

The Grain Growers' Guide

ADDRESSED TO THE FARMERS OF



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THE ELEVATOR BILL SITUATION

The past week has seen the Grain Growers' elevator committee before the agricultural committee of the legislature where the views of the Grain Growers were freely presented. There is still a dead-lock, as the Grain Growers have remained firm in the discharge of the duties entrusted to them by the Brandon convention. The government has expressed no willingness to recede from its position on any of the three essential points of the bill now before the legislature. The meeting of the agricultural committee on Thursday last, was well attended, and Acting Premier Rogers and Mr. Coldwell were present. The case of the Grain Growers was presented by President D. W. McCuaig, R. A. Bonnar, R. McKenzie and T. A. Crerar. Doubt which had been expressed as to the unanimity of the Grain Growers in demanding an independent commission was effectually disposed of during the meeting. All of the speakers made themselves very clear, and President McCuaig informed the agricultural committee that the Grain Growers' elevator committee was of one mind on this point. The Grain Growers also placed themselves on record as opposed to the expropriation clause, and also to the provision demanding a 60 per cent. petition from the farmers tributary to any elevator. This was the first opportunity which the members of the legislature had of hearing the views of the Grain Growers directly from their leaders. The Grain Growers created a profound impression and their representations brought home to the members of the legislature the importance of the subject with which they were dealing. The figures presented to the committee by T. A. Crerar showed that there would be a good surplus from the management of the elevators. The figures are given elsewhere on this page.

In replying to the Grain Growers, Mr. Rogers expressed his utmost faith in the success of government-owned elevators. He maintained that to give the control into the hands of an independent commission would defeat the chief aim of the Grain Growers. He contended that it would be bringing on endless litigation which would not occur if the government had direct charge of the elevator system. This point has been taken up very strongly

in the same manner by the Winnipeg Telegram. The idea seems to be that an independent commission would be subject to all sorts of legal attacks by powerful interests, and that these same interests would be afraid to attack the government under similar circumstances. We confess that we cannot see the logic of this contention. If the legislature confers powers upon an independent commission and stands behind the commission we cannot see why it would be the object of an attack such as Mr. Rogers has pointed out. If large interests hesitate before attacking a government which is supported by part of a legislature, then we feel equally sure that these same interests would hesitate still more before attacking an independent commission which had the backing of an entire legislature. An independent commission in charge of the elevator system would have as able legal advice as could be secured by any government. We think we are safe in saying that the fear of litigation in the case of an independent commission is something that will never be realized. Every possible argument has been advanced against an independent commission in charge of the elevator system. The Grain Growers have answered every argument, and in our opinion have presented an exceptionally strong case in favor of their requests. They have remained true to the trust imposed upon them. They have ever kept before them the best interests of the farmers of Manitoba and allowed nothing to swerve them from the course which they believe to be right. The government, of course, has power to enact any bill they desire. The future alone can show whether the Grain Growers or the government have been right or wise in the attitude they have taken.

On Tuesday morning, March 15th, representatives of the North West Grain Dealers' Association appeared before the agricultural committee to protest against the passage of the elevator bill. The speakers were, their lawyer, A. J. Andrews, and the secretary, Frank O. Fowler. These representatives of the elevator owners laid much stress on the contention that the bill before the legislature took powers outside the jurisdiction of the province. They also maintained that the Grain Growers' Grain Company was the moving spirit urging for government elevators for their own private gain. It was pointed out at this juncture that the agitation for government elevators began before the Grain Growers' Grain Company was conceived. Thus the argument of the elevator men fell to the ground. Mr. Rogers was present at the meeting but took no part. This protest on the part of the elevator men was certainly not by any means a strong representation, and it is considered strange that they have not been objecting before this.

ELEVATORS WILL BE PROFITABLE

There has been some discussion on the matter of whether the elevators of Manitoba under government ownership would be a paying investment. Some critics have maintained that they would be a source of continued deficit, which would have to be met by the funds of the province. This statement is not borne out by an investigation of the facts. The figures presented to the government by T. A. Crerar of the Grain Growers' Elevator Committee shows that there would be a surplus of from \$150,000 to \$160,000 annually, after allowing for every contingency. One thing which will be noticed in going over the figures is that the interest on the sinking fund has not been considered. This is a big item. By placing \$120,000 in the sinking fund each year for thirty years to pay the bonds, at maturity there will be a fund of \$3,600,000, but the interest on this at three per cent. simple interest will be \$1,674,000, so that the actual net income from the elevator system will be considerably larger than is shown in

the figures. The following is the statement presented to the government:

REVENUE			
Initial Charges			
Wheat, 39,749,430 bus. at 1 1/2c.			\$605,515.01
Oats, 9,775,500 " 1c.			97,755.00
Barley, 2,400,000 " 1 1/2c.			36,000.00
Flax, 416,000 " 2c.			8,320.00
			\$837,690.00
Additional revenue from storage earned at 1-30c. per bus. per day upon a basis of at least 15 days.			
Wheat, 39,749,430 bus. at 1 1/2c.			\$109,747.15
Oats, 9,775,500 " 1c.			48,877.50
Barley, 2,400,000 " 1 1/2c.			12,000.00
Flax, 416,000 " 1 1/2c.			2,080.00

Initial charges	\$837,690.01
Storage charges	\$61,704.65

Total revenue	\$1,099,394.66
Or in round numbers	\$1,100,000.00

Indirect Savings

Average dockage on Manitoba wheat (1908-1909)	
Inspector's estimate, 1 1/4 per cent. on 600,000 bushels.	
Freight paid on 600,000 bus. at 9 1-3c.	\$ 50,000.00
Feeding value 600,000 bus. at 20c. per bus.	120,000.00
(Note.—This is at \$5.00 per ton, as against \$9-\$12 realized at terminals.)	
Total indirect saving	\$176,000.00

Cost of Purchase

	Capacity Bus.
Total elevators in Manitoba (storage elevators at mills included)	696 \$1,500,000
Less storage elevators at mills in province	51 2,000,000
	665 18,500,000
Less 7 privately-owned elevators in Winnipeg and St. Boniface	7 855,000
	658 18,645,000
Cost of purchasing 18,645,000 bus. storage at 10c. per bus. cap.	\$1,864,500.00
Cost of erecting 16,500,000 bus. new storage at 18c.	3,000,000.00

Expenditure

Interest on \$3,000,000 at 4%	\$120,000
Maintenance at 1%	30,000
Sinking Fund at 4%	120,000
Gasoline and belting	40,000
Insurance buildings	25,000
Insurance on grain	40,000
	\$ 375,000

Salaries

Operators' salaries	\$300,000
8 Inspectors	10,000
Office salaries, printing, stationery, etc.	30,800
	\$350,000

Or a total expenditure of \$375,000 plus \$350,000	\$925,000
Estimated revenue direct	\$1,100,000
Less expenses as above	925,000
	\$175,000

Out of which must be taken commissioners' salaries.

It will be well for all those interested in the elevator bill now before the government to consider these figures very carefully. The salaries of the commissioners have not been stated definitely, as this is a matter which has not yet been decided upon. There is no doubt but that the elevator system under proper management will bring a net income of very close to \$200,000, which will increase yearly.

ADVANCE OF LEGISLATION

There has been one outstanding feature throughout the entire discussion on the elevator question, not only in the legislature, but in the press and public mind of the province of Manitoba. This is the importance which the Grain Growers attach to the principle of having the control of the commission to operate these elevators free from political party influence. The attitude of the Grain Growers is due to the growing sentiment that the governing class in a community is more or less influenced by environment. In a large measure the environment comprises the interests that direct, operate, and are beneficiaries of the present system in our mercantile and industrial life, and the development of national resources, banking interests, and transportation facilities. The formation of trusts, combines,