION OF MEMBERS GUILTY OF INFRACTIONS OF THE COMMISSION BY-LAW.

The fact that the council of the Winnipeg Grain Exchange have promulgated such drastic orders, implying the re-introduction of the famous or infamous "Search Letter or 3rd degree Sweat Box System" is highly interesting indeed, particularly in view of disclosures during the recent court proceedings concerning the celebrated "Commission Rule No. 19" and the "\$50 per month salary clause." The commission rule which was suspended over a year, was recently re-established, carrying with it the commendable feature of the one cent per bushel commission charge, or the fee levied by track buyers and commission dealers who handle car lots of grain direct from the producer. When the one cent commission rule was dispensed with over a year ago, by the elevator interests in the Exchange who control the vote, much surprise was expressed by those who failed to understand or appreciate this apparent magnanimity on the part of the elevator people, it being impossible to conceive why matters so trivial as one cent per bushel should concern the elevator magnates of this country. The suspension of the one cent commission charge was, however, a question of grave concern to the track buyers and commission dealers since it represented their entire revenue, and the re-establishment of this feature of the by-law will no doubt be hailed by the smaller dealers with pleasure.

Throttling Competition

However, ingeniously coupled with the excellent feature of the one cent commission charge in the commission rule, we find certain restrictive features, notoriously coercive and tending to absolutely throttle competition by eliminating from the grain trade dealers engaged in the carlot business, such as track buyers and commission men. This is accomplished by the re-introduction among other things of that highly celebrated and thoroughly court-aided "\$50 per month salary" clause.

Quoted below is a clause from the commission rule affecting track buyers and commission dealers:

By-law 19, Sec. 6.—"or shall, except as hereinafter permitted, directly or indirectly pay or give, or offer to pay or give any consideration of any kind whatsoever to any person, firm or corporation to influence or procure shipments or consignments of grain to any member of this association, or to any firm or corporation admitted to trade therein; provided however, that nothing herein contained is to prevent the regular employment by members of this Exchange of legitimate registered travelling men who devote their whole time to the business of their employer, or registered track buyer, who is paid a salary of not less than (fifty dollars (\$50) per month, nor the regular employment by an elevator operator of elevator employees on salary (or part salary and part commission) at any country point."

Penalties provided for infraction of above by-law include fines of from \$300 to \$1000, censure, confiscation of property and expulsion from the Exchange. It will be seen that under the present commission rule track buyers are prohibited from "paying or giving any consideration of any kind whatsoever to any person, firm or corporation, to purchase carlots, influence shipments or procure consignments of grain," but may employ travelling men, entailing an expense of about \$300 per month, and agents at country points, "at a salary of not less than \$50 per month." These restrictions, however, do not apply to elevator owners, who may employ their country agents on a basis of "part salary and part commission."

The Absurdity of the Case

The carlot business is handled at a gross profit of only one cent per bushel,

and it will readily be seen that the revenue derived therefrom would not warrant paying such salaries to country agents as would induce men to devote their whole time to the carlot business, but would permit of paying a percentage per bushel or commission per car on the amount of business done, and such remuneration though small, would prove attractive to an agent otherwise employed and deriving revenue from another source. Experience has proven that country agents on the average do not handle over three cars of grain per month. This means a gross revenue to the employer of \$30, from which, of course, must be deducted all expense incidental to the handling of the grain, leaving a net revenue of about \$20 on the three-car transaction. The iniquity of having to pay such a country agent \$50 per month needs no comment, nor does it require a mathematician to figure out the loss to a track buyer who may have one hundred odd agents in his employ at \$50 per month.

In defending this nefarious \$50 per month scheme, the elevator interests have always contended that the payment of a percentage per bushel or per car, was a

trouble in the old Grain Exchange. Disgraceful, not only because it is coercive and illegal, but because it has already brought many of the Exchange members before the courts, some within the shadows of the prison bars, and at least one or two have sought relief in exile in foreign climes.

During the past fifteen years many nefarious schemes have been launched by the elevator interests in the Grain Exchange for the purpose of eliminating the track buyer from country markets. Now the despicable practice, espionage is to be inaugurated, placing a member who is contemptible enough to accept a bribe, on a par with a common whiskey detective.

Gentlemen of the Winnipeg Grain Exchange, you have lauded yourselves before royal personages, retailed your virtues at the Canadian Club, proclaimed yourselves at every opportunity men of dignity, high standing, philanthropy and integrity. Don't you feel ashamed of yourselves?

An Explanation

Note.—To bring the preceding paragraphs within the comprehension of readers who are new to the West, or who have not followed matters pertaining to the grain trade closely, a few words of explanation are necessary. Some few years ago the Winnipeg Grain and Produce Exchange, a chartered corporation, found themselves in trouble in the courts, the main complaint being on account of the commission rule of that body. The clause of that rule prohibiting the handling



Cleaning Seed Grain on Maple View Farm, the property of J. W. Henkins, Minitaska, N Dak.

breach of the commission rule, and rendered the dealer employing such practice liable to the penalties provided for "rebating commissions." The utter unreasonableness of such argument is only exceeded by the criminal motive behind it. One cent per bushel is the track buyer's gross and only revenue and his to do with as he may see fit, therefore a commission rule which stipulates that no part or percentage of this one cent shall be paid to country agents, might as well go further, and declare disbursements for advertising, telegraphing, office expense, etc., in connection with a track buyer's business as a "rebate of commission" and contrary to the by-laws, and why stop here; would not household expenditure be regulated by this commission rule, which aims at preserving intact the track buyer's one cent per bushel revenue?

Fat for Elevator Men

From the foregoing it will be seen that the commission by-law plainly spells protection for the elevator interests, and "bone yard" for the track buyer, coercive, because it denies the track buyer the privilege of exercising such a natural impulse and business practice of engaging the best man available as his agent, employing him at his worth, or on terms commensurate with the volume of business transacted; also because through the medium of a "search letter" a member may be forced to disclose to the council of the exchange the amount of remuneration paid his agents, and divulge the cost of obtaining and maintaining his business, thus possessing his business competitors of information which would enable them, under the "commission rule" to regulate and control his business operations; illegal, because the best, and certainly the highest legal authority in the province has declared it so, and amenable to the attorney general's department, the boasts about a "voluntary" association's immunity notwithstanding. As a matter of fact the restrictive measures of this by-law concerning remuneration to country agents has never yet been enforced, but an attempt to enforce it about four years ago was the cause of nearly all the

desire the retention of the one cent rule they do not want the \$50 rule. Both rules are contained in the same by-law, so that to retain one both must be retained. Until a few days ago no effort was made to enforce the \$50 rule, but the council of the Exchange have now evidently made up their minds to follow it out. The "search letter" system referred to in the article is a ruling of the council which makes it compulsory for commission firms to render accounts of their business to the council in order that this body may determine whether or not they (the commission firms) are observing the commission rule. The commission men see no reason for submitting their business transactions to men who are their business competitors, and knowing every detail of the commission firms' business, could soon put them out of business. It is probable that there will be another fight before the elevator interests are again put in their places.—Ed.

HARD LUCK ADAM

(By Grantland Rice)

Adam had no Easter hat to buy for Mrs. Eve;
Adam had no "cost-of-living" troubles to aggravate;
Adam had no job to hold by slaving day or night;
Adding columns—beating carpets—planning stuff to write;
Adam had no hectic cinch—played across the boards;
Everything that Nature and an idle life affords—
And yet I wouldn't exchange with him or trade my bitter cross—
He never saw a triple drive the winning run across.

Adam had no dress to buy to calm his spouse's grief—
(All that Adam had to do was go and pull a leaf)—
Back in Father Adam's day—long and long ago,
There was not an Aldrich nor a crusty Uncle Joe;
Raving politicians never raved about the land,
Double-crossing voters in a way to beat the band;
But with it all poor Adam never had a chance to dream
Of old three-hundred hitters and a pennant-winning team.

Adam living on Easy street—dreaming in the sun;
Never a policeman there to cut in on his fun;
Never had a cook around threatening to leave—
"Bridge" was not invented in the days of Mrs. Eve;
Take it up and down the line in those golden days,
Adam had it on us in a hundred different ways;
And yet with all his blessings what a dull and massive pall—
Poor old Father Adam never saw a game of ball.

OPENS BIG TRACT

Vancouver, B.C., Nov. 23.—In connection with the proposed Mackenzie & Mann trans-provincial line from Stewart, B. C., to Edmonton, north of the G. T. P. route, announced several weeks ago, two features of importance have developed. Application for the charter will be made to the Dominion parliament at the approaching session, while one of the links will be the Alberta and Great Waterways Railway projected from Edmonton to Fort McMurray, if the firm is successful in its negotiations with the Alberta government to acquire the control of that charter. Other interests also seek the same franchise. A bill seeking to transfer the Waterways charter to a new company, it is expected will soon be placed before the Alberta legislature. The proposed trans-provincial railway of Mackenzie & Mann will, it is claimed, develop larger and more fertile agricultural regions than those tributary to the G. T. P. Detailed information in the possession of Mackenzie and Mann shows that there are over 1,000,000 acres of arable land in the Naas Valley alone. Mr. Lewis, the firm's engineer, who has been over the district this summer, states that easy grades can be secured. Survey parties will be placed in the field early next spring, when Mackenzie & Mann will likely place a small steamer on Mesadina lake in the Naas Valley in connection with their activities in that district.