

product largely of our insane commercialism. One result of it was (on account of the restricted credit and higher prices for grain), a reduction in the amount of advances given on cars, and for the period of a few months the refusal of advances to those farmers who wished to hold their grain at Fort William. Another was a slight change in the conditions surrounding the sale of car-lots. Heretofore delivery on sales could be made when the inspection certificate was received and attached to the bill of lading.

This method ceased last fall, and under new condition sale or delivery could only be made upon Warehouse Receipt. When a car of grain was unloaded in the terminal Elevator, the Bill of Lading had to be surrendered and the freight paid. A Warehouse Receipt for the amount of grain unloaded was then issued by the terminal warehouseman, and the grain was in a position to be sold. The introduction of this system increased very materially the amount of work in the office, and, in addition, tied up a considerable sum of our money in paying of freights before the grain was sold. Another outcome of this was the delay in making sales. Farmers in the country who could formerly sell their stuff any time they wished after it was inspected, could not understand the delay of making a sale until after their grain was unloaded.

Another matter upon which a word of explanation would be in order was the delay which occurred for several weeks last fall in getting out adjustments after sales had been made. In the first year's business the Company handled 2½ million bushels of grain. This year it has reached within a few thousands of 5 million. Though the total crop of last year was a great deal less than the year previous, we expected there would be a considerable increase in the amount of grain we would get, over that handled in the year which had closed. We, did not, however, expect anything like the extraordinary amount that poured in upon us when the crop commenced to move. The result was that we had not a sufficient staff to handle the work as expeditiously as it should have been at this busy season of the year. Clerks familiar with the business are not easily available. New men taken on had to be instructed in the work. In addition, we were handicapped by lack of room in our offices.

The result was as I have stated, that despite everything we could do, we got behind in our work, and considerable annoyance was occasioned some of our shippers on account of this. Where this explanation of delay was given, I am glad to say it was willingly accepted.

I cannot speak too highly of the effort put forth by our staff to keep pace with the work, the important members of it being in the office every day for practically three months until eleven and twelve o'clock at night. We could not have had a more loyal staff nor one which took a keener personal interest in their work.

Last fall there was a large amount of frozen wheat in North-Western Manitoba and Northern Saskatchewan. A good demand for it existed in Ontario and Eastern Provinces for feeding purposes. As the result of a letter in Eastern papers from Mr. McKenzie, Secretary of Manitoba Grain Growers' Association, we received several hundred enquiries for it, and were successful in making quite a number of sales. In this respect it was extremely difficult to compete with the dealers who were buying it through their elevators by wagon load from street, at often from 15 to 20 cents per bushel under its track value. There were many complaints also from the East as to the quality of the stuff they were getting down there. A strong suspicion existed, that in passing through the Fort William terminal elevators, screenings from other grain was mixed with the frozen wheat, and shipped out as feed. This fact was borne out by Mr. Blain, the representative, I think of Peel county, in the House of Commons, who took the matter up there

early last session and asked the Government to forbid the importation of Manitoba frozen wheat into Ontario, for the reason he claimed, that it was flooding the latter Province with foul seeds. It was a singular fact often noted, that our frozen wheat last season was remarkably free from foul seed, accounted for largely by the fact that it came from the newer districts where these seeds have not as yet got a foothold. It serves to illustrate very clearly the urgent necessity there is of having our terminal elevators owned and operated under Government control instead of by private Companies or Corporations, a method which would increase the value to the producer and work a hardship to none.

During the past year we have kept in touch with the Old Country markets by frequent exchange of cables with buyers there. In keeping in touch with the Old Land markets we felt we were working along right lines, even if we were unable to engage to any great extent in an export business. As you no doubt know, the margin of profit in exporting grain, for a period of several months, during the past season was very large. In the period of extreme stringency only the favored few who could control the purse strings of at least some of our banks could export grain, and under the condition I have mentioned it is not difficult to understand the immense profits they no doubt made. This condition of affairs which existed last fall shows very clearly the absolute necessity of our Company being equipped with the necessary capital to enable it to go into the exporting of grain when such conditions warrant it, or for that matter at any time. I would like to point out, however, that even the possession of sufficient capital will not remove all the obstacles in the way of our building up an export trade. A commission firm such as ours, is compelled from the nature of its business to gather its grain for export upon the basis of track prices. Who would be our competitors? The elevator interests who through the monopoly of storage facilities, which they enjoy in the possession of their gathering elevators throughout the country, buy more than 50 per cent of our total grain product at an average easily of 6c a bushel under the price at which we could collect it from car lots. They could thus undersell the dealer who did not possess the same advantage which they possessed, and still have a good margin of profit on their turnover. There is a rapidly increasing number of farmers and business men, and even a stray grain dealer who believe that the remedy will be found in our Provincial Governments acquiring and operating all storage facilities in the way of elevators and warehouses. This would cheapen very materially the cost of getting our stuff upon the market. It would enable the farmer to place his product upon the market in its best condition, doing away with the necessity of paying a couple of hundred thousand of dollars in freight to Fort William annually, upon a couple of million bushels of dirt, and moreover would place all interests upon an even level in the handling of the grain, thus creating an active and lively competition. While we have successfully exported several small shipments during the past six months, I may frankly say I do not see, on account of the reasons I have already given, any prospect for the Company developing much of an export trade during the coming year.

There is another matter which the Company has taken up during the past year which was not touched during the first year's business. I refer to the pressing of claims upon the railway companies. If our business grows as conditions seem to warrant that it will, it will require to be highly organized. With this in view we have organized in our office the nucleus of a Claims' Department, and placed one of our clerks in charge of it. Under the laws governing our Railways Companies the latter have to deliver to the terminal elevators the amount of grain, a farmer loads into a car, and also leave the car in a suitable condition to receive grain.