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Saskatchewan

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 Grain Growers' Association

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Address Given By F. W. Green Before
 Special Senate Committee Regarding
 the New Grain Act on
 March 20, 1912

Mr. Chairman and Honorable Members
 of the Senate of Canada:—

I appear on behalf of the Saskatchewan Grain Growers' association, which now numbers some fifteen thousand members, working in between five and six hundred local Associations. There are eight local officers in each of these and approximately thirty members, making in all some four thousand officers. These are holding meetings monthly or fortnightly, and in many cases weekly. They discuss questions relating to production, legislative enactments and the various conditions affecting the marketing of their grain. They realize now as never before the business of farming is no longer begun and ended on the space within the line fence of their farm, but that they are specialists exchanging their products for the labor product of almost every other class in various parts of the world. They realize that class organization all over the world, strikes, combinations, mergers, famines and floods all, more or less, affect them and become part of their business.

The annual conventions have just been held and you have here before you the general secretaries of the three great Western farmers' organizations. Some years ago, for reasons now well known, a farmer could not secure a car in which to ship his own grain. The railways would not accept shipment from him or anyone but an elevator operator. Agitation commenced. The government of the day listened to the farmers and certain provisions were inserted in the Grain Act, and a warehouse commissioner appointed with power to compel the railways to provide loading platforms and to give individual freedom of shipment. The railways were opposed to this. All kinds of stumbling blocks have been placed in the way of farmers using this privilege, resulting in a continual warfare, the farmer trying to secure his individual right and the railways and elevator people trying to keep him from so doing.

About one year ago, before a committee of the Senate, presided over by Sir Richard Cartwright, representatives from the Grain Exchange, Winnipeg, elevator men and railway operators, together with representatives from our Association, appeared and matters were pretty thoroughly thrashed out. I have here a copy of the evidence submitted and out of the mouths of the railway and elevator people themselves, there is the most conclusive evidence of a gigantic monopoly based on an agreement between the railways, certain capitalists and the elevator operators. These agreements show clearly the nature and magnitude of this combination and why farmers have to fight continually year after year for cars to ship their own product to market. The combination have it in their power to create a car shortage or a money stringency at any point at will, with disastrous results to the farmer. For many years farmers have been trying to escape their exactions, both at the initial shipping point and at the terminal elevators. They have induced the Provincial Government to attempt assistance at the initial point, but much difficulty has been experienced, as the whole administration of the Grain Act is in the hands of the Dominion Government, from whom this powerful aggregation secured their charters. The Provincial Government have no authority over them or the administration of the Act. For many years our organizations have been passing resolutions, asking the Dominion Government to

secure control by purchase or lease and operate the terminal elevators. The late government did not appear to favor our plan, but sympathized with our object. They thought they could secure the result aimed at without government ownership. Their plan was outlined in Bill "Q," over which, as you are aware, the evidence referred to was taken. The intent was to prohibit anyone from operating a terminal elevator having an interest in grain passing through it. This was opposed strenuously by the railways, capitalists, elevator owners and operators for the reasons clearly shown in the agreements referred to in the evidence.

As you are aware the government went to the country with this bill pending. Their defeat at the polls and the action of the new administration regarding Bill "Q" I need not refer to. During the election, however, farmers were promised by members of the present administration that government ownership of the terminal elevators would be granted. But now, in this Bill 32, for which the farmers have been anxiously waiting, it seems everything they ask for is being sacrificed and the very thing they feared and hated is being legalized and provision made for the evasion of all the farmers' rights and the establishment of everything previously asked for by this powerful combination, namely, power to mix and evade the car distribution clauses of the act. How any body of responsible men could listen to the farmers' requests, for the government to purchase and operate the terminal elevators, to stop mixing and safeguard the integrity of the grades and then bring in a bill like this and expect farmers to believe or trust them or put any dependence in them whatsoever is the mystery of the hour. How anyone could endorse clause 123 of this bill, section 1, proposing to separate buyers of grain from operation of the terminal elevators entirely and add on sub-section A and B and section 3 and 4, nullifying absolutely section 1, and claim to be granting the farmers' request, is beyond our comprehension. It appears to the ordinary farmer as a most miserable conglomeration, meaning nothing but mix, both the Act, the farmer and the wheat. We ask for bread and we are offered a scorpion. Section 2, of clause 57 of this Act, provides for making legal that which our main request was to stop, while section 207 makes provision for taking away the farmers' individual statutory right to a car in his turn, one of the things which above all others the farmer has been steadily contending for, and which railways and elevators have been trying to take away from him ever since its enactment.

Let me point out, gentlemen, that this car distribution clause is our only arbitrator, not only as between farmers and elevator men, but between individual farmers. At many points frequently there is offered for shipment many times as much grain as can be taken care of by the railways or elevators. At such times the grain that does get out is worth from five to twenty-five cents a bushel more than the grain which has perforce to stay behind. This naturally makes contention as to who is to get the cars. And our farmers desire that so long as these blockade conditions prevail, the individual right of each for a car in his turn shall be preserved by statute and not left to the arbitrary will of any man or small group of men whatsoever. I have in my office a tremendous amount of correspondence calling upon our executive to do their utmost to prevent the passing of these new proposals. The men almost universally claim they prefer the old act to the new one proposed.

About one month ago we were here and presented our case to the Honorable

Minister of Trade and Commerce and we left thinking these obnoxious clauses would be cut out before the Bill reached the Senate. But as the Bill went to the House for the third reading, as it now stands, we concluded the government had turned a deaf ear to our representations. I wired W. E. Knowles, the member for the constituency from which I came, asking him to find out if anything further could be done to assist our cause. Mr. Knowles read that telegram in the House of Commons and the Hon. Mr. Foster is reported to have replied that he had listened to the Grain Growers' representation already. If they wished to say anything further it could be done when the bill was before the Senate. This is our excuse and apology if one is needed, for being here, to ask the Senate of Canada to save the Western farmers from falling into the hands of this most rapacious aggregation into whose hands it seems Western farmers are about to be delivered. I might further say that yesterday we again interviewed the minister. We pointed out that for thirty years some of us had been struggling with these problems, that our people were the men who produced the grain and to whom the equity in the pool belonged and whose word should receive due consideration. But we seemingly could prevail nothing.

Chairman—What do you mean by the equity in the pool?

Mr. Green—I assume, gentlemen, that you all understand the Grain Act and its provisions much better than I do and I fear to attempt explanation lest I waste your time.

Some Honorable Members—No, No.

Mr. Green—Well our view is something like this. The grading system was adopted to make possible the grouping of grain to secure greater economy of shipment in bulk. All grain of higher quality than that set in our standards as No. 1 is put into a group called No. 1. All below that down to the standard set for No. 2 goes into No. 2 group and so on down through all the grades, so that into each grade is put grain of considerable value above the quality called for by the standard set for that grade, producers being paid all the same price. The value of this composite lot or grade, you will see, should be midway between the lines of demarcation set for each grade. For instance: If into the public bin the inspector puts all grain valued at from 71 cents to 80 cents per bushel, inclusive, and calls that grade No. 3, the farmers have in that grade a pool equity of 5 cents per bushel, as the output of that bin should be 75-cent wheat, the average value of the total going into it. If the integrity of this group is maintained, say to Liverpool, the buyers there will give its value, 75 cents per bushel, cost of transportation added, but if by means the output of this bin is trimmed so that only 71-cent wheat is delivered out of it, which is equal to that called for by the Act, the farmer has lost the value of the pool, and the elevator men are able to secure this trim in price on all No. 3 grade. The price the Liverpool man would then give would be only 71 cents, when its real value going into the bin was 75 cents (5 cents of which the farmer can only receive by this value being maintained) and thus become the base price for all wheat of that group being bought in the interior. Such is the farmers' contention, and it is one strong reason for their desire of government ownership of the terminals and is why this new Act, especially the clauses referred to, is so obnoxious to them.

Chairman—Would not the sample market provide such competition as would secure to the farmer this pool equity you speak of?

Mr. Green—That is a question. The

combination previously referred to, which dominates the grain trade of Western Canada, have already the most cunningly devised set of machinery to avoid competing with each other at the initial points, and it is not likely they are asking for a sample market in order to establish any very keen order of competition between themselves. We think the first thing to make competition possible or provide a safe channel through which farmers may ship is government ownership of the terminal elevators and such conditions as will give absolute freedom of shipment at initial points. Blockade, car shortage or monopoly conditions of any kind at initial points or at the terminals make all kinds of iniquity and extravagant exactions possible. Who would want to buy grain by sample and put it into the hands of this combination for safe keeping. It is thought by our farmers to be a most outrageous lack of business acumen for the government to take possession of this pool equity belonging to the producer, put it into these so-called public bins and deliver the keys with the whole machinery and equipment over into the hands of the very men from whom the farmer, with the aid of the Provincial Government, has been trying to escape at the initial points.

Senator Pope—Why don't you go more into mixed farming in the West?

Mr. Green—That is aside from our present case, but admit its point and I might say that years ago we tried that out and failed. In no general sense can it be applied in the West as yet. As soon as we have a surplus of any product, the law of supply and demand establishes the value of the whole at world's price, less cost of transportation. I myself have been compelled to sell beef at 2½ cents per lb. on foot and the very best at that; pork at 4½ cents dressed, butter at 10 cents per lb., while vegetables could not be given away. Farmers have a painful recollection of what city people will do to them just as soon as they see a little surplus of these commodities in sight. We do not blame them. But it seems to be an economic law that is not conducive to the general adoption of a system of mixed farming. Then what condition would a farmer be in if, after having spent two years to produce grain, he undertook to make it into beef, pork, butter and poultry, and a year or two later when offering it for sale he could not secure as much for it as he could have got for the grain the year before, and when his feed was gone and the cold winter set in, railways could not take the product away, or he has to deliver it into the hands of a beef trust, whose tender mercies are no better developed than the combination in question.

There are millions of bushels of wheat today lying on the prairies awaiting shipment. Farmers having spent two years to produce it, their own labor and much that is hired, invested in it. They are being sued for debt on the one hand, branded as speculators for holding their wheat on the other, and by the East branded as criminals for growing it; advised by railway magnates and agricultural students to feed these millions to hogs. What is really wanted is a few good level-headed thinking men to consider the geographical position and climatic conditions and adaptability of the country, with nerve and energy enough to put in operation a policy in line with those considerations. Then Western farmers might be given credit for a little sense. They will adopt all the mixed farming that is safe or as much as will pay with any assurance that paying conditions will continue. Mixed farming has to be considered from a much broader view point than raising a few chickens

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