



## Hon. Frank Oliver and Terminal Elevators



### Use of the Western Outlet for Grain Depends on the Policy of Canadian Pacific Railway Co.

THE FOLLOWING letters from Hon. Frank Oliver on the terminal elevator situation was handed us for publication by a friend in Alberta:

Ottawa, 22nd February, 1909.

Dear Dr. Clarke,

I have read carefully the letters of Mr. James Bower, president, and Mr. Rice Sheppard, vice-president of the United Farmers of Alberta, which you were good enough to place in my hands. They deal with the question of terminal elevators and car distribution.

As the Grain Act and Grain Inspection Act were very considerably amended last session, I do not think there is any probability of further amending legislation at this session. It is necessary that the amendments made last session should be operated under for a time so that it will be known whether they are of advantage or not, and to make further amendments at this session would only produce complication.

Regarding the erection of terminal elevators at Vancouver: If the Canadian Pacific Railway Company are satisfied that they require the movement of grain west in order to meet the movement of lumber east they will have to provide the necessary terminal facilities at Vancouver and will no doubt do it. Unless they are desirous of sending the grain west, the provision of terminal facilities by any other authority would be of very little use.

There is no doubt that the handling of terminal elevators by grain dealing companies is an evil which Government inspection cannot altogether cure, but I am satisfied that terminal elevators in the hands of a purely transportation company such as the Canadian Pacific Railway, which has no interest whatever in the manipulation of the grades of the grain, can be kept under efficient inspection and control by Government regulations. The Government is not in any degree opposed to the principle of Government-owned elevators, but it is a matter of convenience which is governed by the conditions of each case. The Port Colborne transfer elevator is owned and operated by the government, the Harbour Commissioners' elevator in Montreal is in fact a Government elevator, as are also, I believe, the Intercolonial elevators at St. John and Halifax.

In these cases it is more convenient that the Government should own and operate the elevator than that it should be owned or operated by a transportation company. On the other hand, at Vancouver, where only one line of railway communicates between the grain growing areas and the coast, the natural and proper party to own and control the elevator is the transportation company, the elevator being an essential part of the transportation system. In the case of a Hudson's Bay railway, the expressed intention of the Government is that the elevators shall be owned and operated by the Government, but where it is convenient for the transportation companies themselves to operate the elevators there seems to be no reason for Government ownership, as Government supervision will give all possible protection. The Government is fully alive to the difficulty of effective supervision in the case of terminal elevators operated by grain dealing companies, and is prepared to deal with that question as occasion offers, and as they become satisfied of the means which shall be most effective in dealing with the evils now complained of, and yet which will not hamper unduly the free movement of grain or the due expansion of the trade in proportion to increase of production.

The question is a very large one, and is of such a serious character that a Government which undertook to deal with it otherwise than after due consideration both of the evils existing and of the consequences of a change of system, would be falling very far short of its public duty.

I note what Mr. Sheppard says in regard to car distribution, and agree very fully with him that the resolution was a mistake from the standpoint of the farmer's interests. I have every confidence that the resolution was distinctly worked up by the railway interests, which are certainly not the farmer's interests in this case.

I beg to return herewith the letters you were good enough to hand me.

Yours very truly,

FRANK OLIVER.

In the second letter the Minister further discusses the subject as follows:—

Ottawa, 23rd February, 1909.

Dear Sir,

I have read carefully Mr. Rice Sheppard's letter of February 12th to yourself in pursuance of our conversation.

The question of Western outlet for Alberta grain is of very great importance not only to the farmers of Alberta, but to the whole country, but the use of that outlet depends, not upon any action of the Government, but upon the policy of the Canadian Pacific Railway Company. Hitherto it has been contrary to the company's policy to send grain westward for export shipment.

It is possible that with the increase of Alberta production and the advantage to the railway company of securing the double use of cars for lumber and grain they may be inclined to push trade that way. Once they have done this the Government would be warranted in considering proper measures for the adequate expansion of such facilities. The erection of a Government elevator at Vancouver before it has been demonstrated that the railway company's policy is to ship grain for export that way, would be a monument, to put it mildly, of miscalculation, of which there are already several notable examples at eastern Canadian ports.

I am inclined to think that the alleged interest of the company in the Western movement of grain was rather with a view of finding an argument against the car distribution clause of the Grain Act to the detriment of the farmer, than with a view to securing a Western outlet for Alberta grain for the benefit of the farmers.

I am sorry that the Calgary meeting has lent itself so readily to the designs of the railway company.

Yours very truly,

FRANK OLIVER.

While we are in full accord with Mr. Oliver's attitude as to the situation, in reference to Western shipments of grain, which for the present at least, as he clearly sets forth, depends on whether or not the C.P.R. find it to their advantage to encourage Western shipments. What concerns us most is his statement as to the attitude of the Government towards Government ownership of terminals and his statement in express terms that it is the intention of the Government that the elevators at Hudson's Bay shall be owned and operated by the Government.

As an indication of the Government's attitude on the question, he also points out that they own the elevator at Port Colborne and the Harbour Commissioner's elevator at Montreal is in fact a Government elevator.

It is worthy of notice that as a practical result, elevator charges in those elevators and as a consequence in all transfer elevators east of the lake which enter into competition with them, is less than half the charges at Fort William and Port Arthur for similar charges. Summer and winter storage—that cost 1½¢ a bushel east of the lake costs 5¢ at the lake front.

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