

CHAPTER IX

Findings and Recommendations

We were asked to inquire into:

"the distribution of railway box cars for the movement of grain amongst country elevators at individual shipping points in Western Canada and to recommend procedures or methods by which as high a degree of equity and efficiency as possible may be achieved, particularly during periods of congestion, taking into account all relevant factors including . . ." producers' choice of elevator, car order book provisions of the Canada Grain Act, market requirements for particular kinds and grades of grain, the necessity of utilizing all facilities to the maximum, the Canadian Wheat Board delivery quota system, and the most economic use of railway rolling stock.

We find that the box car distribution problem affects:

- A. The 230,000 producers of wheat, oats, barley, rye and flax who have permits from the Wheat Board to deliver grain to the elevator companies.
- B. The 5,343 elevators owned by 45 different elevator companies which are the Wheat Board's agents for buying, storing and shipping grain—in recent years some 600,000,000 bushels annually.
- C. The two railways which own the box cars available for the shipment of this grain.
- D. The Canadian Wheat Board which is the Government's agency charged with the task of buying, storing, shipping and selling grain to the value—in recent years—of more than \$900,000,000 annually.
- E. The Government of Canada which, through the Minister of Trade & Commerce, is responsible to Parliament for the administration by the Canadian Wheat Board of this vast project.

The problem has arisen because of:

- A. The huge crops of grain grown in Western Canada during the years 1951-1956 inclusive, by far the largest total ever produced in any similar period;

- B. The inability of the Canadian Wheat Board to find markets for all of the wheat, oats and barley available each year for interprovincial and world trade; and
- C. The resultant pileup of unsold grain in the elevators and on the farms of the Prairie Provinces, also, the largest ever experienced in any previous five-year period.

The chief protests which gave rise to the inquiry had to do with the infringement, however indirect, of what many farmers and others regard as their basic rights, viz.,

- (a) The right to do their grain business at whatever elevator at their delivery point they find it advisable to do it.
- (b) The right of farmers who own their own elevators to use them for all of their own business if they wish to do so; and
- (c) The right of elevator companies not to be denied whatever business they can earn in fair competition.

The criticisms that reached us later increased in number and variety—and the remedial measures proposed kept pace with them. Both are dealt with elsewhere in this Report. It is sufficient here to say that of the many carefully prepared submissions made to us;

- (a) There was wide objection taken to certain features in each.
- (b) There was general acceptance of some features of most of them; and
- (c) There was no general approval of any submissions that reached our hands from any of the leading organisations affected.

Relating to the Instructions to the Commission

Equity and Efficiency:

For more than half a century the western grain farmer has had both equity and efficiency as his objectives. Many of them feel that the

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procedural rigidities made necessary by the congestion have cramped both individual and organized efforts in this direction. It is our view that the restoration of competitive conditions at country points, as far as that is practicable, will do more to bring about a greater measure of equity and efficiency in the grain handling business than anything else.

- (1) In view of the widespread objection to the use of the present formula in the allocation of shipping orders to the different elevator companies and the resulting distribution of box cars at local points, *it is recommended that the present box car distribution procedure give way to a more fully competitive elevator operation—both at local points and as between companies—as far as this is practical under present conditions.*

Congestion:

Grain congestion comes whenever we produce for sale more than we can sell. Congestion—and with it box car problems—will disappear when we sell as much as we produce for sale.

- (2) As to the large surplus of grain overhanging the market and its impact on car distribution, we commend both the Minister and the Government for their aggressive sales policy, and *it is strongly recommended that these policies be continued with increasing vigour and aggressiveness.*

The Relevant Factors

Producers' choice of elevator:

The one thing more often approved than any other in all of our hearings and in all the briefs presented, was that farmers should not be unduly restricted, however unintentionally or indirectly, in their right to use any elevator they wished at a shipping point. They disagreed on the voting system as a means to that end but they were practically unanimous as to the end itself. This point is considered further in the discussion preceding recommendation No. 8.

The car order book provisions of the Canada Grain Act:

The Canada Grain Act is the fruit of many years of struggle by the organized farmers of Western Canada; the car order book provisions

are an important part of that Act. Present quota regulations have made them inoperable for the time being, since most farmers cannot deliver grain in car lots under the quota system. To repeal these provisions would be to invite widespread criticism from all sections of the Prairies.

- (3) Since the Canada Grain Act is widely regarded in Western Canada as the grain farmer's "charter of rights", *it is recommended that the Car Order Book Provisions of that Act, though largely inoperable now, remain as an integral part of that Statute but that consideration be given to the proposal for repeal of Section 62(4)—(Grain loaded by subsequent owner).*

Market requirements for particular kinds and grades of grain:

"Kinds of grain" in this context means wheat, oats, barley, rye and flax—the first three of these being under full control of the Wheat Board. The market demand for each of these varies from time to time.

The standard "grades of grain" are many—28 for wheat, 9 for oats and 8 for barley. The market demand for each grade also varies from time to time. The need for markets for these kinds and grades of grain and for other farm products is at the heart of the Canadian agricultural economy.

- (4) Since the Wheat Board's sales organisation is widely regarded as efficient, *it is recommended that no procedure be allowed to impair the Board's sales efficiency or to get in the way of bringing forward the kinds and grades of grain most needed to meet market requirements from time to time.*

The necessity of utilizing all facilities (space) to the maximum:

The maximum use of elevator space in times of congestion is desirable; but it is neither desirable nor democratic to force its use, however indirectly, by procedural methods which interfere with fair competition between farmers and between companies. Forbidding shipments of grain from a delivery point, (the practice of embargoing), when one or more elevators are full but others have space to take in more grain,

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prevents the former, for the term of the embargo, from competing for farmers' business. An embargo for the purpose of equalizing quotas has a measure of justification, but when its use immobilizes certain elevators and not others, this aspect of it becomes an unwarranted interference with basic rights.

- (5) While recognizing that the maximum use of elevator space is desirable in a period of congestion and that banning shipments from time to time from certain points for purposes of quota uniformity is considered necessary, *it is recommended that, whatever the future policy of banning shipments may be, at points which have one or more full elevators while others have space available for new business, the practice of embargoing shipments from full elevators at such points be discontinued.*

The Canadian Wheat Board delivery quota system:

The quota system in our judgment is a necessary measure of social justice, at a time when hardship on a wide scale would otherwise result. As such, we think it should be continued to the extent possible short of interfering with sales efficiency or maximum use of space.

But no one should think of the quota system as a measure of economic justice. The degree of social justice it achieves is at the price of interfering with economic efficiency on the many farms which do not succeed, in a period of severe congestion, in getting all the year's crop sold by the end of the crop year.

- (6) *It is recommended with respect to the quota system*
- (i) *that during the period of severe congestion the quota system as a measure of social justice be continued; on as equitable a basis as practicable,*
 - (ii) *that sales efficiency or use of space be not sacrificed for quota uniformity,*
 - (iii) *that a review of the uneconomic effects of the quota system be made by the Wheat Board with a view to bringing to that system a degree of economic justice as well of social justice,*

- (iv) *that the permit book procedure—a necessary feature of the quota system—be so modified as to make possible for producers at single company points an alternative choice of elevators such as is now enjoyed by producers at multiple elevator points.*

The economic use of rolling stock:

The use of box cars for storing grain is unsound and uneconomic. Yet cars of grain have piled up from time to time at terminals often by the hundreds, sometimes by the thousands, and occasionally for months at a time. These congestions arise from lack of sufficient co-ordination on the part of the Wheat Board, the railways, the elevator companies and the terminals. Each, in entirely legal ways, seeks its own desired ends, yet the outcome is car congestion for which each must bear a portion of the blame. This matter is further considered in the discussion leading up to Recommendation No. 9.

The distribution of box cars at individual shipping points:

The farmers who appeared before us, or who made representations to us either singly or in groups, proposed among other things:

- (a) That one or other of certain voting systems be used to determine the desire of producers as to the elevator they wished to use;
- (b) That no procedure be adopted that would tie a farmer to the use of only one elevator;
- (c) That the right of farmers to do their elevator business where they choose be not unnecessarily denied them;
- (d) That the right of farmer-owners of elevators to do all of their elevator business at their own elevators be not unnecessarily restricted;
- (e) That the quota system be made to apply more uniformly and more equitably;
- (f) That the permit system be extended to provide an alternative choice of elevators at single, as well as at multiple, elevator points;
- (g) That more elevator storage space be provided at public expense;

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(h) That the allocation of shipping orders to elevator companies be on some other basis than that presently in use.

Our examination of the facts reveals:

- A. That farmers cannot now always use the elevators they prefer;
- B. That those farmers who are owners of elevators cannot always use their own facilities for all their elevator business;
- C. That the voting systems proposed lacked majority support and were of doubtful practicability;
- D. That the allocation of shipping orders to each company is now on the basis partly of past shares, partly "stocks-in-store", and partly current deliveries;
- E. That the preponderance of opinion among producers is that the above basis is not acceptable;
- F. That the quota system is widely accepted; that perfect uniformity of application is impossible of attainment; and that the system carries with it an economic weakness—it contains an element of discouragement to efficient farming;
- G. That the permit system denies farmers at single elevator points any choice between elevators.

- (7) With respect to the distribution of box cars among elevators at individual shipping points,
it is recommended that the procedures be such as will preserve as far as practicable,
- (i) *for all producers, the right to do their elevator business where they choose;*
 - (ii) *for farmer-owners of elevators, the right to use their own facilities for all their elevator business if they so desire; and*
 - (iii) *for each elevator at such a point, the right to have sufficient cars to keep it in fair competition with others at the same point, providing it has the kinds and grades of grain required from time to time by the Wheat Board.*

The distribution of shipping orders among elevator companies:

The elevator company submissions centered around the division of shipping orders among

the different companies and the consequent effect on the share of elevator business each company receives. In these submissions:

- (a) All groups of companies represented that they were being unfairly treated.
- (b) Each group of companies felt certain others had been or were now receiving some advantage denied to it.
- (c) One group represented that there had been too much interference by the Government in 1954 with Wheat Board administration.
- (d) Another group was of the view that there has been too little interference or guidance by the Government to the Wheat Board.
- (e) From various sources came the suggestion that each elevator company should have terminal facilities in approximately the same relationship to its country operations as all others have.
- (f) They all agreed that secrecy as to the Board's formula in allocating cars was undesirable.
- (g) The Pools felt that the Board's lack of regulation in the early years of the congestion was responsible for their worsened position during that period; the Line companies held that the Pools' loss through that period was due to fair competition.
- (h) The Line companies held that the result of the Board's present formula was unfair to them and a virtual gift to the Pools; the latter rejoined that their gain in the recent period was but the restoration of a position they should never have lost.

We find:

- A. That the Wheat Board's formula has not been made public although there has been some intelligent guessing among grainmen as to its general content;
- B. That before the congestion the Pools had a higher percentage of elevator business in relation to their capacities than the other elevator groups; that in the early years of the congestion and before the present formula came into use, the handling ratio of the Pools had come down; and that after the formula was introduced in 1954, the share of business by

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the Pools in relation to their capacity was brought back to about what it had been when the congestion commenced;

- C. That as to the proportion of business each company should have had, in any particular period, there was no unanimity of opinion whatever; that the Government of the day (1954) evidently thought the procedure followed in the earlier period had been unfair to the Pools; that the Wheat Board considers that the present shares of business are reasonably fair to all.

We offer no comment on the equity of the procedures followed in these different periods. It must be obvious to all however first, that business arbitrarily apportioned by a Government agency will never be satisfactory to the competing interests affected and second, that business actually earned by these companies in fair competition is the only basis on which a rational procedure can be established.

- (8) As to the division of shipping orders amongst elevator companies, it is recommended:

- (i) *that the procedures which gave rise to the present box car controversy be revised and, to the extent possible, a more fully competitive country elevator operation be restored at the earliest practicable time, (Recommendation No. 1); and*
- (ii) *that the revised plan be based on three widely accepted ideas:*
- (a) *that the allocation of shipping orders to different elevator companies be on the basis of current business earned by each;*
- (b) *that the practice of embargoing shipments from full elevators at points where competing elevators have space and are free to take in new business, be discontinued (Recommendation No. 5); and*
- (c) *that each elevator at a shipping point be kept in a position to compete fairly with the others by the receipt of sufficient shipping orders from its parent company, and sufficient cars from the railway, to keep it from being "plugged" and thus out of business when others are not.*

Congestion of railway box cars at terminals:

The railways are the owners of the box cars available for the shipment of grain. The huge investment in these and the thousands of miles of railroad over which they travel, makes it essential that railway operations be efficient. Restrictions and rigidities in procedure get in their way. The problem is to keep these to a minimum and yet accomplish the ends desired.

We find:

- A. That the railways have the task of providing the box cars necessary to permit the Wheat Board, as owner of the grain, to carry out its shipping programme from country points as outlined from time to time.
- B. That they are not legally required to deliver box cars to shipping points in any particular order, or in any specific number at any particular time; that the law against discrimination and the desire to give good service and earn the goodwill of the public are the final determiners of railway practice in this connection.
- C. That the railways are guided by (but not ordered by) the Wheat Board in the placement of cars at the different shipping points, by weekly statements issued by the Board showing the quota situation at each shipping point and the number of cars required at each to complete deliveries under the different quotas in effect.
- D. That the railways co-operate to the utmost extent in meeting the Wheat Board's wishes but are their own final arbiters in regard to order and time of placing cars at the different shipping points.
- E. That they do not have the legal responsibility for determining the distribution of box cars amongst competing elevators at a shipping point.
- F. That they manifest concern lest any new regulations interfere with their efficiency and thereby increase their costs of transportation.
- G. That they protest strongly against the undue delays that occur from time to time in unloading cars after arrival at the terminal points.

It is our view that the congestion of unloaded grain cars at certain terminals from time

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to time arises from lack of co-ordination amongst the elevator companies, the railways, the terminals and the Wheat Board itself; that each of these interests in the exercise of its legal rights contributes unwittingly to this condition; that legal regulation might improve the situation, but that voluntary co-operation within the present legal structure would seem to offer more hope of rational procedure.

- (9) With respect to the congestion of railway box cars at terminals,
it is recommended that co-ordination among the elevator companies, the railways and the terminals be invited by the Wheat Board with a view to achieving by co-operation what has failed to be accomplished in the exercise of their legal rights by their individual efforts, namely, the mitigation of the wasteful and unnecessary pile-up of unloaded cars from time to time at the terminals or elsewhere.

In this connection it should not be overlooked—

- A. That the Wheat Board has power to see that no more cars are loaded than can be unloaded without undue delay;
- B. That both the railways and the Wheat Board have the power to divert cars to different terminals;
- C. That the railways have the power in their own hands of placing no more cars for loading than they can see reasonable prospects of unloading.

Relating to administration by the Wheat Board:

The Wheat Board has very wide jurisdiction over the grain business of Western Canada. Our recommendations will thus necessarily bear largely on matters coming under its administration. The Minister and others will understand therefore that when the Wheat Board is mentioned in this Report, it is not to be interpreted as a censure of that body but rather as a frank analysis of the results of certain procedures which come within its jurisdiction, insofar as they affect equity and efficiency among western farmers, western grain handling companies and the two transcontinental railways.

The Wheat Board has behind it, a splendid record of achievement; its sales organization is recognized as being efficient; its procedure for

calling forward the grain most in demand for sale is probably the best that could be devised; its quota system is accepted as a measure of social justice during a period when adherence to purely economic principles would have played havoc in many organized communities; its permit system is accepted as a necessary device in the operation of the quota system.

We were advised by the Wheat Board

- (a) That in 1954 the Government instructed it to take all relevant factors into consideration in issuing shipping orders to elevator companies;
- (b) That without further guidance as to how its powers were to be used the Board chose to recognize three main principles—first, equity as between handling companies; second, the maximum use of elevator space available; and third, the prompt shipment of grain to meet market requirements;
- (c) That the Board early recognized that these principles were often in conflict with each other—each objective, important in itself, limiting the attainment of others; and
- (d) That in carrying out the ministerial instruction the Board endeavoured to follow a course which it felt to be in the best interests of all concerned.

We are informed also that the Board early expected that the principles it adopted to govern Board allocation of shipping orders to elevator companies would result in complaints; that in fact the Board administration was challenged in three directions: first, that elevator space was not fully utilized at all times; second, that equity between elevator companies was not being sufficiently recognized; and third, that producers could not select their elevators to the extent they desired.

We were further advised (1) that criticism with respect to the second and third points developed in intensity as the congestion extended from year to year, (2) that at no time since 1954 had there been any prospect of general agreement on any alternative plan, (3) that the "instruction" was thought at the time to be of only temporary necessity, (4) that as time went on and the congestion continued unabated, it was felt to be increasingly unwise

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that the Board should be called upon to exercise discretionary powers in an area of such important public interest as the apportionment of shipping orders amongst companies and (5) that while the powers of the Board in its very large and widespread marketing operations are laid down in great detail in the Canadian Wheat Board Act, yet in the important field of the allocation of shipping orders it felt it was asked to assume responsibilities without specific guidance as to the principles which should be followed.

The Commission has given much consideration to the 1954 instruction given to the Board. We are not inclined to be over-critical of that instruction. It was of a very general character and did not cramp the powers of the Board unduly. Our chief criticisms would be not upon the need for, or the nature of, that instruction but rather that the formula it used was not based upon current business under conditions of fair competition, and that neither the Government nor the Wheat Board felt it necessary to keep the public advised as to the basis on which the Board was apportioning business between competing companies.

In the view of the Commission there is no doubt but that the Wheat Board should exercise the wide powers it has been given, not only in regard to the allocation of shipping orders amongst companies, but also in the distribution of cars amongst elevators at individual shipping points. The point at issue in this controversy is the public interest, and the manner in which, and the extent to which, this public interest can be recognized and given effect to in instructions or counsel given to the Wheat Board by the Government.

The public interest is twofold, first, are the procedures equitable and efficient insofar as they relate to individual and company interests? and second, have any basic rights of individuals or of companies been unnecessarily transgressed? It is our view that in both respects improvement is possible.

With respect to the Canadian Wheat Board we find:

A. That it has authority under the provisions of Section 20 (k) of the Canadian Wheat Board Act to provide for the distribution of railway box cars amongst elevators for the shipment of grain at

any delivery point, (other than cars placed pursuant to a car order book); but that it has not accepted full and final responsibility for the distribution of cars amongst elevators at these points.

- B. That the Board does not consider it has legal authority under the Wheat Board Act to require railways to place cars at different shipping points in any particular order, or in any specific number at any special time, and that the railway companies agree with this interpretation.
- C. That the Board submits to the railways, from time to time, details of cars required to move grain from country points to terminal and other marketing points; that it does not consider this information as an order with which the railways must comply, but rather as information for their guidance in planning their distribution of cars; that it endeavours to divide these requirements between the two railways in proportion to the amount of grain available in the areas tributary to each railway; and that it reviews the daily performance by the railways, and by the elevator companies, in an effort to see that its program of shipments is being carried out.
- D. That the Board issues shipping orders to the different elevator companies and in doing so determines and controls, first, the quantity, kinds and grades of grain to be moved forward from country to terminal and other points; and second, the order in which the different kinds and grades shall be shipped from the local elevators; but the Board does not require the elevator companies to distribute these orders to their local elevators in proportion to the relative needs of each to be kept competitive with others at the same shipping point.
- E. That for the purpose of equalizing quotas and of encouraging the use of vacant space in elevators, the Board advises the railways not to place cars for loading at certain shipping points where there is space available for anticipated deliveries under the existing quota, even though one or more elevators at such points may

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- be full and therefore unable to receive grain, (this is spoken of as "embargoing" shipments from these points).
- F. That as an indirect result of its embargoes of points where one or more elevators are full while others are not, there has been restriction in some degree of the right of producers to deliver their grain to the elevator of their choice; the right of farmer-owners of elevators to use these facilities; and the right of the elevator companies to earn all the business they can under conditions of fair competition.
- G. That the Board divides its shipping orders amongst the different elevator companies on a formula based upon instructions received from the Minister of Trade and Commerce in 1954, details of which formula, until now, have not been made public; and that in apportioning shipping orders between the different elevator companies as it has since done, it has apportioned as well the share of total business each elevator company has been allowed to have.
- H. That for reasons it considers valid, it at times issues shipping orders in excess of the numbers required to permit the railways to operate at maximum efficiency.
- I. That under its permit system the Board makes "delivery points" of each single elevator point, thus precluding producers whose permits are taken out at these single elevator points from any choice of elevators at which to deliver their grain.
- J. That it advises the railway companies how the local railway agents should distribute cars at shipping points, but does not exercise any further control or supervision of the distribution made.
- K. That it does not exercise control over the placement or unloading of cars at terminal elevators.
- L. That its public relations activities have not kept the public and the parties directly interested as fully informed as we think might have been done, as to the problems it faces, its efforts to solve them, the complications of its task, and the more important details of its procedures.
- (10) As to administration by the Wheat Board,
it is recommended:
- (i) *that in view of its outstanding service in marketing the western grain crop in the recent difficult years, the Board be highly commended to the Government and to Parliament for that achievement, and for the high standing it has attained in the eyes of the public it serves.*
 - (ii) *that secrecy as to the basis of allocating shipping orders (cars) be discarded, and that the present formula for apportioning business amongst companies be discontinued;*
 - (iii) *that in future the distribution of shipping orders among the different elevator companies be based on the total current business done by each, under conditions of fair competition—as indicated by the actual deliveries by farmers to the elevators of each company (see Recommendation No. 8).*
 - (iv) *that the Wheat Board accept responsibility for the procedures relating to the distribution of box cars at individual shipping points and for the supervision of these procedures.*
 - (v) *that it continue, as now, to allocate its shipping orders among the different elevator companies; that the distribution of shipping orders by the elevator companies to their local elevators be on the general basis of the business earned by each such elevator, but that sufficient preference be given by these companies in the supply of shipping orders to their congested elevators and those likely to be congested, as will enable them to continue to take in business when others at such points are able to do so; and that local railway agents be advised by the Wheat Board to distribute available box cars, as is now being done, in proportion to the number of shipping orders held by each elevator,—except that priority in the supply of cars shall be granted*

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- to any elevator at the point that is unable to accept grain offered on account of lack of space; (cars supplied on this "full elevator" priority to be chargeable against the company's current or subsequent overall allotment of shipping orders based on the company's share of business earned).
- (vi) that the question of embargoes be dealt with as in Recommendation No. 5.
 - (vii) that the Board keep its quota system under review with the purpose of correcting its basic weakness viz. the unfair position in which it leaves farmers who cannot get all of each year's crop delivered in the crop year, (see Recommendation No. 6).
 - (viii) that the permit system be revised to make possible for producers delivering at a single company point, the same advantages of competition amongst elevators, as producers now enjoy at multiple elevator points, (see Recommendation No. 6).

In the implementation of these recommendations, we suggest that consideration be given by the Wheat Board to the following:

- A. That from the date of the changeover from the division of shipping orders on the basis of the present formula to the division of these orders in proportion to the percentage of receipts by each company, the Wheat Board make such division on the basis of the actual receipts by each company during the last preceding twelve months (or such other appropriate period as it may consider advisable) for which records are available; that moving twelve months (or other period) totals be used as records become available for each succeeding month, the proportion of orders given to the different companies to be adjusted in accordance with the changes shown by the new twelve months (or other period) totals.
- B. That the Wheat Board when necessary determine the extent of the priority (number of cars) to be granted to elevators that are unable to accept grain offered on account of lack of space.

- C. That the Wheat Board outline to the railways for the guidance of their agents how the proportionate distribution at shipping points is to be carried out.
- D. That procedures laid down by the Wheat Board have regard to the necessity of maintaining efficiency on the part of the railways; and that care be exercised to ensure that shipping orders issued are not unduly in excess of the number required to help maintain that efficiency; and
- E. That all procedures be sufficiently flexible to permit the Board to meet any emergency situation that may develop.
- F. That increased public relations activities be undertaken by the Wheat Board in the interests of its clientele, and publicity given to all important procedures followed in the movement of grain from country to terminal and other points, including the basis on which shipping orders are distributed, and the responsibility of the elevator companies in the distribution of these orders to their elevators.
- G. That the Board continue to administer the details of its internal organization so as to ensure the utmost co-operation between all the different interests concerned; that no effort be spared to co-ordinate the execution of the different operations in the movement of grain; and that consideration be given to the advisability of appointing a high ranking official to be charged under the Board with the responsibility for traffic management and the maintenance of the necessary liaison between and co-operation with all the different interests affected.

The Government and the Canadian Wheat Board:

The Canadian Parliament passed the Canadian Wheat Board Act in 1935 and by that action took over the marketing of western wheat; in 1949 it took over, in addition, the marketing of western oats and barley. It made the Canadian Wheat Board its agency for the administration of this huge project.

We submit that the present controversy cannot be satisfactorily resolved by any arbitrary decision by the Wheat Board; that the State,

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in an economy such as ours, must hold the scales of justice evenly between competing interests; that this cannot be done by a government agency making decisions as to the portion of business each elevator company shall have; but that the problem can be resolved in considerable degree without injustice to any if three things are done:

- A. A fair method of dividing the elevator business amongst competing companies decided upon;
- B. A more fully competitive country elevator operation restored and maintained at individual shipping points and as between companies as far as that is practicable; and
- C. That unnecessary restriction of recognized basic rights be discontinued.

The Committee of the Privy Council, for reasons it deemed sufficient, initiated this inquiry into the distribution of railway box cars at individual shipping points in Western Canada; its order to us asked that we recommend "procedures and methods" aimed toward greater equity and efficiency, having regard to certain relevant factors.

That task we have completed. As will be seen, our recommendations deal with "procedures and methods" of various degrees of importance. It may be that the Committee will wish to consider only the main principles involved and that details of procedure be left with the Wheat Board for its consideration on their merits, hence the following suggestions:

- (11) As to the position of the Government in relation to the Canadian Wheat Board, *it is suggested, with respect, that the principles advanced in these recommendations be the subject of its consideration but that the matters of detail be left with the Wheat Board for its determination in the light of its responsibilities and its practical experience in the grain business.*

As a closing comment perhaps we may be permitted to suggest to all interests which are in any way affected by this inquiry, that cognizance should be taken of three important facts:

- first*, the limited nature of this inquiry;
- second*, that no recommendation based on our terms of reference can hope to do more than apportion more equitably or more efficiently or more harmoniously, the present amount of business available;

third, that this study, while important in the sphere of equity, does not embrace the fundamentals of the basic agricultural problem the nation faces—and that has given rise to this inquiry, viz., that of obtaining sales to match production, or of adjusting production to the markets available; and that unless or until sales increase or production decreases, the problem of grain surpluses and grain congestion will remain with all their incidental ill effects.

It must be apparent that, no matter how box cars may be reshuffled among companies or among elevators at a given point as a result of our studies, the most that can be accomplished is a measure of greater equity among the competing interests involved and a strengthening of the basis on which the Wheat Board operates. No procedure we may propose, no matter how well conceived or how widely accepted, will touch the basic cause of the present situation. Until sales are increased or production lessened, the present grain congestion facing Western Canadian agriculture will remain.

The smaller crops of the last two years have lessened the severity of the congestion and promise to relieve somewhat the pressure for farm deliveries; but congestion still remains. Man and his modern scientific and mechanical techniques have added to nature's bounty in creating the present congestion here and elsewhere. Nature will continue to make her own uneven contribution in future as in the past; and from all appearances man will continue to add to her bounty and to the problems associated with surpluses. We must, therefore, learn to live with surpluses and congestion as well as with shortages and occasional half-empty elevators.

It is out of a sense of some public responsibility that we make a recommendation somewhat outside the technical limitations of our task but in the long run not unrelated to it.

- (12) As to the large and continuing annual carryover of western grain which has been at the root of the box car problem and which has such a depressing effect on the market, *it is recommended not only that the aggressive sales policy of the Government be continued, to cut down the overhanging*

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surplus of grain, but that renewed efforts be made (i) to get sub-marginal land out of grain production and (ii) to create opportunities in other callings for the men now facing the impossible task of making a living on such land.

Acknowledgements

In submitting this Report, your Commissioner wishes to acknowledge the very generous co-operation and assistance he has had from every interest affected by the inquiry. Among those who have given us the benefit of their experience and study may be mentioned:

1. The three provincial Wheat Pools.
2. The United Grain Growers Limited.
3. The "Line" elevator companies, 19 in number.
4. The two railway systems.
5. The three provincial Farmers' Unions in Manitoba, Saskatchewan and Alberta.
6. The Hudson Bay Route Association.
7. The Shippers' and Exporters' Association speaking on behalf of 29 members.
8. The Feed Manufacturers' Association representing some 273 feed mills.
9. The uncounted scores of smaller groups and individuals which have made their wishes known by correspondence.
10. The more than 2,000 individual farmers who presented briefs at 16 farmer meetings in different parts of the grain growing area.

I wish to express my thanks to each of these organizations and individuals most sincerely for the time and effort each so readily gave to the subject matter of the inquiry. It will be seen that we have been dealing with large and important segments of the Canadian economy. It is little wonder that each has given of its best brains to the solution of the intricate problem we were asked to deal with. The proposals they advanced after weeks and months of study, their constructive criticisms of each other's proposals—all these have resulted in positive gains due chiefly to the studies made and submissions presented during the early months of the year by three of the largest economic groups in this country: the farmers who are most directly affected; the elevator companies who have huge investments in grain handling facilities; and the two railway companies which provide

the box cars for the transportation of the grain to the terminals.

Our thanks are also due to:

the Department of Trade and Commerce for the generous co-operation of its officers and for the office space and office facilities provided for us in the Parliament Buildings;

the Canadian Wheat Board for the readiness with which it made available all information requested and for the frankness of its members in all our discussions;

the Board of Grain Commissioners for Canada for the splendid assistance rendered us in Winnipeg and for the provision of office space in their quarters in that city; and

the Government of Manitoba for the use of space in the Legislative Buildings during the two weeks of hearings in Winnipeg.

I wish to express my personal thanks also to the technical assistants provided by the Department for the prosecution of our work. I am referring to Mr. W. D. Porter, Chief of the Crop Section of the Agriculture Division of the Dominion Bureau of Statistics; Mr. H. M. Halliwell, former agricultural editor of the *Winnipeg Tribune* and more recently editorial writer for the *Toronto Telegram*; Mr. John Rayner, for more than thirty years associated with the Board of Grain Commissioners for Canada and, for the greater part of that time, its secretary; and also Mr. Campbell Haig, who acted as legal advisor to the Commission.

Mr. Porter's services as statistical advisor and general consultant were found most helpful in planning our work and subsequent studies. Mr. Halliwell's background of agriculture and economics was found most useful in analysing the problem and digesting the many proposals advanced for its solution. Mr. Rayner's long experience in the grain trade and his industry as Secretary of the Commission, I found of the greatest practical value in the preparation of the report; while his presence at the 16 country meetings as my personal representative was much appreciated by all as well as by myself.

The Report is respectfully submitted herewith.

JOHN BRACKEN,
Commissioner.

CHAPTER X

Factual Background Material

The Commission has studied a vast amount of material related to the problem in hand. Some of this was of a privileged and confidential nature and as such cannot be published. However, much useful information not of a confidential nature was accumulated during the course of the inquiry and we have selected for publication certain items which have been of assistance in understanding the problem and preparing this Report.

This material more or less sets the background under which the problem of box car allocation has developed and may be useful to readers in their understanding and interpretation of the Report. It is set out as follows:

- A. Extracts from Relevant Statutes.
 - B. Letters and Documents Pertaining to Present Box Car Allocation Procedures.
 - C. Statistical Tables.
 - D. Charts and Supporting Tables
 - E. Maps
- A. *Extracts from Relevant Statutes*
1. Canadian Wheat Board Act, R.S. 1952, Ch. 44.
Sections 4 and 20.
 2. Railway Act, R.S. 1952, Ch. 170.
Sections 315, 319 and 321.
 3. Canada Grain Act, R.S. 1952, Ch. 25.
Sections 15 (11), 61 to 76, 109, 115 and 134.
Schedule One—Statutory Grades of Wheat, Oats and Barley.

A-1—Extracts from the Canadian Wheat Board Act
(Revised Statutes 1952, Ch. 44)

4. (1) The Board is a body corporate having capacity to contract and to sue and be sued in the name of the Board.

(2) The Board is, for all purposes, an agent of Her Majesty in right of Canada, and its powers under this Act may be exercised by it only as an agent of Her Majesty in the said right.

(3) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be

brought or taken by or against the Board, in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty.

(4) The Board is incorporated with the object of marketing in an orderly manner, in interprovincial and export trade, grain grown in Canada, and possesses the following powers:

- (a) to buy, take delivery of, store, transfer, sell, ship or otherwise dispose of grain;
- (b) to enter into contracts or agreements for the purchase, sale, handling, storage, transportation, disposition or insurance of grain;
- (c) to enter into ordinary commercial banking arrangements on its own credit and to borrow money on the security of grain held by it;
- (d) to acquire, hold and dispose of real and personal property, but the Board shall not acquire or dispose of any real property without the approval of the Governor in Council;
- (e) notwithstanding anything contained in the Civil Service Act, to employ such technical, professional or other officers, clerks or employees as may be necessary for the conduct of its business;
- (f) to establish branches or employ agents in Canada or elsewhere;
- (g) to establish, utilize and employ such marketing agencies or facilities as it deems necessary for the purpose of its operations under this Act;
- (h) to operate elevators, either directly or by means of agents, and subject to the provisions of the Canada Grain Act, to pay such agents' commissions, storage and other charges, remuneration or compensation as may be agreed upon with the approval of the Board of Grain Commissioners;
- (i) to authorize any officer or employee of the Board or any other person to act on behalf of the Board in the conduct of its operations under this Act;
- (j) to act as agent for or on behalf of any Minister or agent of Her Majesty in right of Canada in respect of any operations that it may be directed to carry out by the Governor in Council; and
- (k) generally to do all such acts and things as may be necessary or incidental to carrying on its operations under this Act. 1953, c. 52, s. 4; 1947, c. 15, s. 2; 1950, c. 51, s. 4.

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20. The Board may, notwithstanding anything in the Canada Grain Act, but subject to directions, if any, contained in any order of the Governor in Council, by order,

Factual Background Material

- (a) prescribe the forms of and manner of completing applications for permit books, permit books and such other forms as may be necessary for the administration of this Act;
- (b) prescribe the manner in which applications for permit books shall be made and permit books shall be issued;
- (c) prescribe the manner in which deliveries of grain under a permit book shall be recorded in the permit book or any other entry may be made in such permit book;
- (d) prescribe a place on a railway as the delivery point at which grain may be delivered under a permit book;
- (e) determine whether, for the purpose of this Act, two or more farms are operated as a unit;
- (f) fix, from time to time, quotas of each kind of grain that may be delivered by producers to elevators or railway cars, within any period or periods, either generally or in specified areas or at specified delivery points or otherwise;
- (g) notwithstanding anything in this Part, prohibit the delivery into or receipt by an elevator of, any kind of grain, or any grade or quality thereof, either generally or otherwise;
- (h) exclude any kind of grain, or any grade or quality thereof, from the provisions of this Part, in whole or in part, either generally or for any specified period or otherwise;
- (i) require any kind of grain, or any grade or quality thereof, in any elevator to be delivered into railway cars or lake vessels;
- (j) prohibit the delivery of any kind of grain or of any grade or quality thereof out of any elevator into railway cars or lake vessels;
- (k) provide for the allocation of railway cars available for the shipment of grain at any delivery point, other than cars placed pursuant to a car order book, to any elevator, loading platform or person at such delivery point; and
- (l) require any person engaged in the business of delivering, receiving, storing, transporting or handling grain, to make returns to the Board of information relating thereto or as to any facilities therefor, owned, possessed or controlled by him. 1947, c. 15, s. 5.

A-2—Extracts from the Railway Act (Revised Statutes 1952, Ch. 170)

Traffic, Tools and Tariffs Accommodation for Traffic

315. (1) The company shall, according to its powers,
- (a) furnish, at the place of starting, and at the junction of the railway with other railways, and at all stopping places established for such purpose, adequate and suitable accommodation for the receiving and loading of all traffic offered for carriage upon the railway;
 - (b) furnish adequate and suitable accommodation for the carrying, unloading and delivering of all such traffic;
 - (c) without delay, and with due care and diligence, receive, carry and deliver all such traffic;

- (d) furnish and use all proper appliances, accommodation and means necessary for receiving, loading, carrying, unloading and delivering such traffic; and
- (e) furnish such other service incidental to transportation as is customary or usual in connection with the business of a railway company, as may be ordered by the Board.

* * * *

319. (1) All railway companies shall, according to their respective powers, afford to all persons and companies all reasonable and proper facilities for the receiving, forwarding and delivering of traffic upon and from their several railways, for the interchange of traffic between their respective railways, and for the return of rolling stock.

(2) Such facilities so to be afforded shall include the due and reasonable receiving, forwarding and delivering by the company, at the request of any other company, of through traffic, and in the case of goods shipped by carload, of the car with the goods shipped therein, to and from the railway of such other company, at a through rate; and also the due and reasonable receiving, forwarding and delivering by the company, at the request of any person interested in through traffic, of such traffic at through rates.

(3) No company shall

- (a) make or give any undue or unreasonable preference or advantage to or in favour of any particular person or company, or any particular description of traffic, in any respect whatsoever;
- (b) by any unreasonable delay or otherwise howsoever, make any difference in treatment in the receiving, loading, forwarding, unloading, or delivery of the goods of a similar character in favour of or against any particular person or company;
- (c) subject any particular person, or company, or any particular description of traffic, to any undue, or unreasonable prejudice or disadvantage, in any respect whatsoever; or
- (d) so distribute or allot its freight cars as to discriminate unjustly against any locality or industry, or against any traffic that may originate on its railway destined to a point on another railway in Canada with which it connects.

* * * *

321. If the company is unable or fails to provide sufficient facilities for the movement of grain from the western provinces to the elevators at the head of Lake Superior, or to destinations east thereof, after the close of navigation on the Great Lakes and before the next harvest, and grain in certain sections or districts cannot by reason thereof be marketed, the Board may require the said company to furnish all facilities within its powers for the carriage of such grain in such sections or districts to any intermediate point or points of interchange with another company or any terminal elevator, and there to make delivery

Inquiry into the Distribution of Railway Box Cars

thereof to such other company or companies or to such elevator for carriage by such other company or companies as the Board may direct; and the Board may require such other company or companies to transport such grain and supply the necessary cars and engines therefor, and the rates lawfully published and filed by the company in default and obtaining on its route apply over the joint route or routes so directed and shall be apportioned between the companies as the Board may direct.

A-3—Extracts from the Canada Grain Act 1930 (Revised Statutes 1952, Ch. 25)

15. The Board may make regulations or orders not inconsistent with this Act:

(11) in case there is a shortage of railway cars for the shipment of grain, governing the equitable distribution of such cars among shipping points on any line of railway;

* * * *

Car Order Book

61. (1) Every railway company shall from time to time furnish to the agent of such railway company at each point from which western grain may be shipped by the growers thereof a car order book containing forms of applications for cars in Form 11 in Schedule Three, with such amendments as the Board may direct, which forms shall be printed in accordance with a specimen form to be furnished by the Board.

(2) Each group of three contiguous forms as bound in the said book shall bear the same number, which shall be printed on the said forms before the delivery of the book to the railway agent; the numbers on each successive group of forms shall be consecutive.

(3) If the forms in the car order book supplied are likely to become exhausted, the railway agent shall apply to the railway company for an additional book and the same shall be supplied by the railway company forthwith.

(4) No two car order books each containing forms bearing the same number shall be issued to the railway agent at any point in any crop year.

(5) Any breach of the provisions of this section is punishable on summary conviction by a fine not exceeding five hundred dollars. 1930, c. 5, s. 61.

62. (1) The railway agent at any shipping point shall, upon the request of any person or persons who have grown or who own any grain that he or they desire to ship, or upon the request of any person resident at such point who produces to and deposits with the railway agent written authority from any such person or persons authorizing him to act on his or their behalf, fill in (except as to signature) the group of three blank forms of application in the car order book which bear the lowest consecutive number, and, upon the signature of such forms of application by the person or persons aforesaid, shall detach two of the said forms so filled in from the said book, retaining and filing one thereof on a special file to be kept by him and delivering the other to the person or one of the persons by whom the said form has been signed.

(2) Except the manager of an elevator, no person on whose behalf an application for a car has been made is entitled to make, or cause to be made, another application in the same car order book until after the car covered by such first application has been loaded and billed out or such first application has been cancelled.

(3) Not more than two uncanceled and unfulfilled applications for the placing of cars for the shipment of grain belonging to the manager of an elevator shall be permitted to be outstanding at any time in any one car order book.

(4) Where an application by a person for a car to be loaded at a country elevator has been entered in a car order book as provided in this section and that person has delivered a carlot of grain to the elevator to be loaded in the car for which application is made, if on or after delivery to the elevator the said grain becomes the property of any other person, such last mentioned person may load the said grain into a car placed pursuant to the application.

(5) Where in any car order book an application for the placing of a car has been made by or on behalf of any person, other than the manager of an elevator, such person is not, while such application remains uncanceled and unfulfilled, entitled to make a similar application in any other car order book in respect of any land distant less than five miles from the land described in the first application. 1930, c. 5, s. 62; 1947, c. 3, s. 1.

63. Any person who in any application makes any untrue representation is liable on summary conviction to imprisonment for not more than six months or to a fine not exceeding two hundred dollars, and upon conviction under this section the application shall be cancelled unless the Board otherwise directs. 1930, c. 5, s. 63.

64. (1) No person who has signed any application in a car order book on behalf of any other person or persons is entitled to make another application as agent for any person or persons until after the car covered by such first application has been loaded and billed out or such first application has been cancelled.

(2) Nothing in this section prevents an Indian agent in charge of any Indian reserve from making applications on behalf of any Indian or Indians by whom grain has been grown on such reserve. 1930, c. 5, s. 64.

65. Applications for cars shall be received and completed in the order of the arrival at the place where the book is kept of the persons who desire to make such applications. 1930, c. 5, s. 65.

66. Any application may specify a car of any standard capacity that the quantity of grain specified in the application is sufficient to fill or nearly fill, and may, if so desired by the person making the application, specify a car of two or more capacities alternatively. 1930, c. 5, s. 66.

67. The car order book shall be open at any reasonable time to the inspection of any person who requests the inspection thereof; any such inspection shall

Factual Background Material

be made only in the presence of the railway agent who shall be responsible for the safe custody and proper condition of the book. 1930, c. 5, s. 67.

68. (1) Except as hereinafter provided, each car available for the shipment of grain at any shipping point for which a car order book has been issued shall, having regard to its capacity, be placed by the railway agent in accordance with the outstanding unfulfilled application recorded in such car order book which bears the lowest consecutive number.

(2) Where the Board is of opinion, by reason of special circumstances to be recorded by it, that the placing of cars as aforesaid would operate inequitably at any specified shipping point, or would prevent the immediate shipment therefrom of seed grain or of grain that has become or is in danger of becoming out of condition, it may direct the placing of cars at such point otherwise than as aforesaid but without discrimination, and in any such case the directions of the Board shall be complied with by the railway agent. 1930, c. 5, s. 68.

69. Every railway agent shall, before making any distribution or directing the placing of cars in accordance with section 68, satisfy himself that all such cars are in proper condition to be loaded with grain, and the placing pursuant to any application of any car that is not in such condition shall not be deemed to be a compliance with the provisions of this Act. 1930, c. 5, s. 69.

70. Upon the placing of any car pursuant to any application, the railway agent shall make and sign a note on the original application stating the fact, the number of the car, and the time of the giving of notice of the placing thereof, and shall, upon the completion of the loading and the billing of such car, make a further note thereon accordingly. 1930, c. 5, s. 70.

71. (1) Every person who receives notice of the placing of a car pursuant to any application shall, within three hours thereafter, give notice to the railway agent of his ability and intention to load such car.

(2) The loading of every car placed pursuant to an application shall be commenced within twenty-four hours after the giving of notice of ability and intention to load the same, and such loading shall, in the months of September, October and November in each year, be completed within twenty-four hours, and at any other time within forty-eight hours, after the giving of such notice.

(3) Where, after any car has been placed in accordance with any application, notice of ability and intention to load the same has not been given, or the loading thereof has not commenced within the times hereinbefore limited, the application shall be cancelled and shall be marked accordingly with the date of the cancellation and the initials of the railway agent.

(4) Any car placed pursuant to any application cancelled under this section shall forthwith be assigned in fulfilment of the first application entitled to be fulfilled by the placing of a car of the capacity of the car in question at the place where such car then is,

and if there is no such application, shall be treated as an available car upon the next following distribution of cars. 1930, c. 5, s. 71.

72. No car that, pursuant to any application, has been placed at an elevator or a loading platform or on a siding shall before being loaded be moved from such elevator or loading platform or siding except on the direction of the railway agent in accordance with the provisions hereinbefore contained. 1930, c. 5, s. 72.

73. Any railway agent who refuses or fails to comply with the provisions of this Act with respect to the car order book and the distribution of cars in accordance with applications contained therein is guilty of an offence, and is liable on summary conviction to a fine not exceeding twenty-five dollars for a first offence and for any second or subsequent offence is liable on summary conviction to imprisonment for not more than two months or to a fine not exceeding two hundred dollars. 1930, c. 5, s. 73.

74. The Board may, if after inquiry it is of opinion that any application in any car order book has been improperly made, direct such application to be cancelled. 1930, c. 5, s. 74.

75. Where any car order book is lost or destroyed the railway agent shall forthwith report the fact to the Board, which shall make inquiry into the circumstances and shall give such directions as the circumstances require for the reconstitution of the car order book and the distribution of cars at the shipping point to which the same relates. 1930, c. 5, s. 75.

76. Where no railway agent has been appointed to act as such at any siding on any line of railway in the Western Division from which grain may be shipped, other than a siding constructed for crossing purposes only, the railway company on whose line of railway such siding is shall, if the Board so directs, appoint some person to act as custodian of a car order book at such siding between such dates as the Board may specify; every person so appointed shall be furnished with a car order book and shall during the period specified by the Board, perform at such siding all the duties imposed by this Act upon a railway agent with respect to a car order book. 1930, c. 5, s. 76.

* * * *

Public Country Elevators

109. (1) Except as provided in section 108, the operator or manager of every licensed public country elevator shall, at all reasonable hours on each day upon which the elevator is open, receive all grain offered thereat for storage without discrimination and in the order in which it is offered, provided that there is in the elevator available storage accommodation for grain of the variety and grade of such grain and of the character desired by the person by whom the grain is offered.

(2) Nothing in this section requires the operator or manager of any elevator to receive any grain that has become or is in a condition such that it is likely to become out of condition.

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(3) Any breach of the provisions of this section is punishable on summary conviction by imprisonment for not more than six months or by a fine not exceeding five hundred dollars. 1930, c. 5, s. 108; 1939, c. 36, s. 42.

115. (1) When the holder or holders of any elevator receipts covering grain in store in a licensed public country elevator have caused to be placed at such elevator a railway car or other conveyance for the purpose of receiving such grain, the operator or manager of such elevator shall discharge forthwith into such car or other conveyance, to the extent of its capacity, the identical grain, or the quantity and grade of grain, to which the holders of the elevator receipts are entitled, as the case may require.

(2) Forthwith upon the loading of any railway car as aforesaid the operator or manager shall, if so requested by the holder or holders of the elevator receipts cause such car to be billed to such terminal elevator or other consignee as may have been directed by the holder or holders and shall, upon obtaining the consignee's receipt for the grain, and upon the surrender of the elevator receipts and the payment of the freight charges if any and all other lawful charges in respect of the grain, deliver the consignee's receipt to the holder of the elevator receipts.

(3) Where the consignee's receipt does not cover all the grain covered by any elevator receipt, there shall be exchanged therefor, in addition to the consignee's receipt, a new elevator receipt for the balance of such grain. 1930, c. 5, s. 114.

* * * *

134. (1) Subject to this section, the operator of every licensed public or semi-public terminal elevator and, unless otherwise provided by the terms of his licence, the operator of every eastern elevator, shall, without discrimination and in the order in which the same arrives at such elevator and is offered, receive into such elevator all grain of any grade for which there is available storage of the kind required by the person by whom such grain is offered.

(2) No operator of a terminal elevator or an eastern elevator shall receive into such elevator for storage in transit for reshipment out of Canada any grain grown outside Canada unless he is first authorized to do so by a regulation or order of the Board.

(3) Notice of the terms of any licence relieving the manager of any elevator from the obligation imposed by subsection (1) shall, forthwith upon the issue of such licence be notified to every recognized grain exchange in Canada.

(4) Nothing in this section requires any manager of a terminal elevator or eastern elevator to receive any grain that has deteriorated or has become or is likely to become out of condition.

(5) Any breach of the provisions of this section is punishable on indictment by imprisonment for not more than two years or by a fine not exceeding five thousand dollars, and on summary conviction by imprisonment for not more than six months or by a fine not exceeding five hundred dollars. 1939, c. 35, s. 50; 1950, c. 24, s. 6.

* * * *

Statutory Grades of Western Grain

Schedule One—Canada Grain Act 1930 (R.S. 1952)

RED SPRING WHEAT

- No. 1 Manitoba Hard.
- No. 1 Manitoba Northern.
- No. 2 Manitoba Northern.
- No. 3 Manitoba Northern.
- No. 4 Manitoba Northern.
- No. 4 Special.
- No. 1 Canada Western Garnet.
- No. 2 Canada Western Garnet.
- No. 3 Canada Western Garnet.

AMBER DURUM WHEAT

- No. 1 Canada Western Amber Durum.
- No. 2 Canada Western Amber Durum.
- No. 3 Canada Western Amber Durum.
- No. 4 Canada Western Amber Durum.
- No. 5 Canada Western Amber Durum.
- No. 6 Canada Western Amber Durum.

WHITE SPRING WHEAT

- No. 1 Western Canada White Spring.
- No. 2 Western Canada White Spring.
- No. 3 Western Canada White Spring.
- No. 4 Western Canada White Spring.

WINTER WHEAT

- No. 1 Alberta Red Winter.
- No. 2 Alberta Winter.
- No. 3 Alberta Winter.

MIXED WHEAT

- No. 1 Canada Western Mixed Wheat.
- No. 2 Canada Western Mixed Wheat.
- No. 3 Canada Western Mixed Wheat.
- No. 4 Canada Western Mixed Wheat.
- No. 5 Canada Western Mixed Wheat.
- No. 6 Canada Western Mixed Wheat.

OATS

- No. 1 Canada Western.
- No. 2 Canada Western.
- No. Extra 3 Canada Western.
- No. 3 Canada Western.
- Extra No. 1 Feed.
- No. 1 Feed.
- No. 2 Feed.
- No. 3 Feed.
- Mixed Feed Oats.

BARLEY

- No. 1 Canada Western Six Row.
- No. 2 Canada Western Six Row.
- No. 3 Canada Western Six Row.
- No. 1 Canada Western Two Row.
- No. 2 Canada Western Two Row.
- No. 1 Feed.
- No. 2 Feed.
- No. 3 Feed.

Factual Background Material

B. Letters and Documents Pertaining to Present Box Car Allocation Procedures

1. The Canadian Wheat Board—Instructions to the Trade—No. 12, dated September 13, 1955 directing that country elevator agents should apply to local railway agents for cars for authorized shipments.
2. Letter dated August 11, 1958 from the Chief Commissioner, Canadian Wheat Board to Mr. John Bracken re general procedures including the "secret" formula.

NOTE: Other Letters and Documents relating to box car allocation have been embodied elsewhere in the Report as follows:

- (a) Recommendations of Standing Committee on Agriculture and Colonization re box car distribution—See p. 5, Ch. II.
- (b) Letter dated July 13, 1954 from the Minister of Trade and Commerce to the Chief Commissioner, Canadian Wheat Board, re the method to be followed in distributing shipping orders among the various handling companies—See p. 19, Ch. V.
- (c) Letter dated August 30, 1955 from the Minister of Trade and Commerce to the Transport Controller directing that instructions be issued to the railways to spot box cars at elevators at local shipping points in proportion to the Wheat Board orders approved for those points. See p. 20, Ch. V.
- (d) Resolution of United Grain Growers Limited, dated January 21, 1958. See p. 3, Ch. II.

B-1—Instructions Directing that Country Elevator Agents Should Apply to Local Railway Agents for Cars for Authorized Shipments

The Canadian Wheat Board
Instructions to the Trade

No. 12

ATTENTION ALL COMPANIES:

Dear Sirs:

The attention of all companies is directed to Circular 238 issued by the Board of Grain Commissioners under today's date reading as follows:

Having been advised that licensees of country elevators are not owners of wheat, oats and barley stored in their elevators and purchased from

producers for Wheat Board account, the Board therefore directs that applications for cars in the car order book will not be accepted from licensees or agents of such elevators for wheat, oats and barley which have been purchased from producers.

Any application made for a car to ship wheat, oats or barley, which grain after delivery to the elevator has been purchased for Wheat Board account, will automatically be cancelled.

Companies are advised that they should immediately instruct their country agents that, as they receive authority from the Canadian Wheat Board to ship wheat, oats or barley for account the Board, they should immediately apply to their local railway agent for sufficient cars to enable them to complete such authorized shipments. The same procedure should be followed in connection with car requirements for the shipment of malting barley delivered by producers under special over-quota permits and for the shipment of rye and flaxseed as authorized by the Board.

In this connection we would advise that the railway companies have been instructed by the Transport Controller that cars for the shipment of grain authorized by the Canadian Wheat Board are to be supplied in proportion to the Wheat Board orders approved for the point.

Yours very truly,
THE CANADIAN WHEAT BOARD

Approved for the Board by:
W. RIDDEL
Commissioner.

Reference:

W. F. Robbins
September 13th, 1955.

B-2—Letter from the Chief Commissioner, Canadian Wheat Board, to Chairman of the Commission re General Procedures Including the "Secret" Formula

The Canadian Wheat Board

423 Main Street,
Winnipeg 2, Man.
August eleventh, 1958

Mr. John Bracken,
Chairman,
Box Car Distribution Enquiry,
167 West Block,
Department of Trade and Commerce,
Ottawa, Canada.

Dear Mr. Bracken:

Further to our discussions in Ottawa last week regarding the procedures being followed by our Board in issuing instructions to our agents for the shipment of grain from country elevators to terminal and mill destinations, I am pleased to set out herein the manner in which such orders have been placed with the elevator companies, as well as to outline for you the objectives we have in mind in issuing shipping instructions.

The Canadian Wheat Board Act sets out the objectives of the Board as follows:

"The Board is incorporated with the object of marketing in an orderly manner, in inter-provincial and export trade, grain grown in Canada..."

Inquiry into the Distribution of Railway Box Cars

To this end the Board has been granted certain powers to buy, take delivery of, store, transfer, sell, ship or otherwise dispose of grain and to enter into various forms of agreements and contracts. The Canadian Wheat Board is first and foremost a marketing agency, charged with the responsibility of purchasing grain from producers in the designated area of Western Canada at guaranteed minimum prices, and merchandizing such grain in the domestic and export markets for the best advantage of western producers.

Under surplus supply conditions the Board has found it necessary to institute a system of delivery quotas designed to achieve two purposes:

- (a) to grant, to the degree possible, equal delivery opportunity to all producers within the area of the Board's jurisdiction;
- (b) to ensure adequate supplies of specific grades and types of grain required to meet market demand.

In its larger responsibility as a marketing agency it is the opinion of the Board that the second of these objectives is the more important.

In connection with the latter responsibility, the Board has had to exercise its authority in relation to the forward movement of grain from country to terminal positions. In this regard, it has been necessary to institute a system of shipping preferences to ensure that grains or grades of grain in market demand are available in saleable positions.

Prior to the 1954-55 crop year, the Board, when issuing instructions for the shipment of Board grain, followed various procedures. In some instances our shipping orders were related to each elevator company's liability by grade. In other cases orders were related to stocks and grades in store the elevators in particular areas. At times companies were simply instructed to ship certain grades taken in for Board account as box cars were made available by the railway companies. Cars were distributed by the railway companies at local points on the basis of the car order book, or on a basis agreed upon between the companies concerned, or, failing either of these, on the basis of one car per elevator.

At the beginning of the 1954-55 crop year, however, following discussions held by the Agricultural Committee of the House of Commons and subsequent recommendations of that Committee to the Government, our Board was instructed by the Government, "to allocate shipping orders between the various elevator companies in as equitable a manner as possible, taking all relevant factors into consideration."

Since the receipt of these instructions from the Government, which have not yet been cancelled or amended, our Board has been allocating shipping orders for the movement of specific types and grades of grain to the various elevator companies which act as our agents. The division of the order to individual stations has been the responsibility of each company, subject to Board approval.

The Canadian Wheat Board, since the beginning of the 1954-55 crop year, has allocated shipping orders

to the elevator companies pursuant to the directive from the Government of Canada and considering the following factors:

1. The market requirements by grains and grades of grain.
2. Space available in terminal and forward position, having in mind the best possible utilization of railway equipment.
3. The necessity of having a back-log of open shipping orders in the country to enable efficient operation by the railways.
4. The necessity, to the degree possible, of equalizing producer delivery opportunities and the utilization of all space in country elevators to maximize producer deliveries.

In determining the share of each shipping order received by each company, the Board takes into account:

- (a) The proportion of business each company enjoyed in country elevators in years prior to congestion developing and during the period when producers had the opportunity of delivering their grain to any elevator at a shipping point, with necessary adjustments being made in respect of changes in the ownership of facilities.
- (b) The individual company's liability to the Board covering the particular type or grade of grain to be shipped.
- (c) The amount of business each company is originating during the current crop year.
- (d) The proportion of previous shipping orders each company has received from our Board during the crop year to date.
- (e) The unauthorized shipments, or shipments of grades other than those authorized, which have been made by each company.

In cases where a particular kind or grade of grain is in short supply, the Board, at times, authorizes the elevator companies to ship such stocks without special authorization by the Board. Such shipments are regarded as "open" shipments and are not taken into consideration in the Board allocation.

Cars for shipment of malting barley, representing business originated by the various companies on a strictly competitive basis, are not included in our allocation. Cars for the shipment of flaxseed are in a similar category.

In September, 1953, after the problem of car allocation had been further considered by the Agricultural Committee of the House of Commons, and, on instructions from the Government, the Transport Controller requested the railway companies to place cars at individual elevators at a station, for the shipment of grain authorized by our Board, in proportion to the Wheat Board orders held by each elevator at the point. Since that date cars for the shipment of grain have been distributed on this basis between elevators at individual shipping points.

As previously indicated, the Board has followed a policy of issuing each shipping authorization to the company concerned, leaving to its management the

Factual Background Material

responsibility of proportioning the orders among the various stations where they operate elevators, subject to Board approval as related to the quota in effect. It is the considered opinion of our Board that the operating companies are in the best position to proportion the orders to individual stations where they are represented in order to provide maximum service to their patrons. The Board is concerned with the station allocation mainly insofar as it affects the relative quota positions, and the equalization of delivery opportunity among all producers.

In the event that the indicated movement out of a particular shipping point is in excess of the Board's wishes relative to the quota in effect, the company's division to such stations is revised accordingly, and is available for distribution to other stations or credited to their subsequent allotments.

It has not been the policy of the Board to disclose the proportionate shares of each order which the individual companies receive. It is our opinion that making such information public would lead to a great deal of confusion and misunderstanding. It is con-

sidered, that the release of such information without full particulars regarding the company's share of previous orders, their stock liability, the total amount of grain that we want to move forward to meet the market requirement, penalties assessed covering previous unauthorized shipments, etc., would not be in the best interests of the companies or the Board. It should be kept in mind, however, that the Board of Grain Commissioners for Canada publish weekly statistics showing country receipts of all grains by provinces and, as each company knows the amount of grain taken into their own elevators, they are always in a position to determine the exact share of the total business they are enjoying.

I trust that this brief summary of the policies being followed by our Board when authorizing the shipment of grain taken in for our account will be helpful to you in your study of the box car allocation problem.

Yours sincerely,
W. C. McNAMARA,
Chief Commissioner.

Inquiry into the Distribution of Railway Box Cars

STATISTICAL TABLES

C. Statistical Tables

1. Statement of Public Country Elevators as at December 1, 1957, by Companies and Capacity. Includes data on the Percentage of Receipts in 1956-57 for the Pools and for Other Companies Combined.
2. Country Elevator Capacities and Receipts, 1943-44 to 1956-57 by (a) Pools and (b) North-West Line Elevators Association, and United Grain Growers Limited, Combined.
3. Canadian Wheat Board Payments to Producers for No. 1 Northern Wheat, 1943-44 to 1956-57.
4. Canadian Wheat Board Payments to Producers for No. 2 C.W. Oats and No. 3 C.W. 6-Row Barley, 1949-50 to 1956-57.
5. Canadian Wheat Board Payments to Producers for Specified Grades of Wheat, 1951-52 to 1956-57.
6. Canadian Wheat Board Payments to Producers for Specified Grades of Oats, 1951-52 to 1956-57.
7. Canadian Wheat Board Payments to Producers for Specified Grades of Barley, 1951-52 to 1956-57.

C-1—Public Country Elevators as at December 1, 1957 by Companies and Capacity with Percentage of Receipts in 1956-57 for Pools and for Other Companies Combined

	No. of Elevators	Capacity		Percent- age of Receipts 1956-57
		Total	Average	
United Grain Growers Ltd.....	676	48,923,300	72,400	
Searle Grain Co. Ltd.....	462	31,016,000	67,100	
Federal Grain Limited.....	454	26,431,000	58,200	
Pioneer Grain Co. Ltd.....	439	34,590,600	78,800	
Alberta Pacific Grain Co. (1943) Ltd.....	331	22,704,300	68,600	
National Grain Co. Ltd.....	324	22,232,900	68,500	
Canadian Consolidated Grain Co. Ltd.....	130	6,372,700	49,000	
Ogilvie Flour Mills Co. Ltd.....	128	7,598,000	59,400	
Paterson & Sons Ltd., N.M.....	104	7,320,000	70,400	
Lake of the Woods Milling Co. Ltd.....	98	5,295,400	54,000	
McCabe Grain Co. Ltd.....	90	6,235,000	69,001	
Parrish & Heimbecker Ltd.....	65	4,283,500	65,900	
Weyburn Flour Mills Ltd.....	19	1,418,590	74,700	
Ellison Milling & Elevator Co. Ltd.....	18	1,857,200	103,200	
Inter Ocean Grain Co. Ltd.....	10	957,200	95,700	
Scottish Cooperative Wholesale Society Ltd.....	10	426,000	42,600	
Canada West Grain Co. Ltd.....	6	592,000	98,600	
Midland & Pacific Grain Corporation Ltd.....	3	231,000	93,700	
24 Companies				
6 with 2 elevators each	30	2,236,300	74,500	
18 with 1 elevator each				
Total Line and U.G.G.....	3,397	230,770,900	60.8	67,900
Manitoba Pool Elevators.....	268	20,015,000	5.3	74,600
Saskatchewan Wheat Pool.....	1,145	85,838,700	22.6	75,000
Alberta Wheat Pool.....	533	42,939,250	11.3	80,500
	5,343	379,613,940	100.0	71,000

Source: Elevators and Capacities: Board of Grain Commissioners.
Receipts: North West Line Elevators Association Brief.

Factual Background Material

C-2—Country Elevator Capacities and Receipts, 1943-44 to 1956-57

	Pools				Line and U.G.G. Combined			
	Capacity	Total Receipts	Percent- age of Total Capacity	Percent- age of Total Receipts	Capacity	Total Receipts	Percent- age of Total Capacity	Percent- age of Total Receipts
1943-44.....	115.1m.	216.8m.	37.6	38.2	190.9	351.1	62.4	61.8
1944-45.....	114.5	234.5	37.6	41.4	189.9	331.9	62.4	58.6
1945-46.....	105.5	186.5	38.3	44.8	170.3	229.4	61.7	55.2
1946-47.....	101.8	219.5	38.1	43.3	165.1	287.2	61.9	56.7
1947-48.....	101.4	173.7	38.2	43.5	163.2	225.9	61.7	56.5
1948-49.....	102.6	212.5	38.6	44.5	163.1	265.3	61.4	55.5
1949-50.....	104.5	212.6	39.3	46.3	161.6	246.8	60.7	53.7
1950-51.....	110.2	247.0	39.3	44.3	170.0	310.5	60.7	55.7
1951-52.....	115.9	308.1	39.1	42.4	180.3	419.5	60.9	57.6
1952-53.....	123.8	349.7	39.3	41.9	190.9	485.1	60.7	58.1
1953-54.....	130.2	246.6	39.4	41.0	200.9	354.6	60.6	59.0
1954-55.....	137.0	225.7	39.9	43.4	206.1	293.8	60.1	56.6
1955-56.....	145.3	248.8	39.5	44.4	222.7	311.4	60.5	55.6
1956-57.....	147.6	254.3	39.3	44.0	228.0	324.2	60.7	56.0

Source: Board of Grain Commissioners.

C-3—Canadian Wheat Board Payments to Producers for No. 1 Northern Wheat Basis in Store Fort William/Port Arthur or Vancouver Crop Years 1943-44 to 1956-57

Crop Year	Initial Payment	Adjustment Payment	Interim Payment	Final Payment	Total Realized Price
	(dollars per bushel)				
1943-44.....	1.25	—	—	.123	1.373
1944-45.....	1.25	—	—	.189	1.439
1945-46.....	1.25	.50	—	.084	1.834
1946-47.....	1.35	.40	—	.084	1.834
1947-48.....	1.35	.40	—	.084	1.834
1948-49.....	1.55	.20	—	.084	1.834
1949-50.....	1.75	—	—	.084	1.834
1950-51.....	1.40	.20	—	.258	1.858
1951-52.....	1.40	.20	—	.236	1.836
1952-53.....	1.40	.20	.12	.099	1.819
1953-54.....	1.40	—	.10	.064	1.564
1954-55.....	1.40	—	.10	.151	1.651
1955-56.....	1.40	—	.10	.109	1.609
1956-57.....	1.40	—	.10	.088	1.588

Source: Annual Reports Canadian Wheat Board.

Inquiry into the Distribution of Railway Box Cars

C-4—Canadian Wheat Board Payments to Producers for No. 2 Canada Western Oats, Basis in Store Fort William/Port Arthur
Crop Years 1949-50 to 1956-57

Crop Year	Initial Payment	Adjustment Payment	Final Payment	Final Realized Price
(cents per bushel)				
1949-50.....	65	—	19.1	84.1
1950-51.....	65	10	9.8	84.8
1951-52.....	65	—	18.8	83.8
1952-53.....	65	—	9.1	74.1
1953-54.....	65	—	5.5	70.5
1954-55.....	65	7	8.7	80.7
1955-56.....	65	—	14.8	79.8
1956-57.....	65	—	—	65.0

Canadian Wheat Board Payments to Producers for No. 3 Canada Western 6-Row Barley, Basis in Store Fort-William/Port Arthur
Crop Years 1949-50 to 1956-57

1949-50.....	93	—	58.0	151.0
1950-51.....	93	20	21.1	134.1
1951-52.....	96	20	13.3	129.3
1952-53.....	96	15	13.5	124.5
1953-54.....	96	—	10.0	106.0
1954-55.....	96	10	4.5	110.5
1955-56.....	96	—	12.8	108.8
1956-57.....	96	—	6.0	102.0

SOURCE: Annual Reports Canadian Wheat Board.

C-5—Canadian Wheat Board Payments to Producers for Specified Grades of Wheat,
Basis in Store Fort William/Port Arthur or Vancouver

Wheat	Initial Payment	Final Realized Price	Wheat	Initial Payment	Final Realized Price
(dollars per bushel)			(dollars per bushel)		
1951-52:			1954-55:		
No. 1 Northern.....	1.40	1.83569	No. 1 Northern.....	1.40	1.65066
No. 2 Northern.....	1.37	1.81579	No. 2 Northern.....	1.36	1.61397
No. 3 Northern.....	1.34	1.79589	No. 3 Northern.....	1.34	1.56387
No. 4 Northern.....	1.26	1.73609	No. 4 Northern.....	1.26	1.47657
No. 5 Wheat.....	1.16	1.60547	No. 5 Wheat.....	1.12	1.19619
No. 6 Wheat.....	1.06	1.52567	No. 6 Wheat.....	1.06	1.14619
Feed Wheat.....	1.00	1.49597			
1952-53:			1955-56:		
No. 1 Northern.....	1.40	1.81872	No. 1 Northern.....	1.40	1.60893
No. 2 Northern.....	1.37	1.79185	No. 2 Northern.....	1.36	1.57839
No. 3 Northern.....	1.34	1.76567	No. 3 Northern.....	1.34	1.49948
No. 4 Northern.....	1.26	1.71711	No. 4 Northern.....	1.26	1.44592
No. 5 Wheat.....	1.16	1.57507	No. 5 Wheat.....	1.10	1.29905
No. 6 Wheat.....	1.06	1.52664	No. 6 Wheat.....	1.04	1.26868
Feed Wheat.....	1.00	1.46948			
1953-54:			1956-57:		
No. 1 Northern.....	1.40	1.56426	No. 1 Northern.....	1.40	1.58838
No. 2 Northern.....	1.37	1.51920	No. 2 Northern.....	1.36	1.54892
No. 3 Northern.....	1.34	1.49488	No. 3 Northern.....	1.32	1.47978
No. 4 Northern.....	1.26	1.44568	No. 4 Northern.....	1.25	1.37880
No. 5 Wheat.....	1.12	1.32924	No. 5 Wheat.....	1.08	1.25521
No. 6 Wheat.....	1.06	1.29538	No. 6 Wheat.....	1.02	1.17871
Feed Wheat.....	1.00	1.26726			

SOURCE: Annual Reports Canadian Wheat Board.

Factual Background Material

C-6—Canadian Wheat Board Payments to Producers for Specified Grades of Oats.
Basis in Store Fort William/Port Arthur or Vancouver

Oats	Initial Payment	Final Realized Price	Oats	Initial Payment	Final Realized Price
	(cents per bushel)			(cents per bushel)	
1951-52:			1954-55:		
No. 2 C.W.....	65	83.80	No. 2 C.W.....	65	80.74
Extra No. 3 C.W.....	—	—	Extra No. 3 C.W.....	62	78.92
No. 3 C.W.....	62	80.92	No. 3 C.W.....	62	75.23
Extra No. 1 Feed.....	62	80.56	Extra No. 1 Feed.....	62	73.26
No. 1 Feed.....	60	77.76	No. 1 Feed.....	60	71.35
No. 2 Feed.....	53	75.12	No. 2 Feed.....	55	68.33
No. 3 Feed.....	48	72.11	No. 3 Feed.....	48	64.66
1952-53:			1955-56:		
No. 2 C.W.....	65	74.12	No. 2 C.W.....	65	79.84
Extra No. 3 C.W.....	62	71.97	Extra No. 3 C.W.....	62	76.32
No. 3 C.W.....	62	71.22	No. 3 C.W.....	62	72.78
Extra No. 1 Feed.....	62	71.22	Extra No. 1 Feed.....	62	73.08
No. 1 Feed.....	60	68.47	No. 1 Feed.....	60	71.44
No. 2 Feed.....	53	66.40	No. 2 Feed.....	55	68.93
No. 3 Feed.....	48	64.02	No. 3 Feed.....	48	65.61
1953-54:			1956-57:		
No. 2 C.W.....	65	70.51	No. 2 C.W.....	65	65
Extra No. 3 C.W.....	62	69.36	Extra No. 3 C.W.....	62	62
No. 3 C.W.....	62	67.83	No. 3 C.W.....	62	62
Extra No. 1 Feed.....	62	68.14	Extra No. 1 Feed.....	62	62
No. 1 Feed.....	60	66.17	No. 1 Feed.....	60	60
No. 2 Feed.....	55	64.18	No. 2 Feed.....	55	55
No. 3 Feed.....	48	61.37	No. 3 Feed.....	48	48

Source: Annual Reports Canadian Wheat Board.

C-7—Canadian Wheat Board Payments to Producers for Specified Grades of Barley,
Basis in Store Fort William/Port Arthur or Vancouver

Barley	Initial Payment	Final Realized Price	Barley	Initial Payment	Final Realized Price
	(cents per bushel)			(cents per bushel)	
1951-52:			1954-55:		
No. 3 C.W. Six Row.....	96	129.33	No. 2 C.W. Six Row.....	98	115.10
No. 4 C.W. Six Row.....	90	122.68	No. 3 C.W. Six Row.....	96	110.50
No. 1 Feed.....	87	121.15	No. 4 C.W. Six Row.....	90	102.59
No. 2 Feed.....	80	117.59	No. 2 C.W. Two Row.....	91	112.79
No. 3 Feed.....	75	111.15	No. 3 C.W. Two Row.....	88	106.84
1952-53:			No. 1 Feed.....	87	100.65
No. 2 C.W. Six Row.....	98	127.24	No. 2 Feed.....	82	99.83
No. 3 C.W. Six Row.....	96	124.49	No. 3 Feed.....	75	96.20
No. 4 C.W. Six Row.....	90	116.74	1955-56:		
No. 2 C.W. Two Row.....	91	125.36	No. 2 C.W. Six Row.....	98	112.77
No. 3 C.W. Two Row.....	88	123.36	No. 3 C.W. Six Row.....	96	108.34
No. 1 Feed.....	87	112.86	No. 4 C.W. Six Row.....	90	101.25
No. 2 Feed.....	80	111.36	No. 2 C.W. Two Row.....	91	110.85
No. 3 Feed.....	75	106.49	No. 3 C.W. Two Row.....	88	102.68
1953-54:			No. 1 Feed.....	87	99.32
No. 2 C.W. Six Row.....	98	109.48	Extra No. 2 Feed.....	84	98.69
No. 3 C.W. Six Row.....	96	105.98	No. 2 Feed.....	82	98.69
No. 4 C.W. Six Row.....	90	95.86	No. 3 Feed.....	75	95.68
No. 2 C.W. Two Row.....	91	104.98	1956-57:		
No. 3 C.W. Two Row.....	88	100.11	No. 2 C.W. Six Row.....	98	106.92
No. 1 Feed.....	87	95.00	No. 3 C.W. Six Row.....	96	102.01
No. 2 Feed.....	82	93.75	No. 4 C.W. Six Row.....	90	94.80
No. 3 Feed.....	75	90.25	No. 2 C.W. Two Row.....	91	106.12
			No. 3 C.W. Two Row.....	88	98.30
			No. 1 Feed.....	87	92.15
			Extra No. 2 Feed.....	83	89.83
			No. 2 Feed.....	83	89.83
			No. 3 Feed.....	76	86.99

Source: Annual Reports Canadian Wheat Board.

Inquiry into the Distribution of Railway Box Cars

D. Charts and Supporting Tables

1. Data included in this section document the historical pattern of wheat production in Canada and point up indirectly some of the underlying reasons for the upward trend in crop output and the development of successive periods of congestion in storage and handling facilities.

- (a) Wheat Production, Acreage and Yield, Prairie Provinces, 50 Years, 1908-57.
- (b) Production, Disappearance and Carryover of Wheat in Canada, Crop Years, 1941-42 to 1956-57 and Average 1935-36 to 1939-40.
- (c) Tractors and Combines on Farms, Prairie Provinces, Census Years, 1936-56.
- (d) Growth of Two Branches of the Canada Department of Agriculture.
 - (i) Science Service—as Measured by Total Annual Expenditure, 1938-39 to 1957-58.
 - (ii) Experimental Farms Service—as Measured by Annual Votes, 1938-39 to 1958-59.
- (e) Utilization of Crop Land in the Prairie Provinces, Census Years, 1911-56.

2. The material in this section portrays the patterns of marketing, storage and exports of Canadian grains for various historical periods and also reflects the impact of periods of congestion in grain handling facilities on these patterns.

- (a) Farmers' Monthly Marketings of Wheat, Prairie Provinces, Crop Years, 1953-54 to 1957-58, and 10 and 25 year Averages.
- (b) Farmers' Monthly Marketings of Wheat, Oats, Barley, Rye and Flax, Prairie Provinces, Crop Years 1953-54 to 1957-58, and 10 and 25 year Averages.
- (c) Farmer's Marketings and Exports, Canada's Five Major Grains, Crop Years 1920-21 to 1956-57.

(d) Average Monthly Marketings of the Five Major Grains in the Prairie Provinces, "Congested" Period, Crop Years 1952-53 to 1956-57, and "Free-Flow" Period, 1945-46 to 1949-50.

(e) Country Elevator Capacities by Provinces for Selected Years 1912-57.

(f) Terminal Elevator Capacities, for Selected Years 1912-57.

(g) Ratio of Terminal Elevator Capacity to Total Capacity by Operating Groups for Crop Years 1943-44 to 1956-57.

(h) Average Percentage of Licensed Grain Storage Capacity Occupied in Canada, by Months, "Congested" Period, Crop Years 1952-53 to 1956-57, and "Free-Flow" Period, 1945-46 to 1949-50.

(i) Farm and Total Stocks of Canadian Wheat as at July 31, 1921-58.

(j) All Wheat in Storage on Farms, March 31, 1958, Prairie Provinces, by Crop Districts.

(k) Monthly Exports of Canadian Wheat and Wheat Flour, Crop Years, 1953-54 to 1957-58, and 10 and 30 Year Averages.

(l) Monthly Exports of Canada's Five Major Grains and Products, Crop Years 1953-54 to 1957-58, and 10 and 30 Year Averages.

(m) Car Lots of Grain Loaded in the Prairie Provinces, Crop Years 1939-40 to 1956-57.

E. Maps

1. The two maps in this section show:

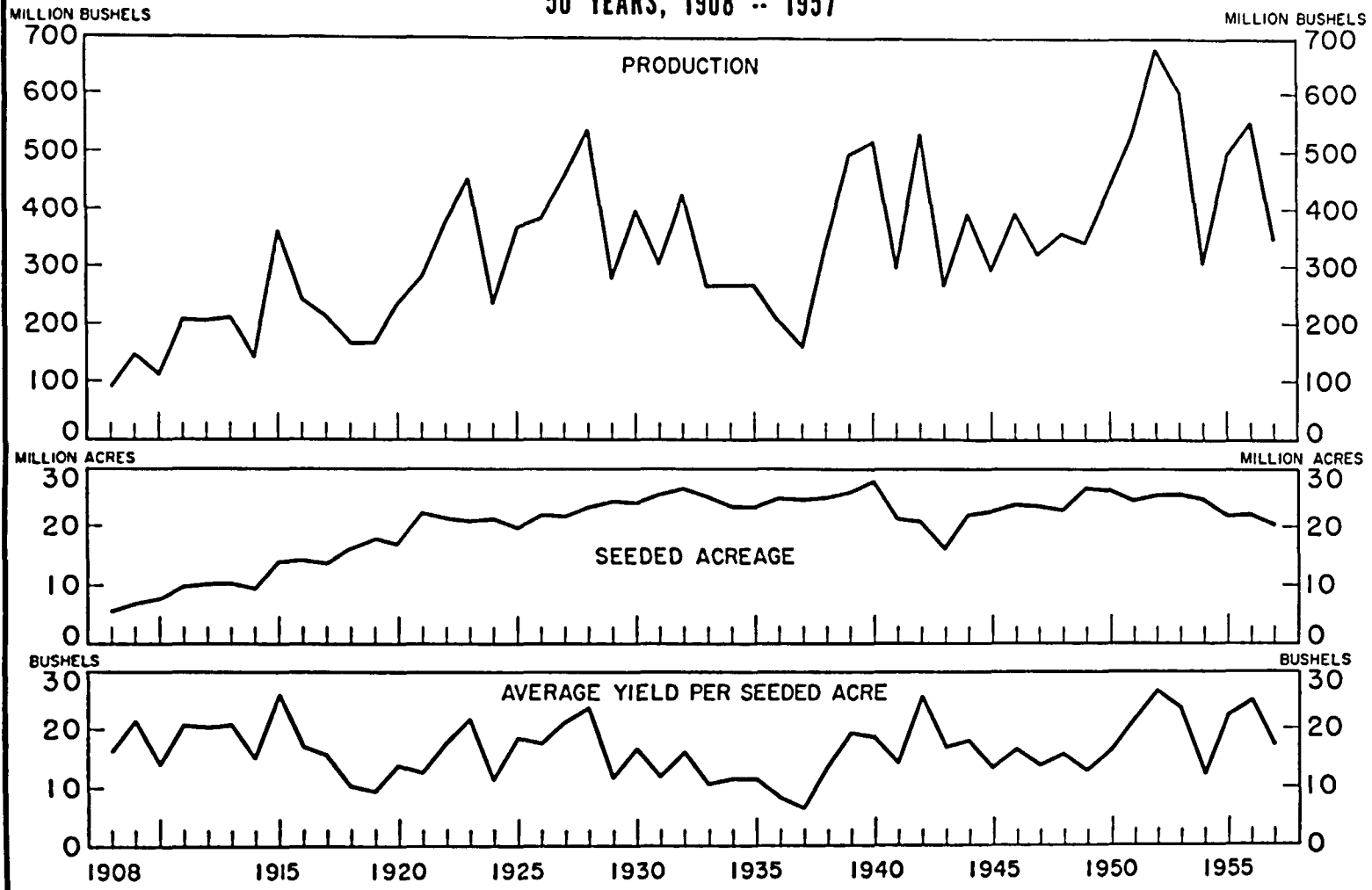
(a) The location of Storage Facilities across Canada and the Flow of Grain among them.

(b) A Generalized Picture of Western Canadian Freight Rate Zones Relating to Grain.

Factual Background Material

2. These four maps set out the acreage distribution of wheat, oats and barley and the general type-of-farming pattern in the Prairie Provinces at the beginning of the present period of congestion in grain storing and handling facilities.
 - (a) Wheat Acreage—Prairie Provinces.
 - (b) Oats Acreage—Prairie Provinces.
 - (c) Barley Acreage—Prairie Provinces.
- (d) Generalized Types of Farming—Western Canada.
3. These three maps point up the variability of farming conditions in the Prairie Provinces.
 - (a) Major Soil Zones—Prairie Provinces.
 - (b) Precipitation Zones—Prairie Provinces.
 - (c) Frost-Free Periods—Prairie Provinces.

WHEAT PRODUCTION, ACREAGE AND YIELD PRAIRIE PROVINCES 50 YEARS, 1908 -- 1957



SOURCE: DOMINION BUREAU OF STATISTICS

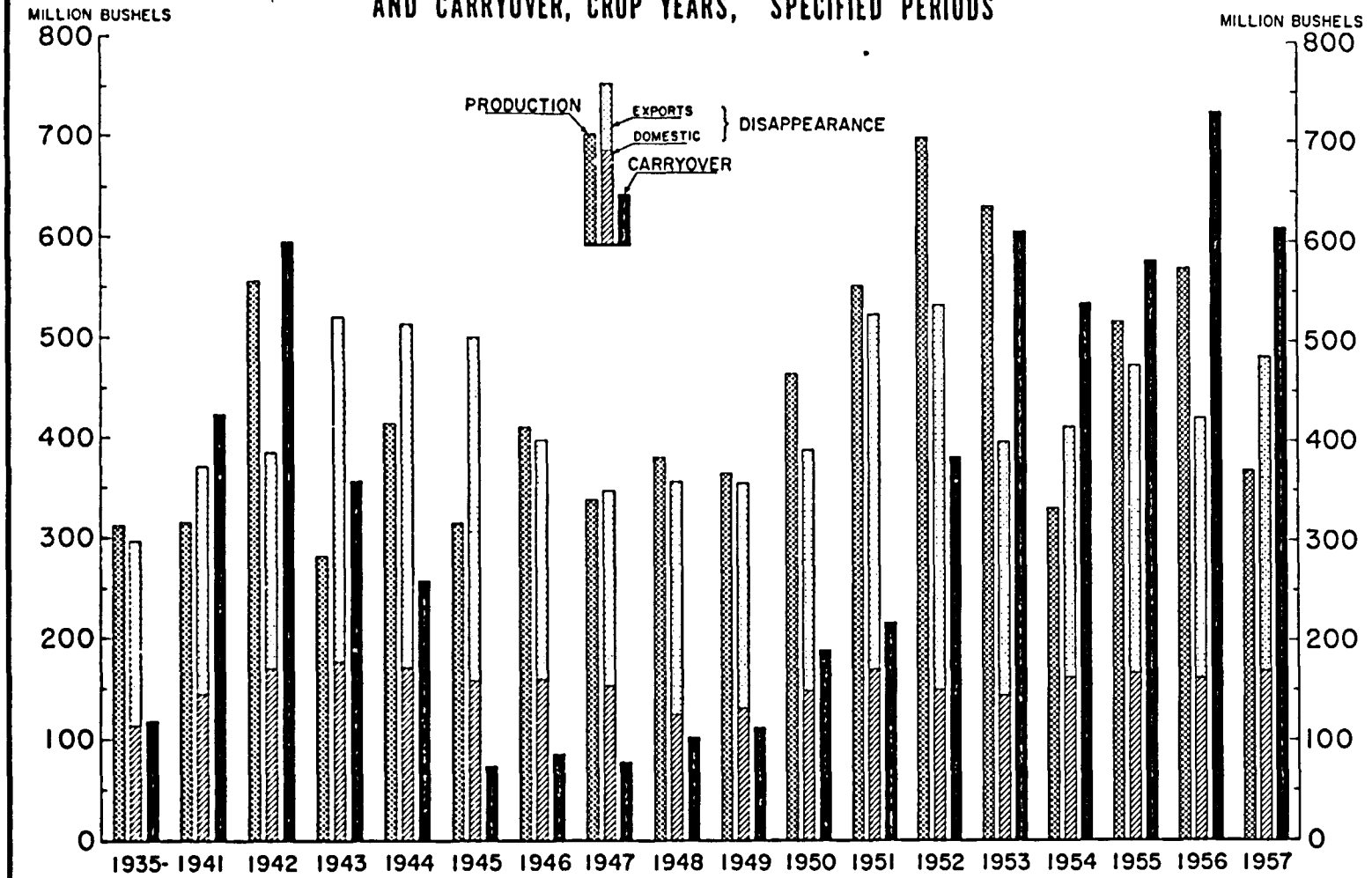
Factual Background Material

D-1-a. Wheat Production, Acreage and Yield, Prairie Provinces, 50 years, 1908-1957

Year	Production	Seeded Acreage	Average Yield per Seeded Acre
	'000 bu.	'000 acres	bu.
1908.....	91,853	5,624,000	16.3
1909.....	147,482	6,878,000	21.4
1910.....	110,167	7,867,000	14.0
1911.....	208,697	9,990,000	20.9
1912.....	204,280	10,011,000	20.4
1913.....	209,262	10,036,000	20.9
1914.....	140,958	9,335,000	15.1
1915.....	360,187	13,868,000	26.0
1916.....	242,314	14,363,000	16.9
1917.....	211,953	13,619,000	15.6
1918.....	164,436	16,125,000	10.2
1919.....	165,544	17,750,000	9.3
1920.....	234,138	16,841,000	13.9
1921.....	280,098	22,181,000	12.6
1922.....	375,194	21,223,000	17.7
1923.....	452,260	20,880,000	21.7
1924.....	235,694	21,066,000	11.2
1925.....	367,058	19,760,000	18.6
1926.....	380,765	21,805,000	17.5
1927.....	454,559	21,426,000	21.2
1928.....	544,598	23,159,000	23.5
1929.....	279,336	24,197,000	11.5
1930.....	397,300	23,960,000	16.6
1931.....	301,181	25,586,000	11.8
1932.....	422,947	26,395,000	16.0
1933.....	263,004	25,177,000	10.4
1934.....	263,800	23,296,000	11.3
1935.....	264,096	23,293,000	11.3
1936.....	202,000	24,838,000	8.1
1937.....	156,800	24,599,000	6.4
1938.....	336,000	24,946,000	13.5
1939.....	494,000	25,813,000	19.1
1940.....	513,800	27,750,000	18.5
1941.....	296,000	21,216,000	14.0
1942.....	529,000	20,653,000	25.6
1943.....	267,800	16,026,000	16.7
1944.....	391,700	21,900,000	17.9
1945.....	294,600	22,430,000	13.1
1946.....	393,000	23,731,000	16.6
1947.....	320,000	23,357,000	13.7
1948.....	356,000	22,820,000	15.6
1949.....	341,000	26,524,000	12.9
1950.....	439,000	26,382,000	16.6
1951.....	530,000	24,385,000	21.7
1952.....	678,000	25,372,000	26.7
1953.....	604,000	25,517,000	23.7
1954.....	305,000	24,707,000	12.3
1955.....	497,000	21,964,000	22.6
1956.....	551,000	22,064,000	25.0
1957.....	349,000	20,360,000	17.3

SOURCE: Dominion Bureau of Statistics.

WHEAT, CANADA, PRODUCTION, DISAPPEARANCE AND CARRYOVER, CROP YEARS,* SPECIFIED PERIODS



* CROP YEAR BEGINNING AUGUST 1

SOURCE: DOMINION BUREAU OF STATISTICS

Inquiry into the Distribution of Railway Box Cars

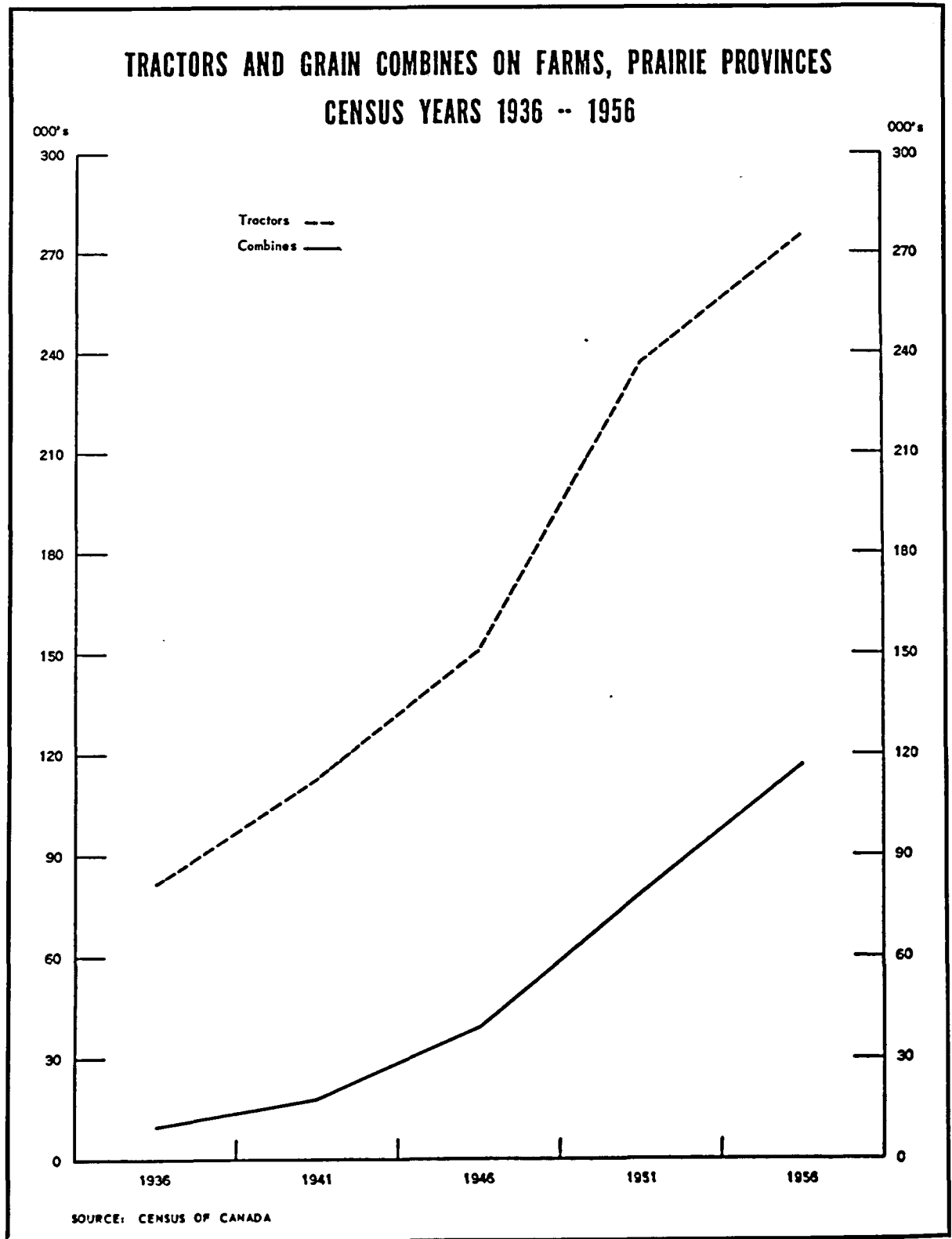
D-1-b

Factual Background Material

D-1-b. Wheat—Canada, Production, Disappearance and Carryover, Crop Years, Specified Periods

	Production	Disappearance			Carryover, end of Crop Year
		Exports	Domestic	Total	
- million bushels -					
1935-39 Average.....	312	183	114	297	118
1941-42.....	315	226	145	371	424
1942-43.....	556	215	170	385	595
1943-44.....	282	344	177	521	357
1944-45.....	415	343	171	514	258
1945-46.....	316	343	158	501	74
1946-47.....	412	239	160	399	86
1947-48.....	339	195	153	348	78
1948-49.....	381	232	125	357	102
1949-50.....	366	225	131	356	112
1950-51.....	466	241	149	390	189
1951-52.....	554	356	170	526	217
1952-53.....	702	386	150	536	383
1953-54.....	634	255	144	399	619
1954-55.....	332	252	162	414	537
1955-56.....	519	309	167	476	580
1956-57.....	573	262	161	423	730
1957-58.....	371	316	170	486	615

SOURCE: Dominion Bureau of Statistics.



Factual Background Material

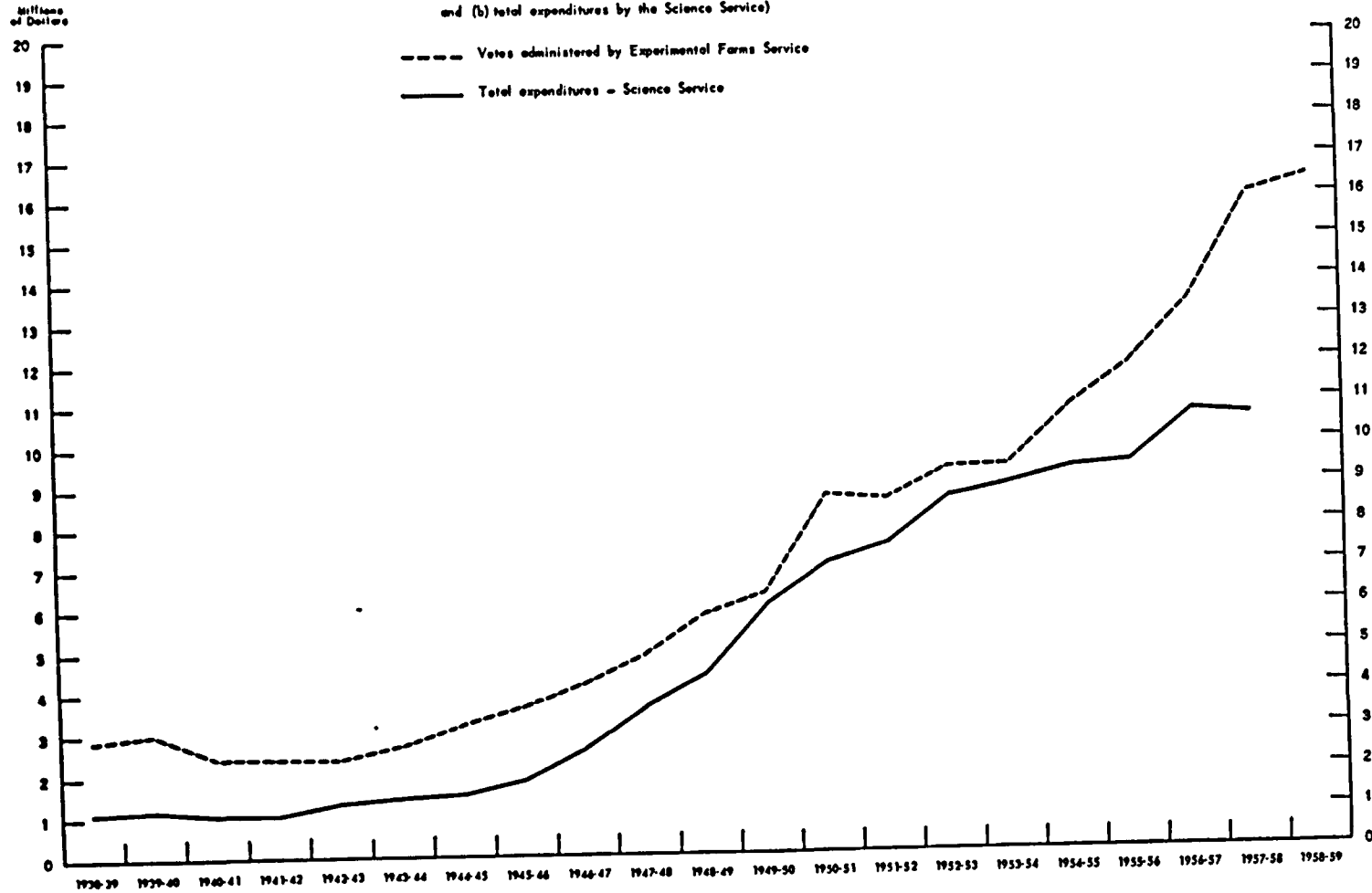
D-1-c: Tractors and Grain Combines on Farms, Prairie Provinces, Census Years 1936-1956

Year	No. of Tractors	No. of Grain Combines
1936.....	81,657	9,827
1941.....	112,624	18,081
1946.....	151,161	38,870
1951.....	236,930	79,117
1956.....	274,809	116,817

SOURCE: Census of Canada.

GROWTH OF TWO BRANCHES OF THE CANADA DEPT. OF AGRICULTURE

(as measured by (a) votes administered by the Experimental Farms Service and (b) total expenditures by the Science Service)



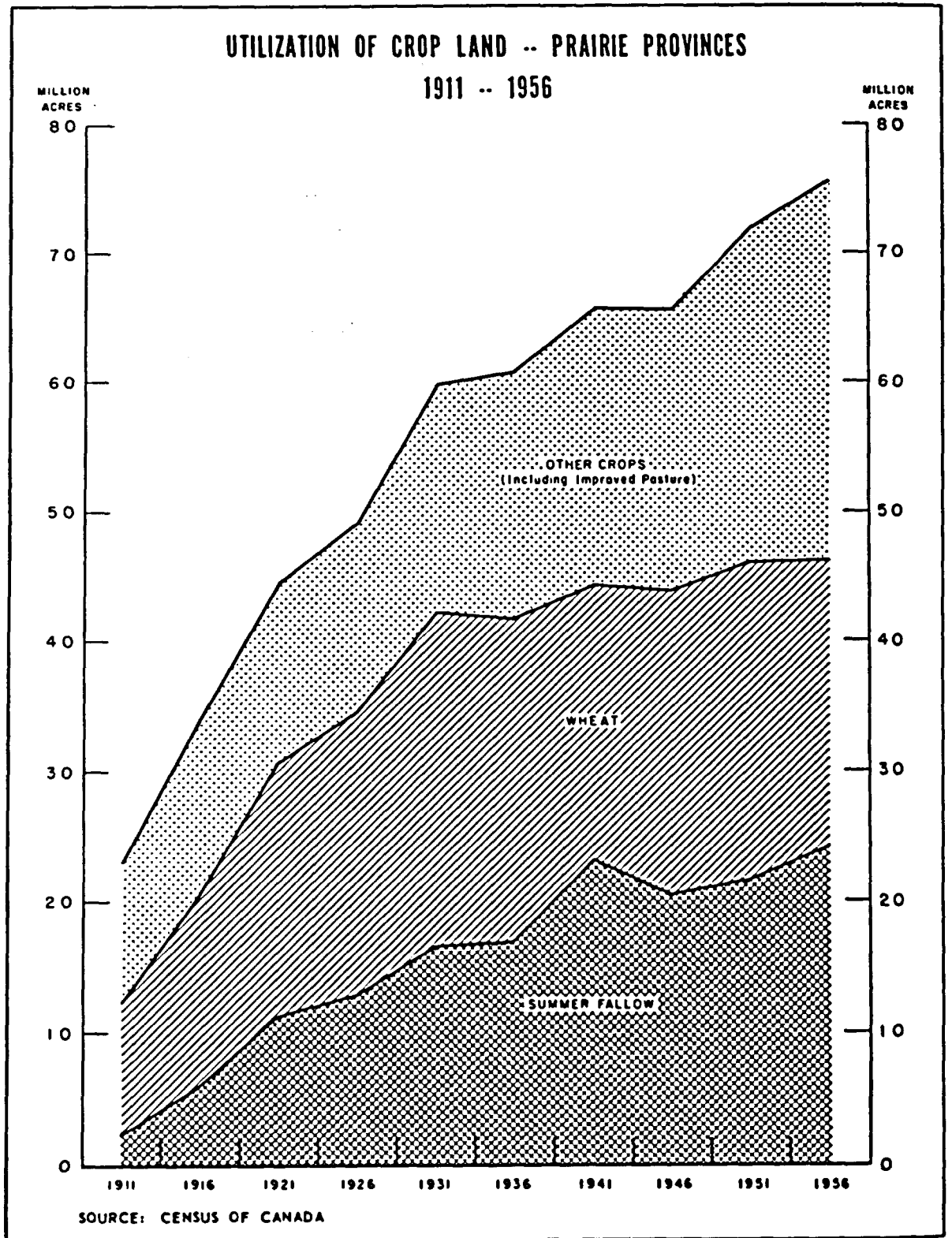
SOURCE: CANADA DEPARTMENT OF AGRICULTURE

Factual Background Material

D-1-d: Growth of Two Branches of the Canada Department of Agriculture as Measured by (a) Votes Administered by the Experimental Farms Service and (b) Total Expenditures by the Science Service

Fiscal Year	Votes Administered by Experimental Farms Service	Total Expenditures by Science Service
	\$	\$
1938-39.....	2,851,407	1,131,080
1939-40.....	3,091,836	1,198,099
1940-41.....	2,434,016	1,055,499
1941-42.....	2,424,726	1,069,151
1942-43.....	2,412,595	1,317,813
1943-44.....	2,677,924	1,381,431
1944-45.....	3,193,563	1,545,959
1945-46.....	3,630,607	1,809,380
1946-47.....	4,182,598	2,633,959
1947-48.....	4,830,846	3,592,747
1948-49.....	5,810,471	4,357,794
1949-50.....	6,313,203	6,060,697
1950-51.....	8,704,010	7,085,698
1951-52.....	8,651,391	7,489,978
1952-53.....	9,279,725	8,628,459
1953-54.....	9,386,388	8,969,369
1954-55.....	10,832,981	9,292,422
1955-56.....	11,778,694	9,424,274
1956-57.....	13,398,131	10,723,697
1957-58.....	16,005,872	10,627,549
1958-59.....	16,384,517	n. a.

SOURCE: Canada Department of Agriculture.

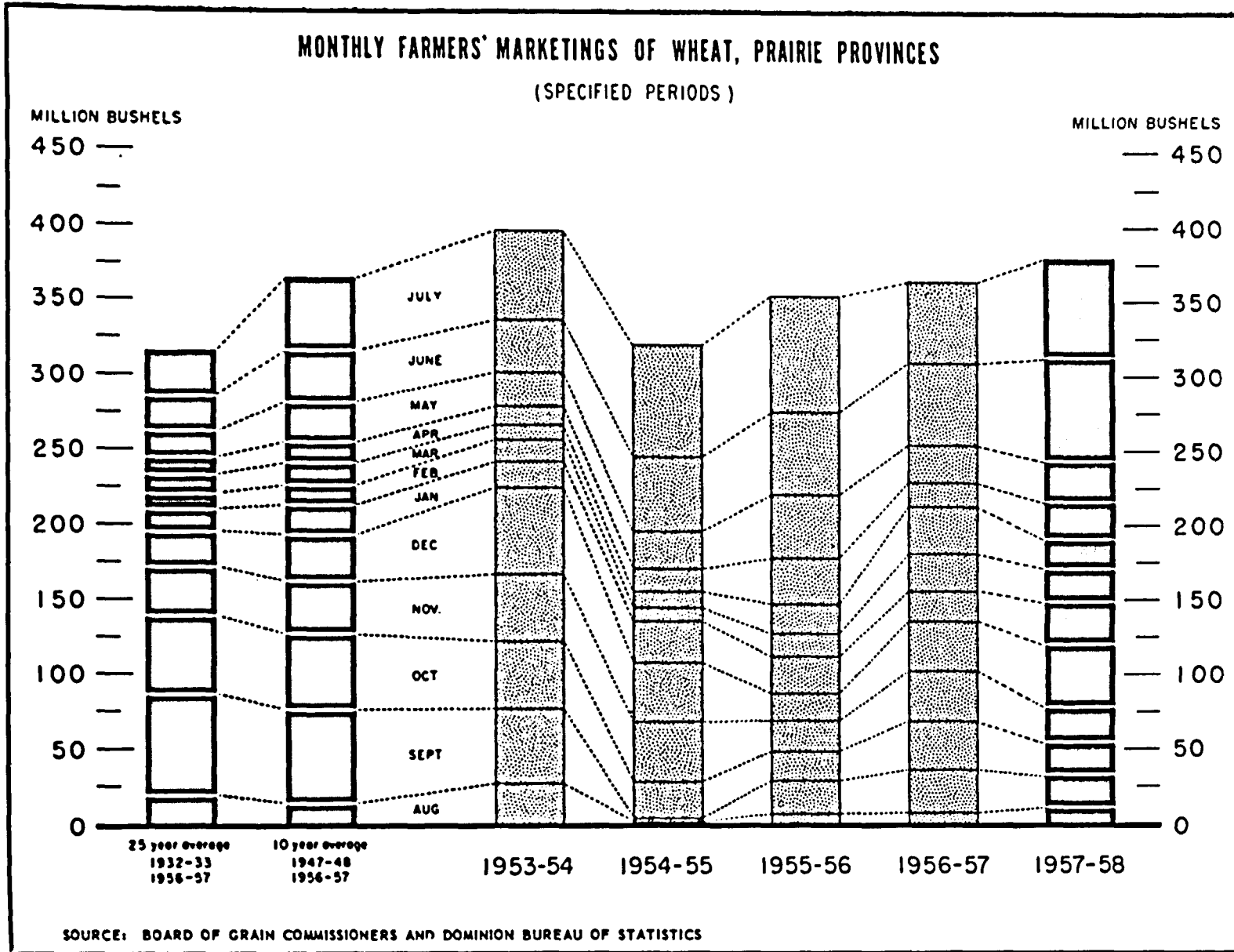


Factual Background Material

D-1-e. Utilization of Crop Land—Prairie Provinces, Census Years 1911-1956

Census Year	Summerfallow	Wheat	Other Crops Including Improved Pasture
- Million Acres -			
1911.....	2.3	10.0	10.7
1916.....	6.0	14.4	14.0
1921.....	11.3	19.4	14.2
1926.....	12.9	21.8	14.6
1931.....	16.6	25.6	17.7
1936.....	16.9	24.8	19.2
1941.....	23.1	21.2	21.2
1946.....	20.4	23.4	21.6
1951.....	21.6	24.4	25.9
1956.....	24.1	22.1	29.5

SOURCE: Census of Canada.



Inquiry into the Distribution of Railway Box Cars

Factual Background Material

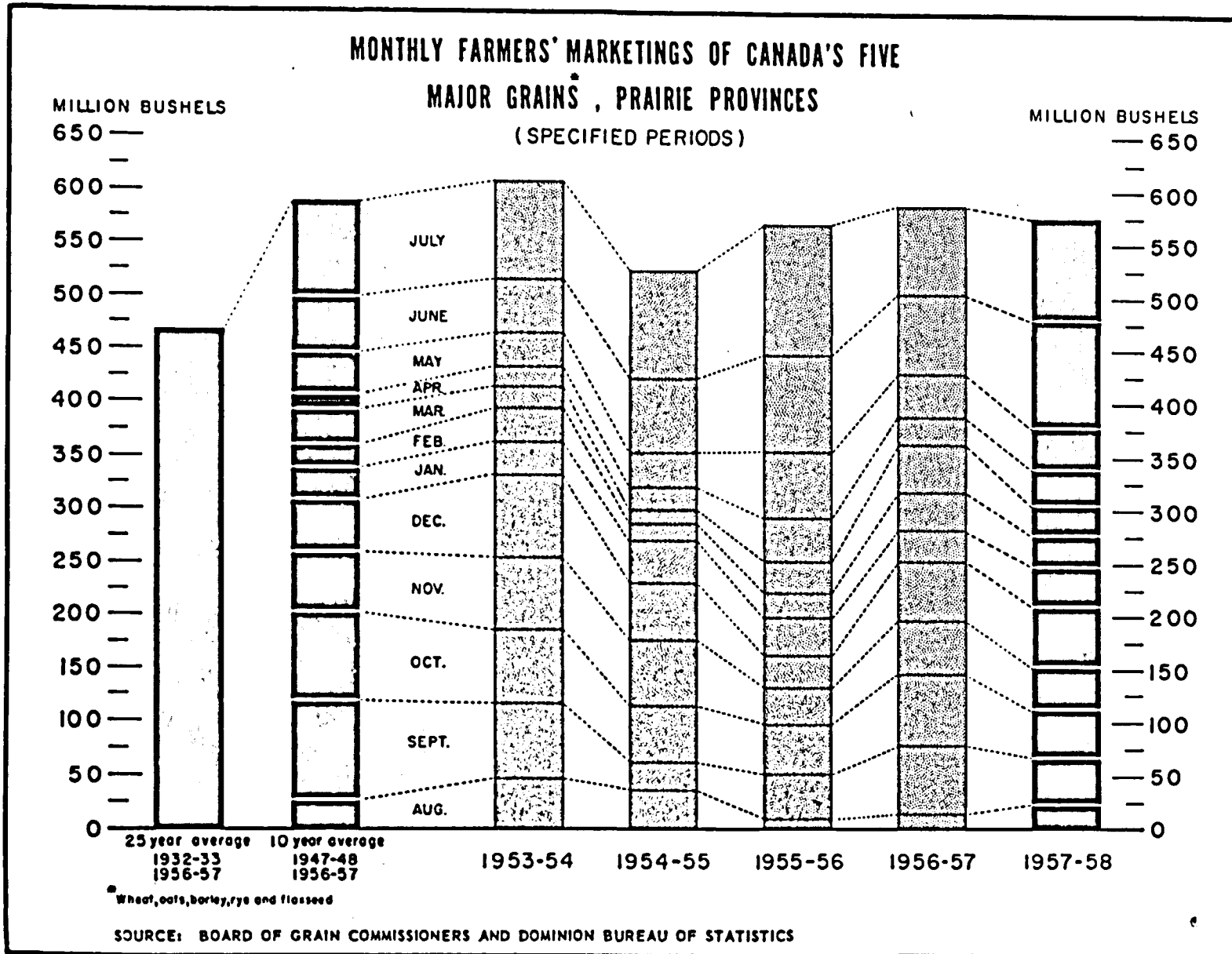
D-2-a. Cumulative Monthly Farmers' Marketings¹ of Wheat, Prairie Provinces²

	25-year av. 10-year av.		1953- 1954	1954- 1955	1955- 1956	1956- 1957	1957- 1958
	1932-33 1956-57	1947-48 1956-57					
	— thousand bushels —						
August.....	19,719	13,149	26,531	162	6,051	6,747	10,570
Aug.-Sept.....	86,939	75,631	76,335	3,380	28,354	35,776	31,453
Aug.-Oct.....	139,600	126,359	121,447	27,539	47,571	68,294	53,514
Aug.-Nov.....	172,033	161,772	166,724	67,768	68,638	102,165	76,435
Aug.-Dec.....	195,519	192,638	224,661	107,280	86,752	135,525	118,508
Aug.-Jan.....	209,923	212,285	241,693	135,024	111,213	155,478	148,448
Aug.-Feb.....	220,418	225,594	256,363	144,250	126,828	180,637	168,522
Aug.-Mar.....	233,122	240,550	266,381	155,053	146,717	212,318	188,189
Aug.-Apr.....	244,610	254,549	278,517	170,613	177,214	228,124	214,846
Aug.-May.....	261,991	231,393	301,101	195,633	219,930	253,511	242,462
Aug.-June.....	235,517	315,773	336,629	245,322	275,028	308,375	311,288
Aug.-July.....	315,979	365,048	396,849	319,777	352,961	361,903	378,421

Source: Board of Grain Commissioners and Dominion Bureau of Statistics.

¹Includes receipts at country, interior private terminal and mill elevators and platform loadings.

²Includes points in Ontario west of Fort William and country points in the Peace River Valley situated in British Columbia.



Factual Background Material

D-2-b. Cumulative Monthly Farmers' Marketings¹ of Canada's Five Major Grains² in the Prairie Provinces³

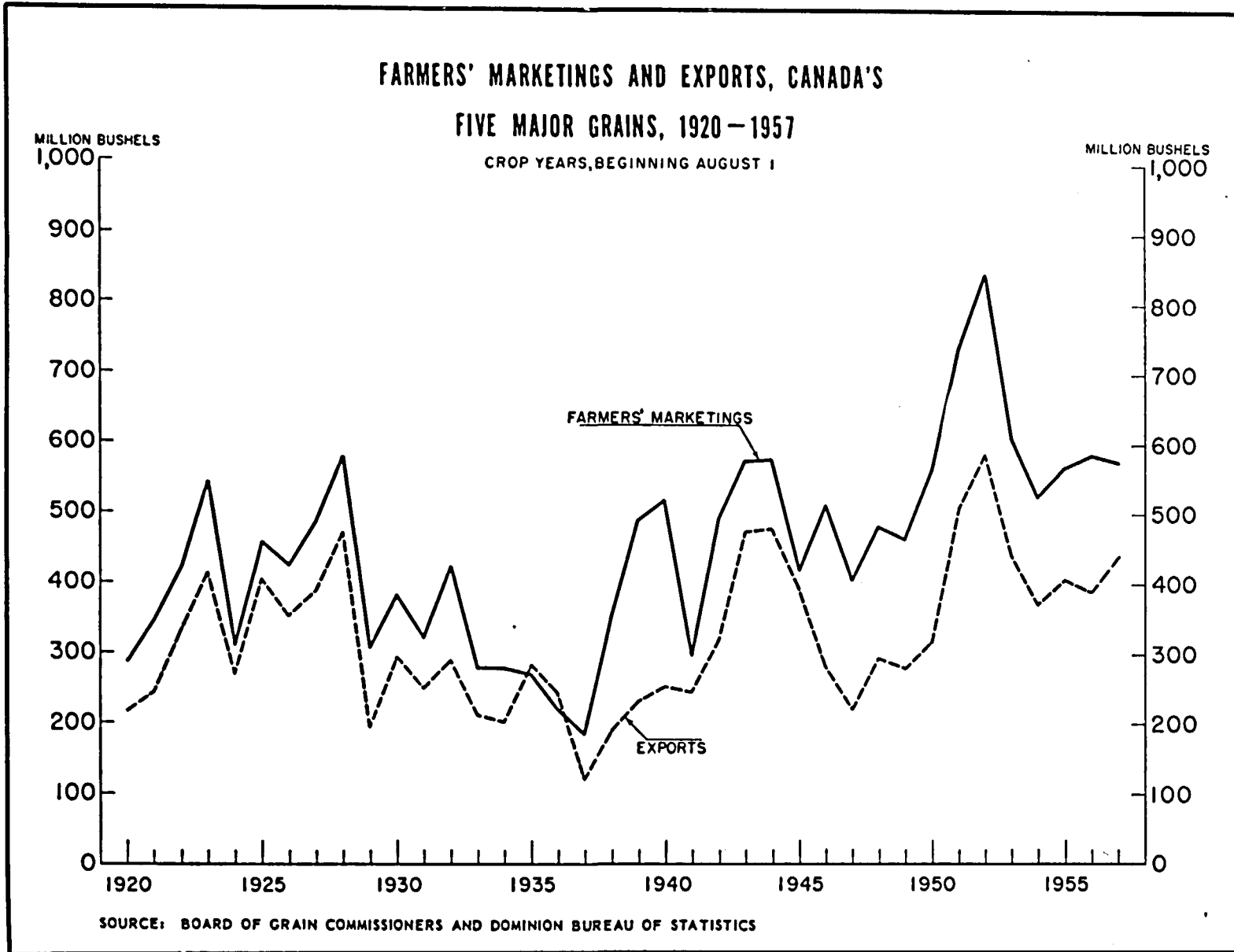
	25-year av.		10-year av.				
	1932-33 1956-57	1947-48 1956-57	1953- 1954	1954- 1955	1955- 1956	1956- 1957	1957- 1958
	— thousand bushels —						
August.....		26,490	46,946	34,953	9,618	12,986	20,252
Aug.-Sept.....		119,817	117,200	62,359	50,161	79,492	66,968
Aug.-Oct.....		202,972	185,479	114,987	99,642	146,556	110,169
Aug.-Nov.....		259,527	253,969	178,592	133,482	195,585	151,543
Aug.-Dec.....		307,095	331,570	230,351	162,140	251,692	209,149
Aug.-Jan.....		338,669	362,068	271,664	199,310	282,336	248,522
Aug.-Feb.....		359,801	393,964	285,598	221,875	316,857	275,610
Aug.-Mar.....		383,100	413,138	299,857	251,228	361,161	304,221
Aug.-Apr.....		405,507	432,800	319,908	292,835	387,104	338,039
Aug.-May.....		446,073	464,596	352,226	353,555	426,901	376,827
Aug.-June.....		499,563	515,520	422,225	443,415	503,517	478,551
Aug.-July.....	467,106	577,937	607,587	524,345	567,029	584,705	575,570

SOURCE: Board of Grain Commissioners and Dominion Bureau of Statistics.

¹From 1932-33—1939-40 includes receipts at country elevators and platform loadings. From 1940-41 to date includes receipts at country elevators, platform loadings and interior private and mill elevators.

²Wheat, oats, barley, rye and flaxseed.

³Includes points in Ontario west of Fort William and country points in the Peace River Valley situated in British Columbia.



Inquiry into the Distribution of Railway Box Cars

D-2-c: Farmers' Marketings of Canada's Five Major Grains

	Wheat	Oats	Barley	Rye	Flaxseed	Total
	— thousand bushels —					
1920-21..	185,562		101,145			286,707
1921-22..	246,714		98,720			345,434
1922-23..	330,719		92,475			423,194
1923-24..	422,165		121,024			543,198
1924-25..	211,926		99,000			310,926
1925-26..	351,683		106,516			458,199
1926-27..	338,541		85,916			424,457
1927-28..	399,654		87,365			487,019
1928-29..	468,392		111,558			579,950
1929-30..	244,832		62,792			307,625
1930-31..	310,594		71,555			382,148
1931-32..	262,222		59,982			322,204
1932-33..	371,592		52,659			424,251
1933-34..	226,846		52,008			278,854
1934-35..	227,445		51,180			278,625
1935-36..	214,342		54,281			268,623
1936-37..	163,457		56,122			219,578
1937-38..	124,574		59,977			184,551
1938-39..	289,447		65,024			354,471
1939-40..	425,491		66,849			492,340
1940-41..	458,383	32,275	20,980	5,091	2,588	519,316
1941-42..	227,855	33,206	26,535	5,335	4,903	297,833
1942-43..	268,219	120,841	85,859	9,863	11,394	496,176
1943-44..	326,511	144,046	85,234	4,693	14,410	574,894
1944-45..	352,931	135,965	76,628	4,087	7,173	576,783
1945-46..	237,297	107,360	67,255	3,096	4,733	419,741
1946-47..	334,597	99,765	67,519	5,577	4,795	512,254
1947-48..	246,597	72,531	64,927	10,140	10,487	404,682
1948-49..	293,931	85,716	70,186	17,502	15,160	482,495
1949-50..	319,535	80,355	53,308	8,687	1,492	463,377
1950-51..	367,681	102,479	83,348	7,441	3,252	564,201
1951-52..	455,315	133,307	130,175	11,723	6,358	736,878
1952-53..	535,929	119,403	164,657	15,925	8,155	844,069
1953-54..	396,849	90,167	101,342	11,826	7,401	607,587
1954-55..	319,777	70,086	112,502	13,191	8,790	524,345
1955-56..	352,961	71,436	114,400	12,486	15,746	567,029
1956-57..	361,903	69,127	120,602	4,063	29,010	584,705
1957-58..	378,421	57,724	116,644	7,374	15,407	575,570
25-yr. aver.						
1932-33—						
1956-57	315,979		151,128			467,106
37-yr. aver.						
1920-21—						
1956-57	315,472		131,790			447,262

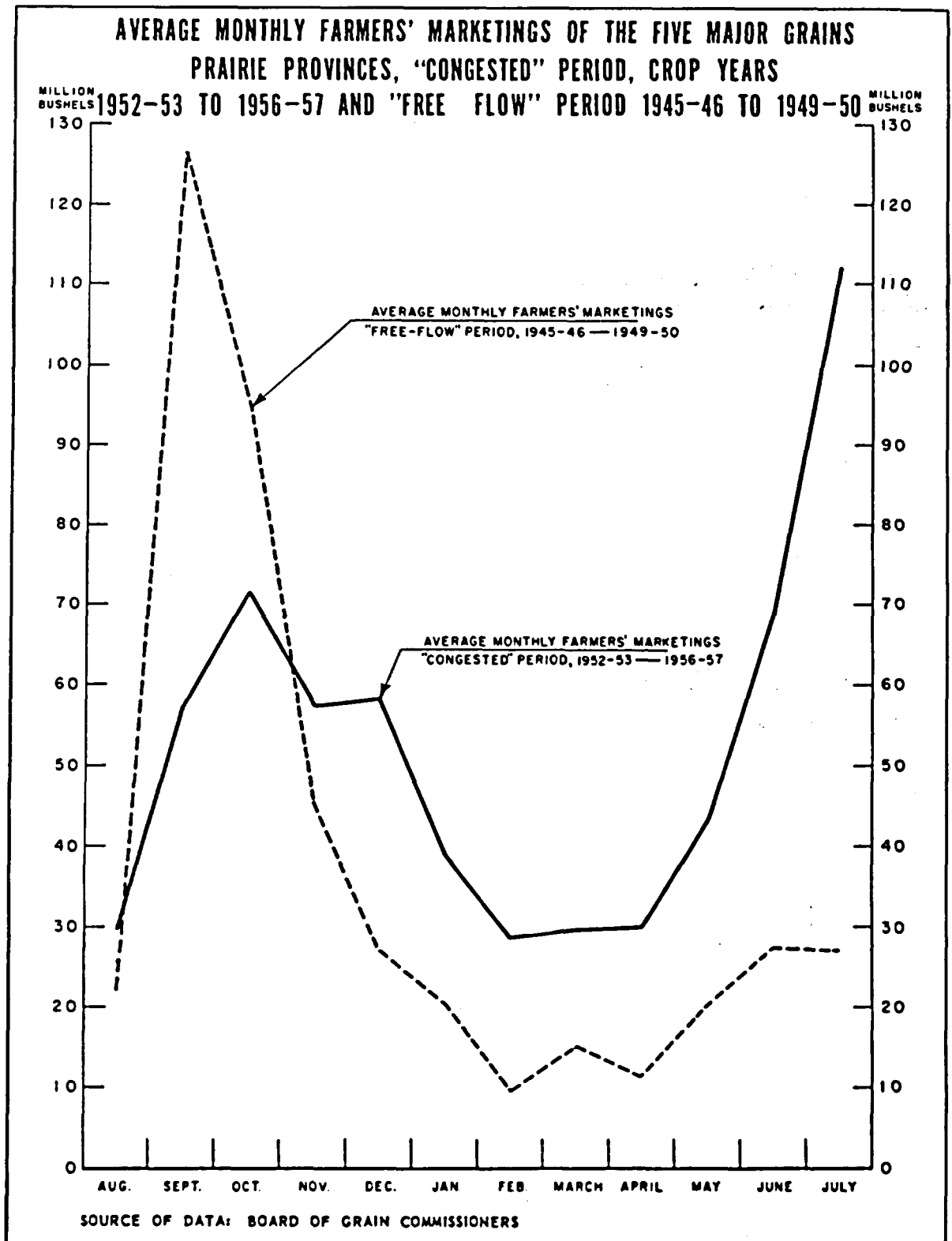
SOURCE: Board of Grain Commissioners and Dominion Bureau of Statistics

D-2-c: Exports of Canada's Five Major Grains and their Products

	Wheat, Wheat Flour	Oats, Oatmeal and Rolled Oats	Barley, Malt, Pot and Pearl Barley ¹	Rye, Rye Flour	Flaxseed	Total
	— thousand bushels —					
1920-21..	167,163	32,015	10,816	3,226	2,834	216,054
1921-22..	194,003	30,117	12,422	4,525	2,631	243,698
1922-23..	279,493	25,883	13,842	10,177	2,322	331,717
1923-24..	343,148	43,302	15,396	7,579	3,482	412,907
1924-25..	192,721	38,460	27,772	6,338	4,966	270,257
1925-26..	324,592	36,827	34,181	6,223	2,953	404,776
1926-27..	292,881	8,701	38,795	8,303	3,278	351,958
1927-28..	332,962	14,865	26,442	11,265	2,386	387,920
1928-29..	407,563	16,310	40,148	5,751	1,935	471,707
1929-30..	186,267	4,169	2,605	348	415	193,804
1930-31..	258,694	11,477	19,194	2,090	1,998	293,453
1931-32..	207,030	18,010	15,359	9,048	251	249,698
1932-33..	264,304	14,419	7,842	2,868	794	290,227
1933-34..	194,780	9,141	5,407	2,582	187	212,097
1934-35..	165,751	17,863	17,443	1,189	12	202,258
1935-36..	254,425	15,515	10,115	2,459	19	282,533
1936-37..	209,773	9,501	19,617	3,634	178	242,703
1937-38..	95,586	8,228	16,166	650	16	120,646
1938-39..	160,034	12,934	16,810	788	31	190,597
1939-40..	192,674	23,591	12,830	2,824	—	231,919
1940-41..	231,206	13,651	4,594	2,043	55	251,549
1941-42..	225,828	11,861	3,009	2,845	842	244,385
1942-43..	214,701	63,323	34,862	2,114	5,202	320,202
1943-44..	343,755	74,735	37,200	8,175	10,050	473,915
1944-45..	342,946	85,798	39,968	6,340	4,327	479,379
1945-46..	343,186	43,861	5,088	3,003	346	395,484
1946-47..	239,421	29,759	7,658	5,274	61	282,173
1947-48..	194,982	10,202	4,327	10,226	1,788	221,525
1948-49..	232,329	23,220	24,605	10,239	4,413	294,806
1949-50..	225,137	20,547	20,848	9,954	3,034	279,520
1950-51..	240,961	35,397	27,403	9,367	4,131	317,259
1951-52..	355,825	70,646	73,472	6,820	2,882	509,645
1952-53..	385,527	65,371	122,077	8,993	4,060	586,028
1953-54..	255,081	70,700	93,742	16,835	5,172	441,530
1954-55..	251,909	22,247	80,876	9,311	6,345	370,688
1955-56..	309,181	4,142	68,700	12,918	11,583	406,524
1956-57..	261,797	18,681	81,537	5,448	21,582	389,045
1957-58..	315,593	26,184	80,297	5,446	13,650	441,170
30 yr. aver.						
1927-28—						
1956-57	252,787	28,005	31,331	5,847	3,136	321,107
37 yr. aver.						
1920-21—						
1956-57	253,449	28,526	29,545	5,994	3,150	320,664

SOURCE: Board of Grain Commissioners and Dominion Bureau of Statistics.
¹Pot and Pearl barley in terms of barley beginning with 1947-48.
Malt beginning with 1931-32.

Factual Background Material

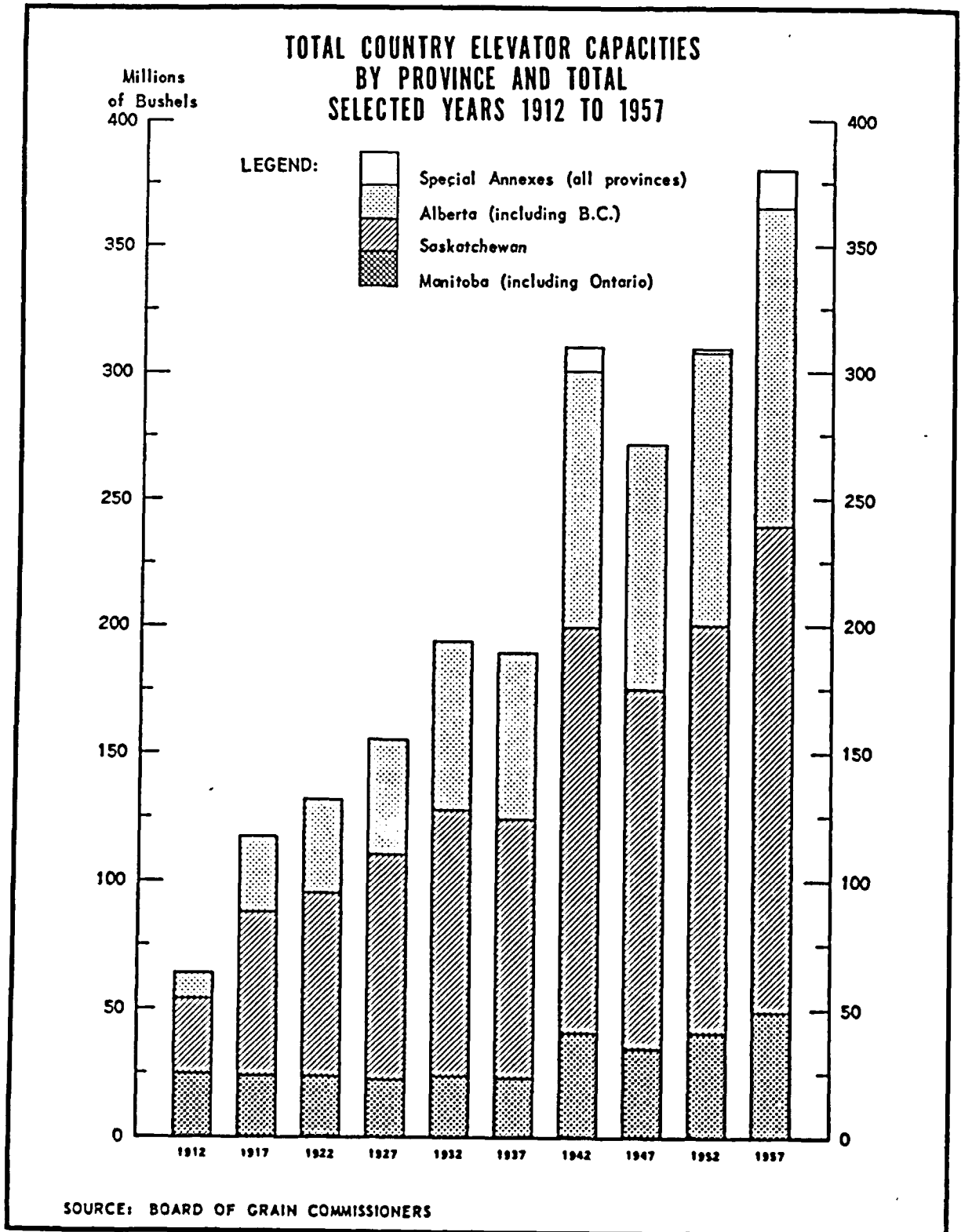


Factual Background Material

D-2-d: Average Monthly Marketings of the Five Major Grains in the Prairie Provinces, "Congested" Period, Crop Years 1952-53 to 1956-57 and "Free Flow" Period, 1945-46 to 1949-50

Months	Crop Years	
	Av. Mo. Marketings 1945-46 to 1949-50	Av. Mo. Marketings 1952-53 to 1956-57
	(Million Bus.)	
August.....	32.1	29.7
September.....	126.6	57.5
October.....	94.4	71.5
November.....	45.2	57.3
December.....	27.2	58.1
January.....	20.5	39.0
February.....	9.7	28.5
March.....	15.0	29.6
April.....	11.3	29.9
May.....	20.1	43.2
June.....	27.3	68.8
July.....	27.1	112.1

SOURCE: Board of Grain Commissioners.



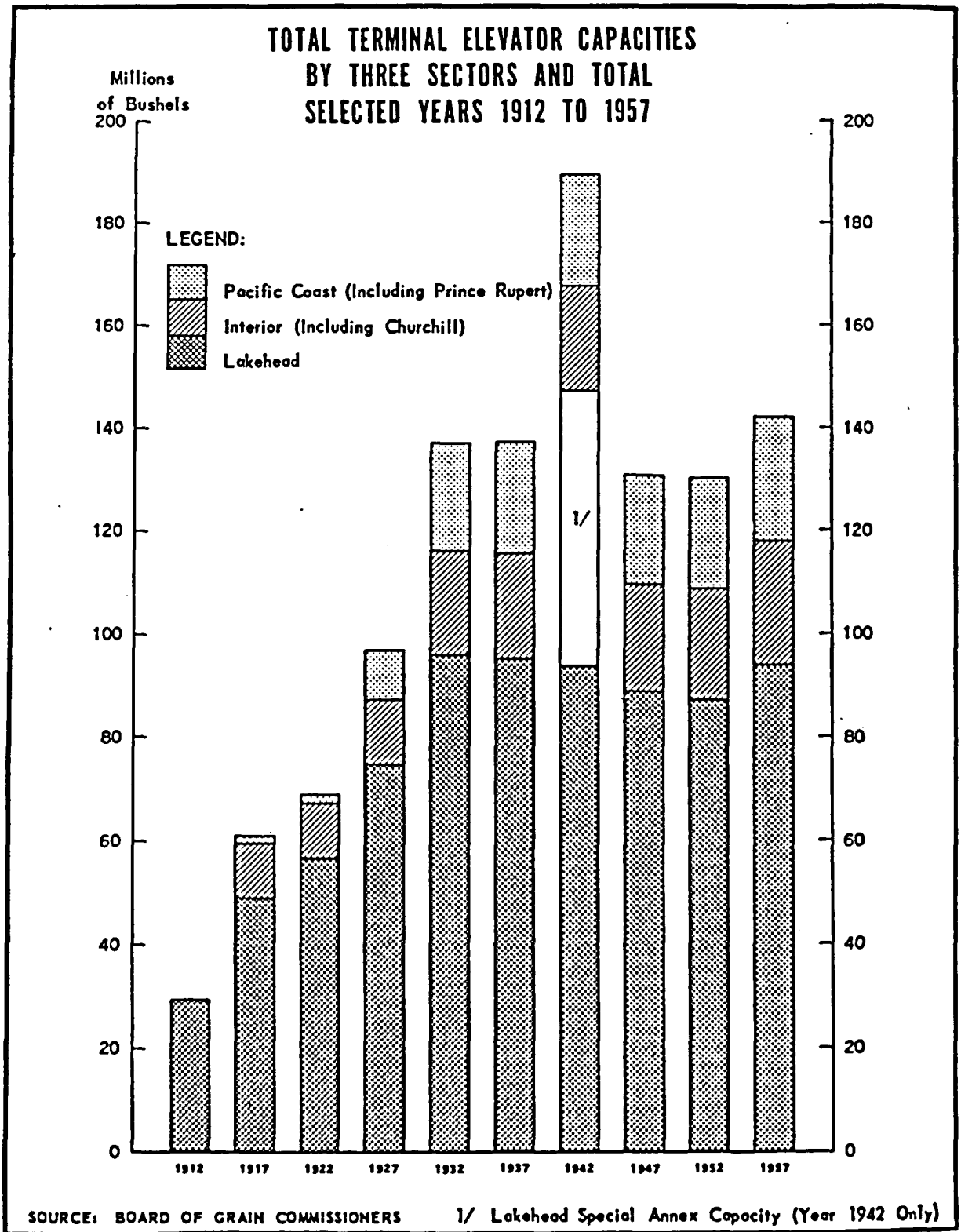
Factual Background Material

D-2-e: Total Country Elevator Capacities (By Provinces and Total—Selected Years 1912 to 1957)

Year	Manitoba (Including Ontario)	Saskatchewan	Alberta (Including B.C.)	Special Annexes	Total
1912.....	24,150,500	29,314,000	10,350,000	—	63,814,500
1917.....	23,565,600	64,394,200	29,381,000	—	117,340,800
1922.....	23,165,100	72,542,320	36,605,000	—	132,312,420
1927.....	21,701,300	87,806,900	45,609,000	—	155,117,200
1932.....	23,195,850	103,327,050	66,970,900	—	193,453,800
1937.....	22,367,950	100,873,850	66,009,500	—	189,251,300
1942.....	41,039,017	157,553,044	100,732,500	10,618,768	309,608,076
1947.....	34,507,100	141,062,900	96,077,500	—	271,647,500
1952.....	40,660,100	158,269,500	107,580,950	1,579,200	308,089,750
1957.....	48,053,300	191,042,500	126,306,950	14,952,690	380,355,440

SOURCE: Board of Grain Commissioners.

NOTE: Data shown are basis December 1st of each selected year. Capacities shown include both licensed and unlicensed elevators.



Factual Background Material

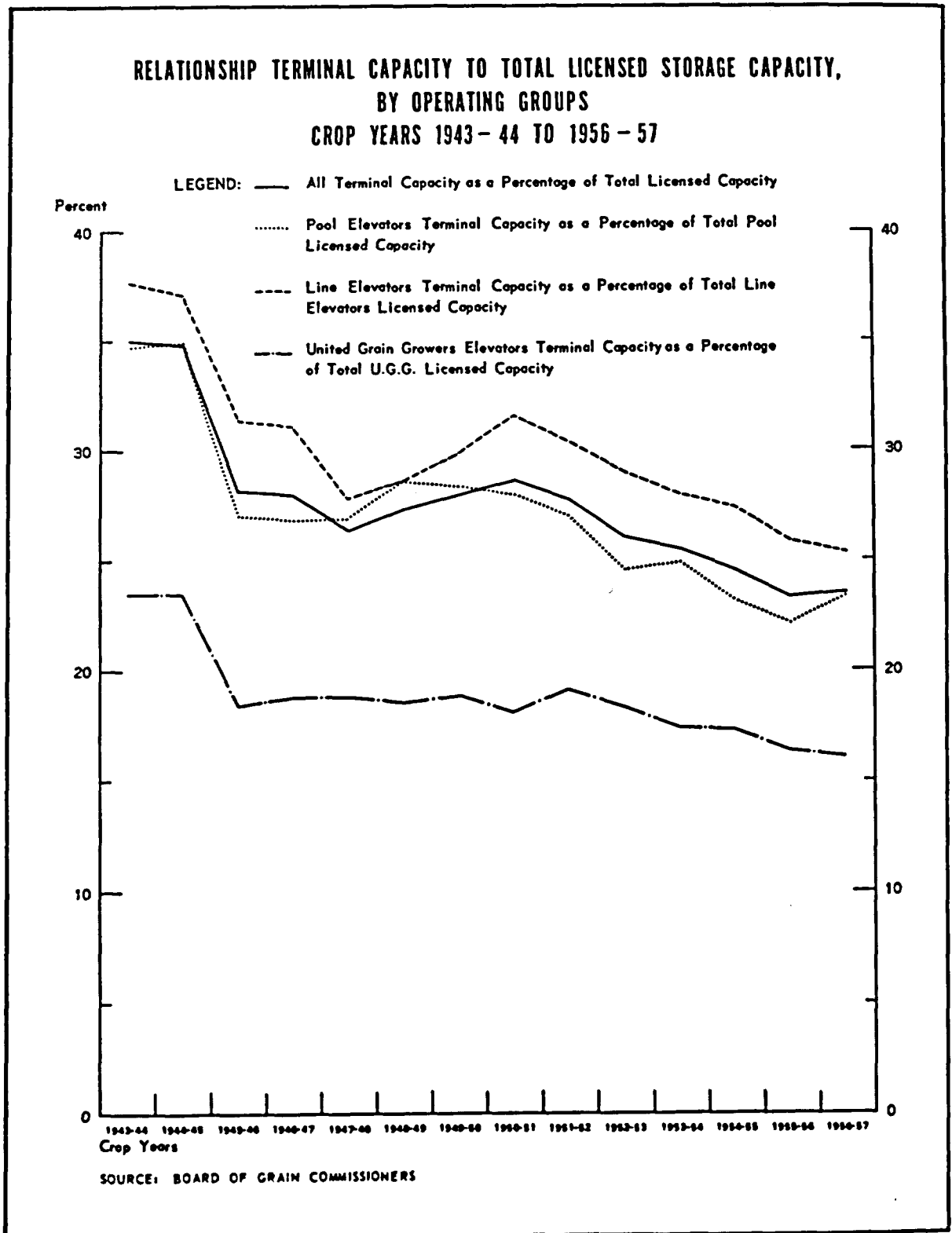
D-2-f: Total Terminal Elevator Capacities (By Three Sectors and Total—Selected Years 1912 to 1957)

Year	Pacific Coast (Incl. Pr. Rupert)	Interior (Incl. Churchill)	Lakehead	Total
1912.....	—	—	29,380,000	29,380,000
1917.....	1,266,000	10,500,000	49,370,000	61,136,000
1922.....	1,250,000	10,500,000	56,810,000	68,560,000
1927.....	9,495,000	13,000,000	74,290,000	96,785,000
1932.....	21,228,000	20,750,000	94,532,210	136,510,210
1937.....	21,728,000	20,600,000	94,457,210	136,785,210
1942.....	21,850,000	20,600,000	93,697,210	189,265,210
			(53,118,000) ¹	
1947.....	21,724,500	21,200,000	88,352,210	131,276,710
1952.....	21,756,500	21,400,000	86,883,800	130,040,300
1957.....	23,906,500	23,900,000	94,352,210	142,158,710

Source: Board of Grain Commissioners.

¹Special annex capacity.

NOTE: Data shown are basis December 1st of each selected year. Capacities shown include both licensed and unlicensed elevators. Interior Terminals include Canadian Government Elevators other than Prince Rupert, and Semi-Public Terminals at Transcona and Churchill.



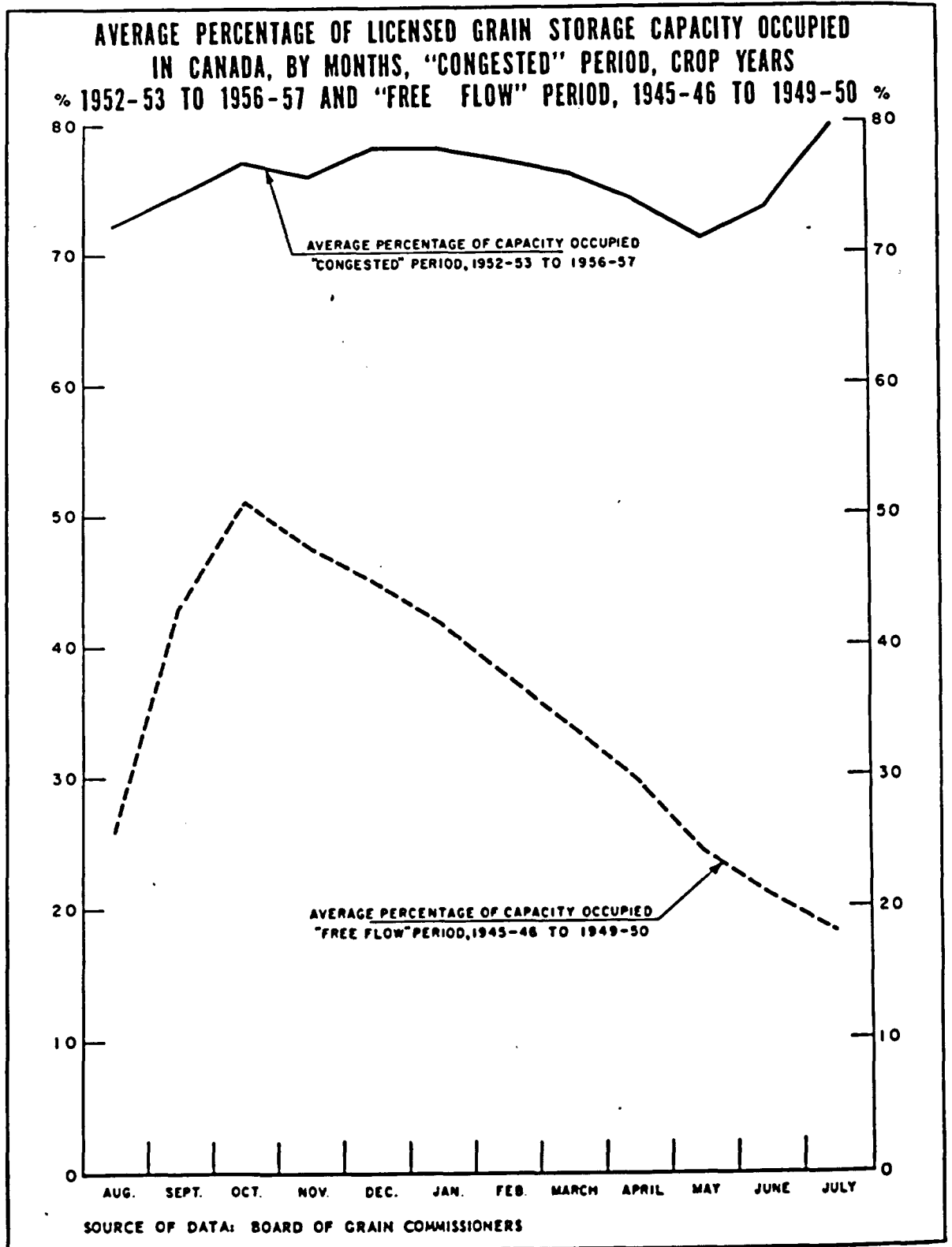
Factual Background Material

D-2-g: Relationship Terminal Capacities to Total Licensed Storage Capacity, by Operating Groups
(Crop Years 1943-44 to 1956-57)

Crop Year	Total Capacity	Terminal Elevator Capacity	Terminal Capacity as a Percentage of Total Capacity
	bu.	bu.	bu.
<i>All Elevators</i>			
1943-44.....	471,199,222	165,089,710	35.0
1944-45.....	467,042,280	162,589,710	34.8
1945-46.....	384,414,060	108,526,710	28.2
1946-47.....	370,929,310	104,000,210	28.0
1947-48.....	359,279,810	94,650,210	26.3
1948-49.....	366,140,860	100,400,210	27.4
1949-50.....	369,395,560	103,276,710	28.0
1950-51.....	392,686,060	112,426,710	28.6
1951-52.....	409,736,660	113,458,710	27.7
1952-53.....	425,648,660	110,890,300	26.1
1953-54.....	444,571,398	113,458,710	25.5
1954-55.....	454,911,510	111,808,710	24.6
1955-56.....	479,862,000	111,808,710	23.3
1956-57.....	491,301,250	115,608,710	23.5
<i>Pool Elevators</i>			
1943-44.....	176,629,860	61,480,210	34.8
1944-45.....	176,037,360	61,480,210	34.9
1945-46.....	144,552,960	39,017,210	27.0
1946-47.....	139,183,010	37,367,210	26.8
1947-48.....	138,686,510	37,267,210	26.9
1948-49.....	143,864,660	41,267,210	28.7
1949-50.....	145,758,860	41,267,210	28.3
1950-51.....	153,148,560	42,917,210	28.0
1951-52.....	158,873,460	42,917,210	27.0
1952-53.....	164,199,050	40,348,800	24.6
1953-54.....	173,161,960	42,917,210	24.8
1954-55.....	178,246,360	41,267,210	23.2
1955-56.....	186,662,160	41,267,210	22.1
1956-57.....	192,754,660	45,067,210	23.4
<i>Line Elevators</i>			
1943-44.....	242,528,062	91,404,500	37.7
1944-45.....	239,034,320	88,904,500	37.2
1945-46.....	195,475,200	61,304,500	31.4
1946-47.....	187,905,400	58,428,000	31.1
1947-48.....	176,716,900	49,178,000	27.8
1948-49.....	178,133,900	50,928,000	28.6
1949-50.....	179,659,400	53,804,500	29.9
1950-51.....	194,482,200	61,304,500	31.5
1951-52.....	202,750,900	61,336,500	30.3
1952-53.....	211,163,310	61,336,500	29.0
1953-54.....	218,680,938	61,336,500	28.0
1954-55.....	223,589,850	61,336,500	27.4
1955-56.....	237,024,890	61,336,500	25.9
1956-57.....	241,462,490	61,336,500	25.4
<i>U.G.G. Elevators</i>			
1943-44.....	52,041,300	12,205,000	23.5
1944-45.....	51,970,600	12,205,000	23.5
1945-46.....	44,385,900	8,205,000	18.5
1946-47.....	43,840,900	8,205,000	18.7
1947-48.....	43,876,400	8,205,000	18.7
1948-49.....	44,142,300	8,205,000	18.6
1949-50.....	43,977,300	8,205,000	18.7
1950-51.....	45,055,300	8,205,000	18.2
1951-52.....	48,112,300	9,205,000	19.1
1952-53.....	50,286,300	9,205,000	18.3
1953-54.....	52,728,500	9,205,000	17.5
1954-55.....	53,075,300	9,205,000	17.3
1955-56.....	56,174,950	9,205,000	16.4
1956-57.....	57,084,100	9,205,000	16.1

SOURCE: Board of Grain Commissioners.

NOTE: Elevator capacity data based on licenses in force at July 31 of the respective crop years.



Factual Background Material

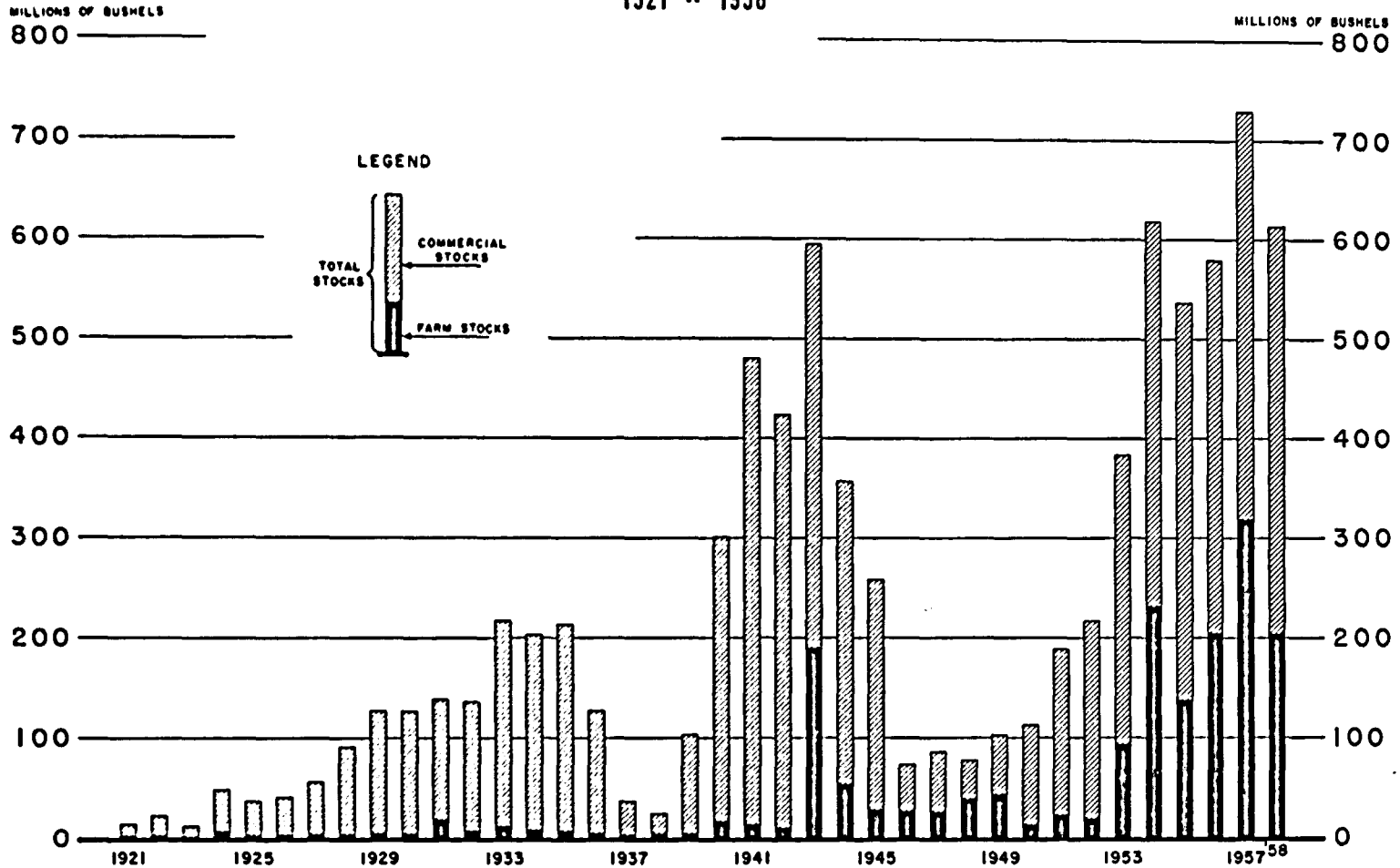
D-2-h: Average Percentage of Licensed Grain Storage Capacity Occupied in Canada, by Months, "Congested" Period, Crop Years 1952-53 to 1956-57, and "Free Flow" Period, 1945-46 to 1949-50

Months	Average % of Capacity Occupied, 1945-46 to 1949-50	Average % of Capacity Occupied, 1952-53 to 1956-57
	%	%
August.....	25.8	72.3
September.....	42.9	74.5
October.....	51.0	77.3
November.....	47.5	76.0
December.....	44.9	78.3
January.....	41.9	78.1
February.....	37.9	77.3
March.....	33.8	76.3
April.....	29.7	74.2
May.....	24.1	71.2
June.....	20.9	73.5
July.....	18.1	79.8

SOURCE OF DATA: Board of Grain Commissioners.

FARM AND TOTAL STOCKS OF CANADIAN WHEAT AT JULY 31

1921 -- 1958



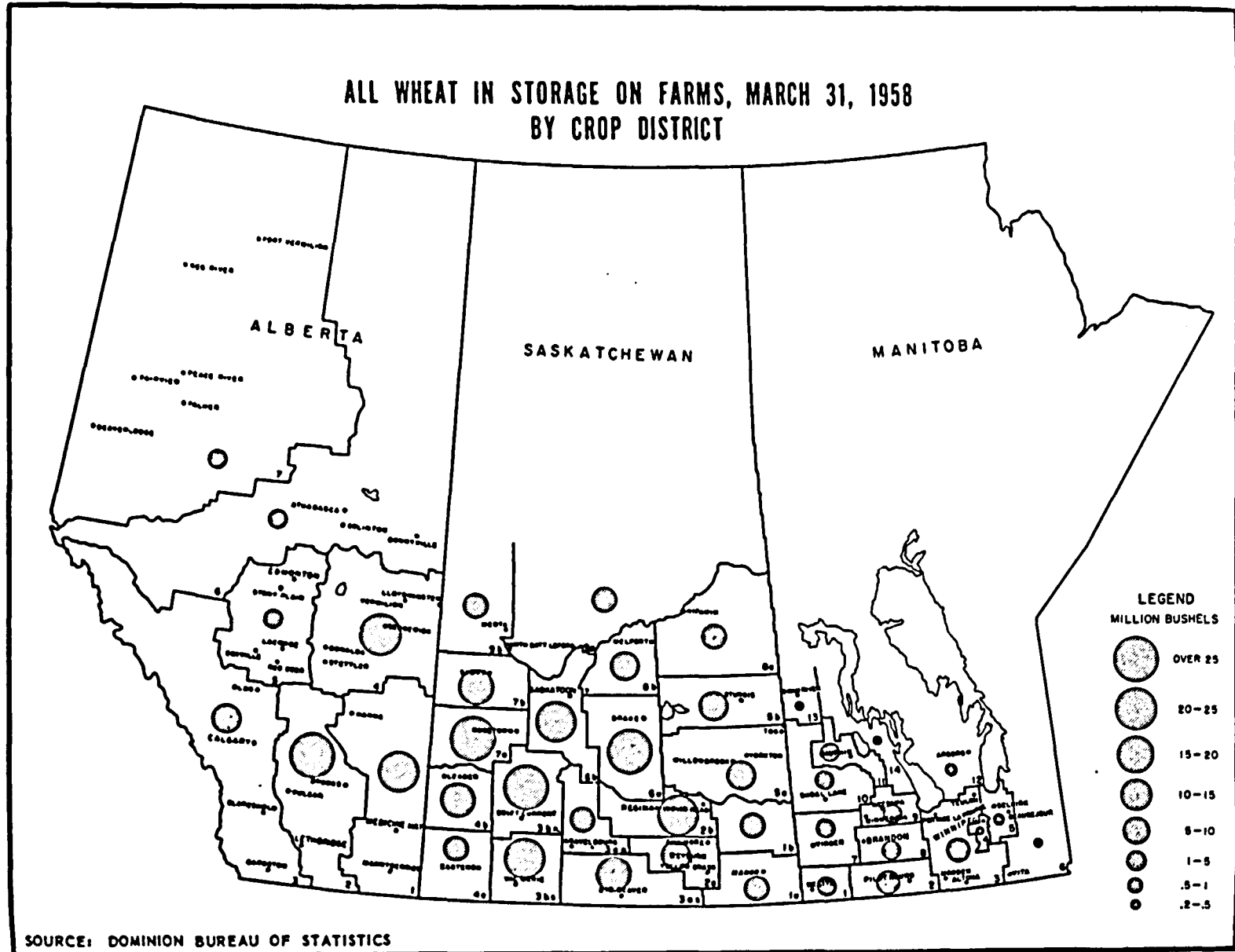
SOURCE: BOARD OF GRAIN COMMISSIONERS AND DOMINION BUREAU OF STATISTICS

Factual Background Material

D-2-1: Farm and Total Stocks of Canadian Wheat at July 31 1921-1958

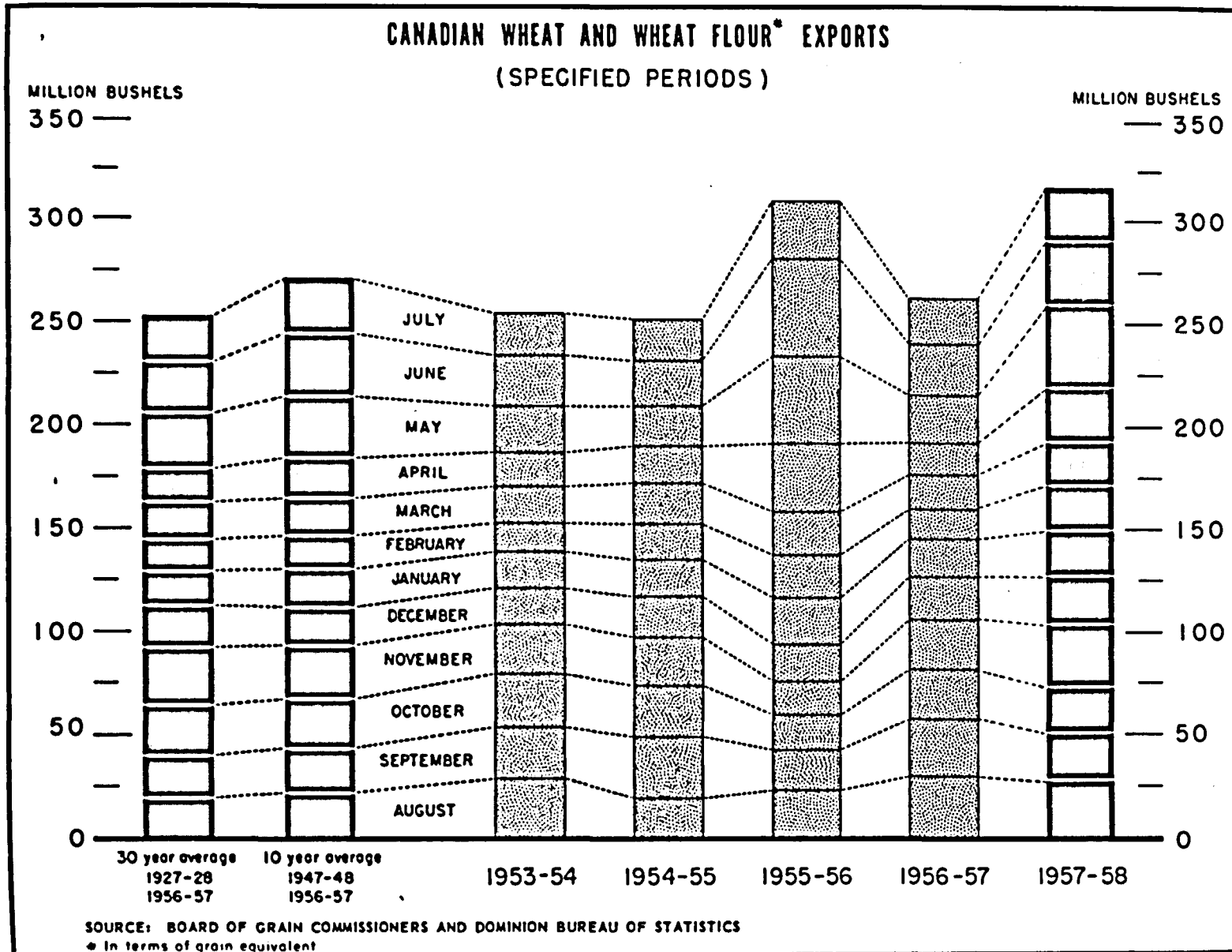
	Farm Stocks	Commercial Stocks	Total Stocks
	— thousand bushels —		
1921.....	2,144	11,985	14,129
1922.....	2,360	19,789	22,149
1923.....	1,441	10,733	12,174
1924.....	7,363	40,754	48,117
1925.....	2,709	28,032	30,741
1926.....	3,863	36,276	40,139
1927.....	4,243	51,379	55,622
1928.....	4,186	86,971	91,157
1929.....	5,617	121,622	127,239
1930.....	5,326	121,256	126,582
1931.....	19,459	119,139	138,598
1932.....	7,496	128,445	135,941
1933.....	12,340	205,317	217,657
1934.....	8,733	194,169	202,902
1935.....	7,861	205,991	213,852
1936.....	5,520	121,843	127,363
1937.....	3,999	33,050	37,049
1938.....	5,061	19,475	24,536
1939.....	4,682	98,229	102,911
1940.....	17,286	283,187	300,473
1941.....	13,954	466,175	480,129
1942.....	10,446	413,306	423,752
1943.....	190,207	404,419	594,626
1944.....	53,871	302,660	356,531
1945.....	28,650	229,423	258,073
1946.....	27,203	46,397	73,600
1947.....	25,988	60,153	86,141
1948.....	39,162	38,548	77,710
1949.....	43,423	58,988	102,411
1950.....	12,389	99,811	112,200
1951.....	22,260	166,943	189,203
1952.....	19,262	197,916	217,178
1953.....	93,716	289,469	383,185
1954.....	231,860	386,815	618,675
1955.....	137,855	398,893	536,748
1956.....	204,205	375,369	579,574
1957.....	319,160	410,386	729,546
1958.....	203,900	410,864	614,764

SOURCE: Dominion Bureau of Statistics and Board of Grain Commissioners.



Factual Background Material

NO SUPPORTING STATISTICAL DATA
SUPPLEMENT THIS CHART



Factual Background Material

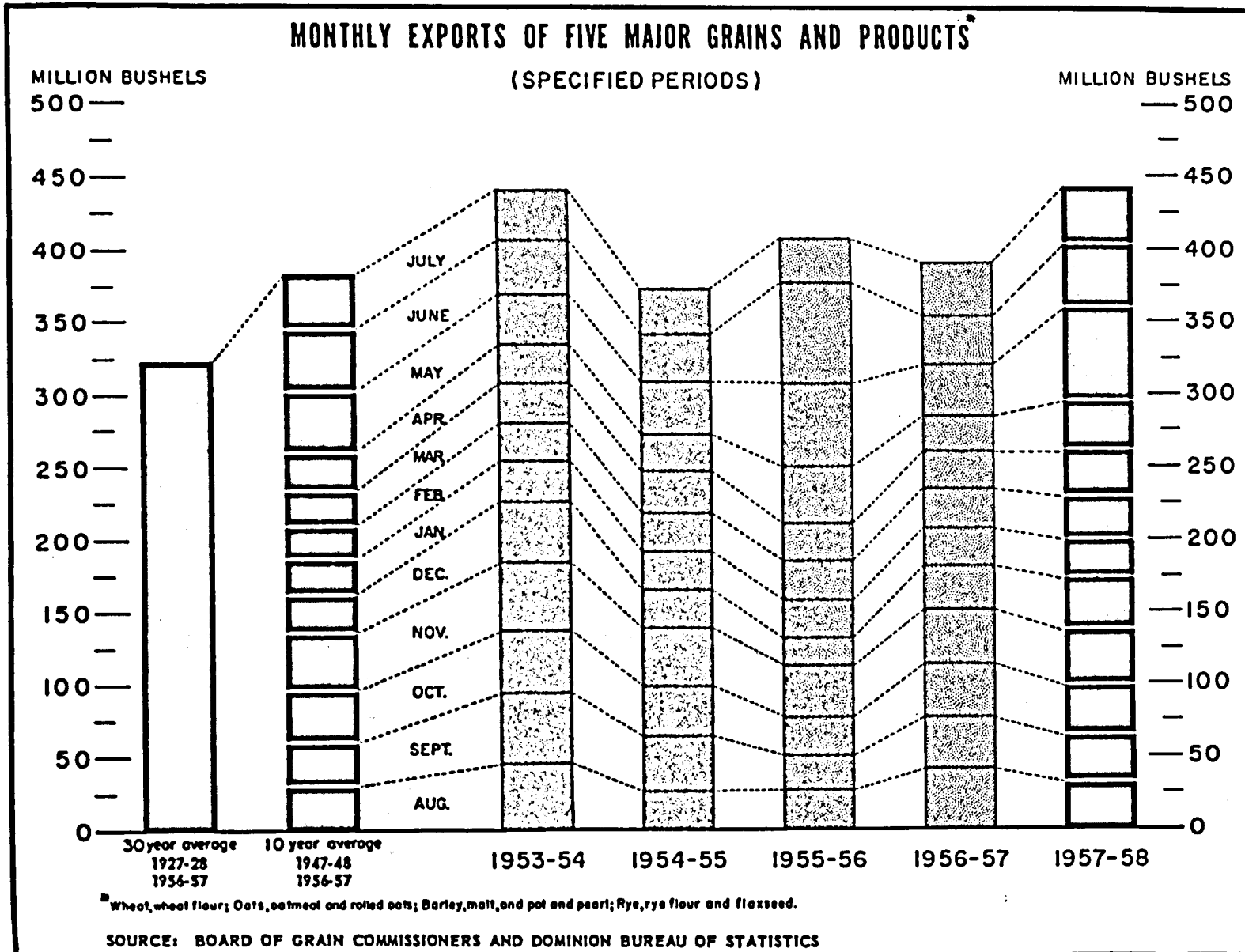
D-2-k. Cumulative Monthly Exports of Wheat and Wheat Flour^{1,2}

	30-year av.		10-year av.				
	1927-28 1956-57	1947-48 1956-57	1953- 1954	1954- 1955	1955- 1956	1956- 1957	1957- 1958
	— thousand bushels —						
August.....	19,734	22,095	28,704	19,177	23,250	29,319	27,193
Aug.-Sept.....	39,889	43,898	53,244	48,830	42,235	57,086	51,099
Aug.-Oct.....	64,241	67,112	79,228	73,820	59,817	81,075	72,491
Aug.-Nov.....	92,240	93,668	103,383	97,456	80,543	105,447	103,266
Aug.-Dec.....	112,595	111,562	121,145	116,921	94,105	126,713	127,086
Aug.-Jan.....	129,224	130,176	138,749	134,897	116,375	144,146	149,436
Aug.-Feb.....	144,757	146,675	152,736	152,276	136,967	158,940	170,301
Aug.-Mar.....	162,395	164,585	170,922	172,732	158,082	175,753	193,582
Aug.-Apr.....	178,915	184,207	187,018	190,433	191,596	190,971	219,437
Aug.-May.....	205,737	213,792	209,121	209,654	233,941	214,292	259,571
Aug.-June.....	230,624	244,533	234,297	231,922	231,062	239,343	290,388
Aug.-July.....	252,787	271,273	255,081	251,909	309,181	261,797	315,593

Source: Board of Grain Commissioners and Dominion Bureau of Statistics.

¹In terms of wheat equivalent.

²From 1945-46—1956-57 adjusted to remove effect of time lag in the flour returns made by Customs.



Factual Background Material

D-2-I. Monthly Cumulative Exports of Five Major Grains¹ and Products²

Months	30-year av. 10-year av.		1953- 1954	1954- 1955	1955- 1956	1956- 1957	1957- 1958
	1927-28 1956-57	1947-48 1956-57					
— thousand bushels —							
August.....		30,340	47,157	26,381	28,248	42,097	33,435
Aug.-Sept.....		60,425	93,645	64,058	50,075	77,465	63,621
Aug.-Oct.....		94,712	138,356	98,703	77,613	113,240	97,422
Aug.-Nov.....		135,355	184,111	138,832	112,478	151,277	138,956
Aug.-Dec.....		161,573	226,263	165,039	131,095	181,234	171,501
Aug.-Jan.....		186,636	254,068	191,267	157,822	208,388	199,552
Aug.-Feb.....		209,546	279,518	218,639	184,336	233,855	229,130
Aug.-Mar.....		233,433	306,731	247,790	210,215	260,419	259,861
Aug.-Apr.....		259,548	334,020	272,227	249,708	284,021	294,735
Aug.-May.....		301,818	368,170	308,297	306,231	320,042	358,503
Aug.-June.....		343,666	406,186	340,706	365,092	352,995	402,658
Aug.-July.....	321,107	381,657	441,534	370,690	406,525	389,045	441,170

SOURCE: Board of Grain Commissioners and Dominion Bureau of Statistics.

¹Wheat, Wheat flour, oats, oatmeal and rolled oats, barley, Pot and Pearl beginning with 1947-48, malt beginning with 1931-32, rye, rye flour to 1948-49, and flaxseed.

²In terms of grain equivalent.

CAR LOTS OF GRAIN LOADED IN THE PRAIRIE PROVINCES CROP YEARS 1939-40 TO 1956-57 INCLUSIVE

Note: Excludes shipments on Northern Alberta Railway which is operated jointly by the C.P.R. and the C.N.R. with shipments shared equally.



SOURCE: RAILWAY SUBMISSIONS

Inquiry into the Distribution of Railway Box Cars

D-2-m

Factual Background Material

**D-2-m: Car Lots of Grain Loaded in Prairie Provinces from Crop Year 1939-40 to
Crop Year 1956-57, inclusive**

Crop Year	C.N.R.	C.P.R.	Total
1939-40.....	115,203	137,272	252,475
1940-41.....	86,540	110,999	197,539
1941-42.....	78,859	121,103	199,962
1942-43.....	80,937	107,725	188,662
1943-44.....	148,852	191,840	340,692
1944-45.....	147,259	191,237	338,496
1945-46.....	108,910	125,304	234,214
1946-47.....	114,425	142,728	257,153
1947-48.....	84,462	119,458	203,920
1948-49.....	102,222	139,500	241,722
1949-50.....	105,893	125,283	231,176
1950-51.....	121,853	135,018	356,871
1951-52.....	161,911	181,310	343,221
1952-53.....	184,625	197,806	382,431
1953-54.....	129,469	156,816	286,285
1954-55.....	115,264	145,766	261,030
1955-56.....	133,831	144,721	278,552
1956-57.....	126,543	152,459	279,002

SOURCE: Railway submissions.

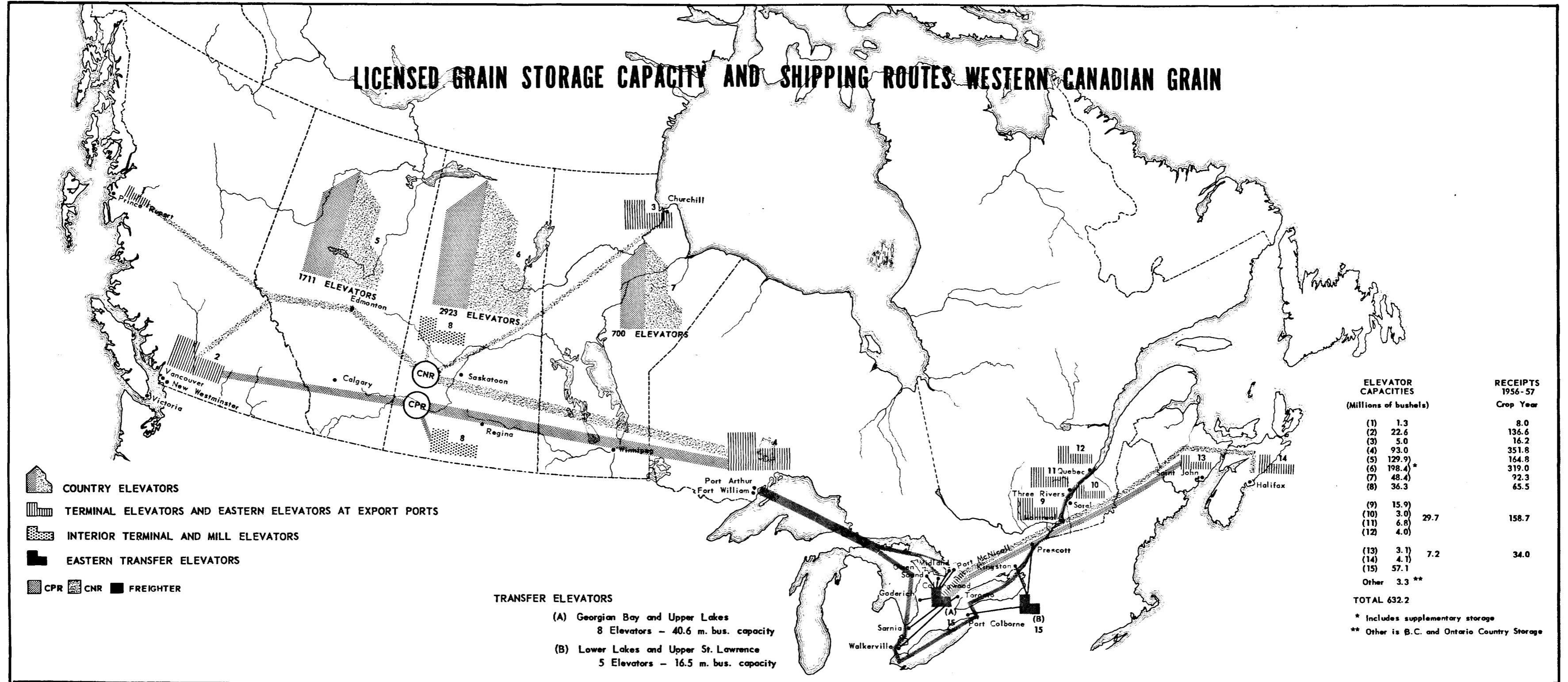
This statement does not include Northern Alberta Railway shipments. This line is operated jointly by C.N.R. and C.P.R. and shipments are shared equally between the two railways.

Inquiry into the Distribution of Railway Box Cars

LIST OF MAPS

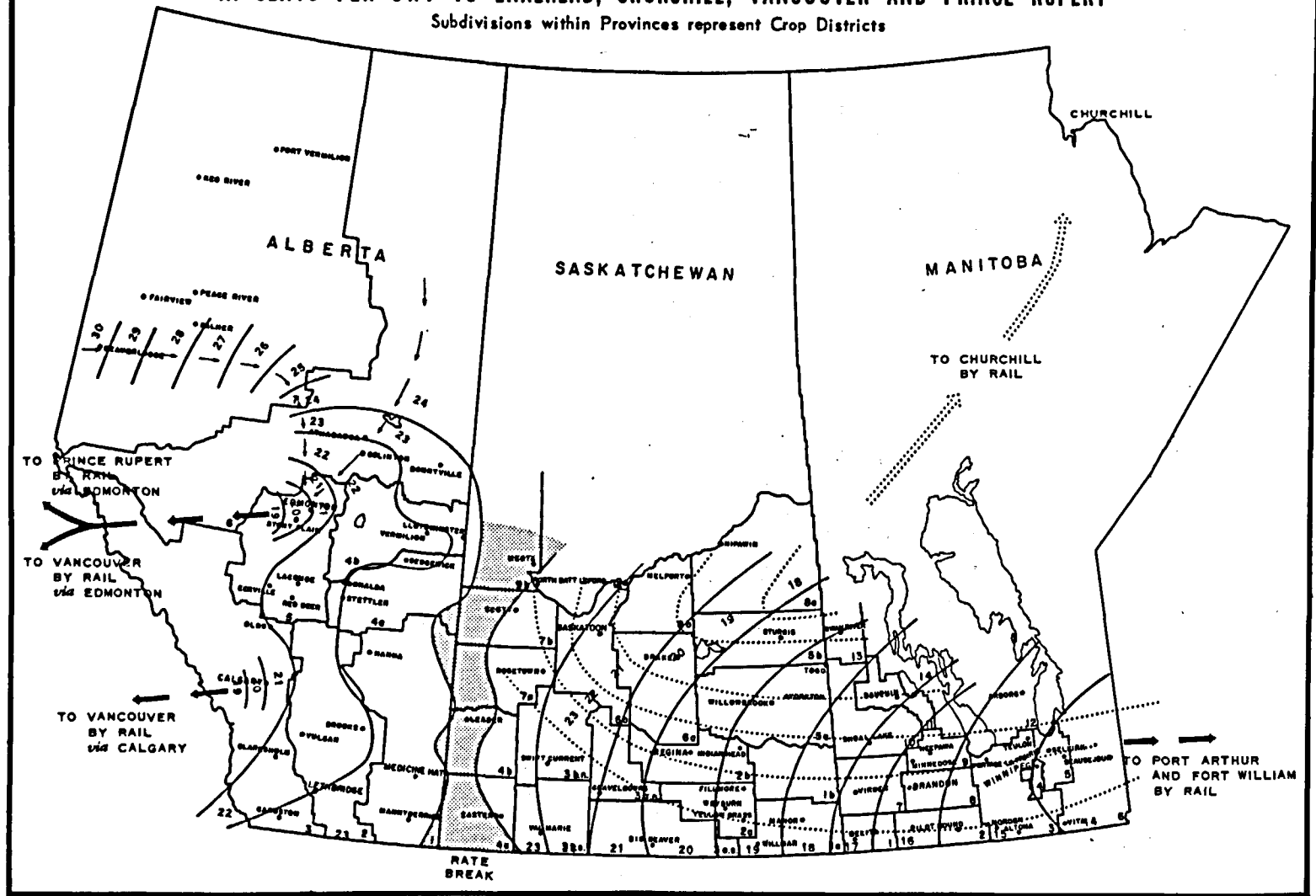
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LICENSED GRAIN STORAGE CAPACITY AND SHIPPING ROUTES WESTERN CANADIAN GRAIN

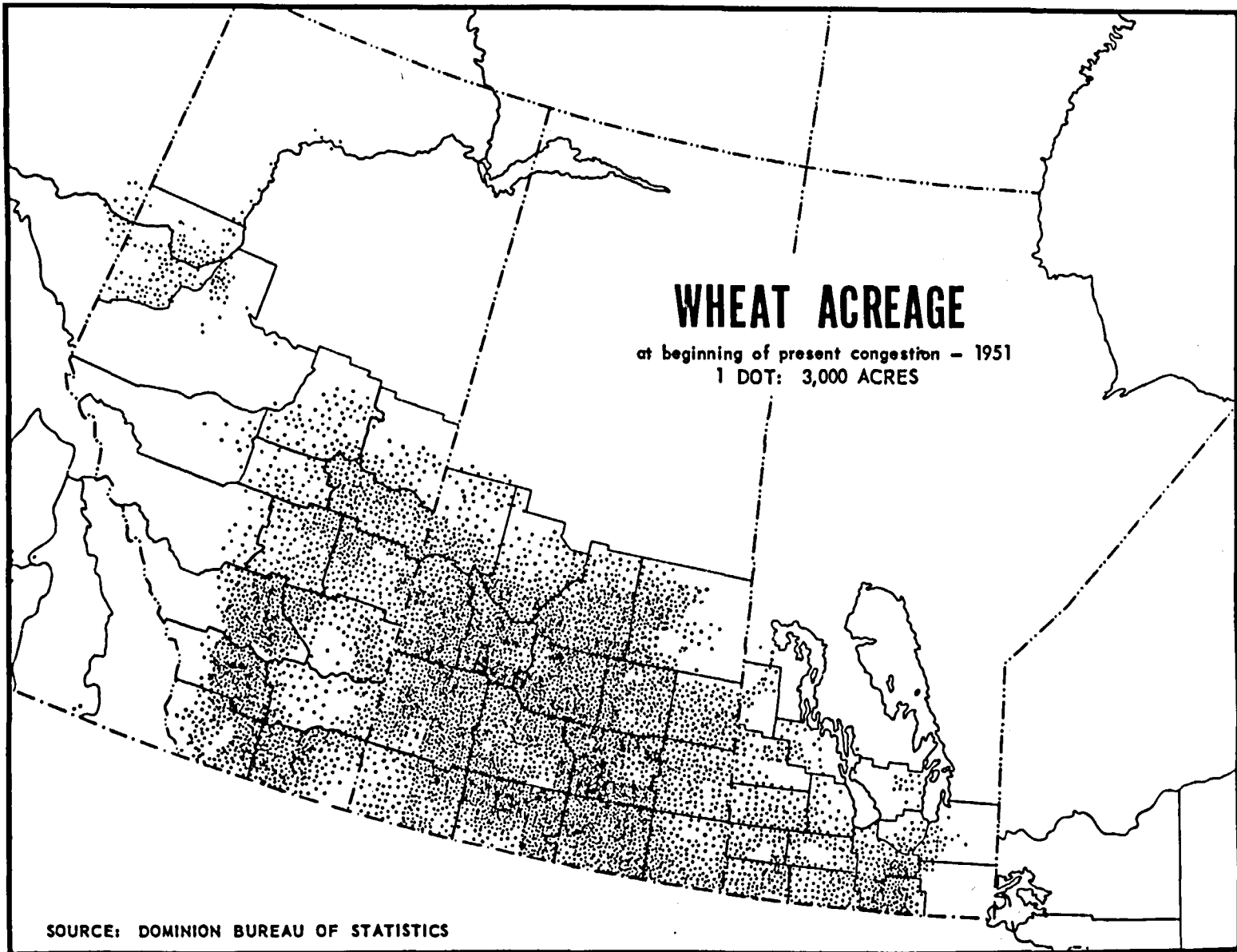


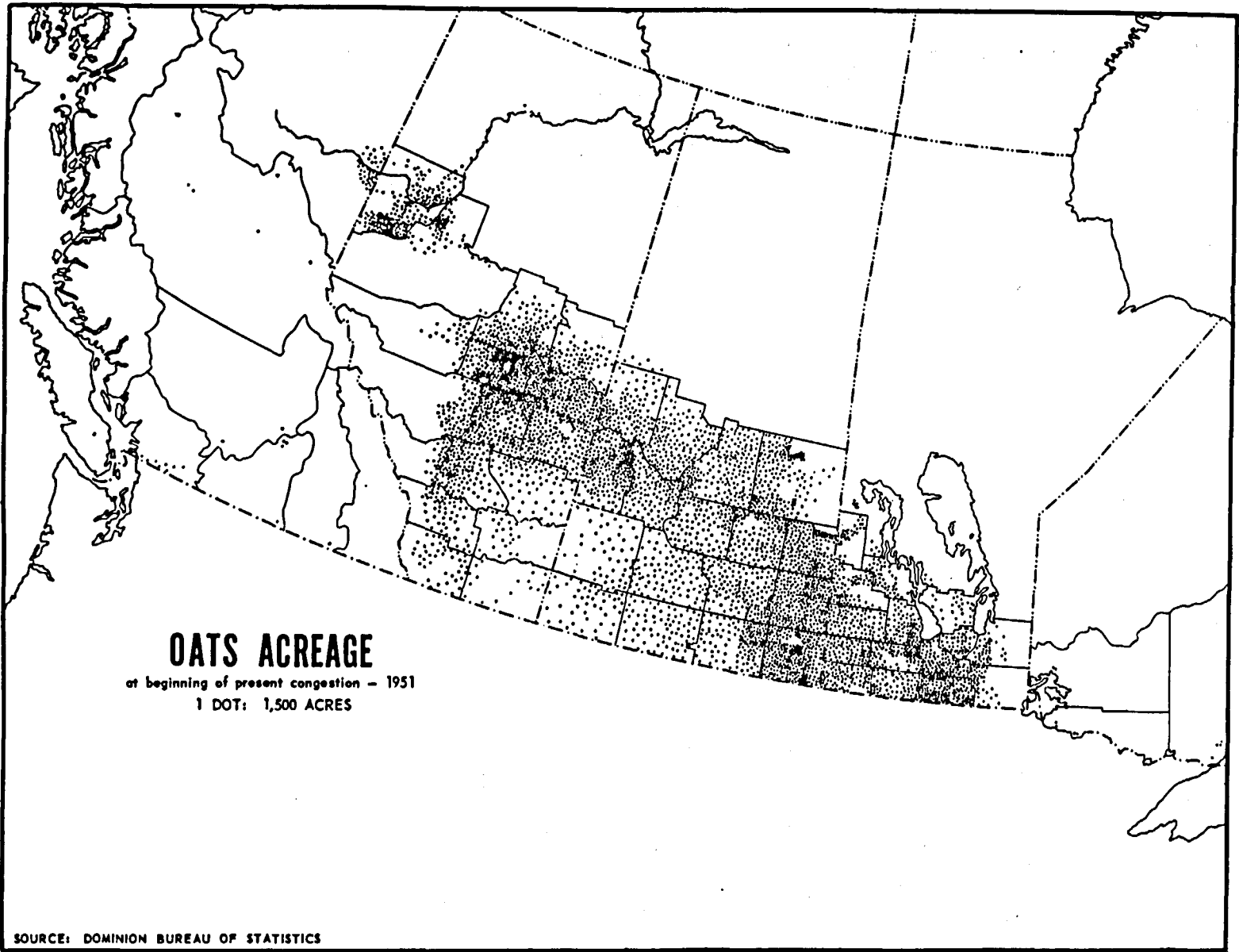
DIAGRAMMATIC APPROXIMATION OF FREIGHT RATE ZONES IN CENTS PER CWT TO LAKEHEAD, CHURCHILL, VANCOUVER AND PRINCE RUPERT

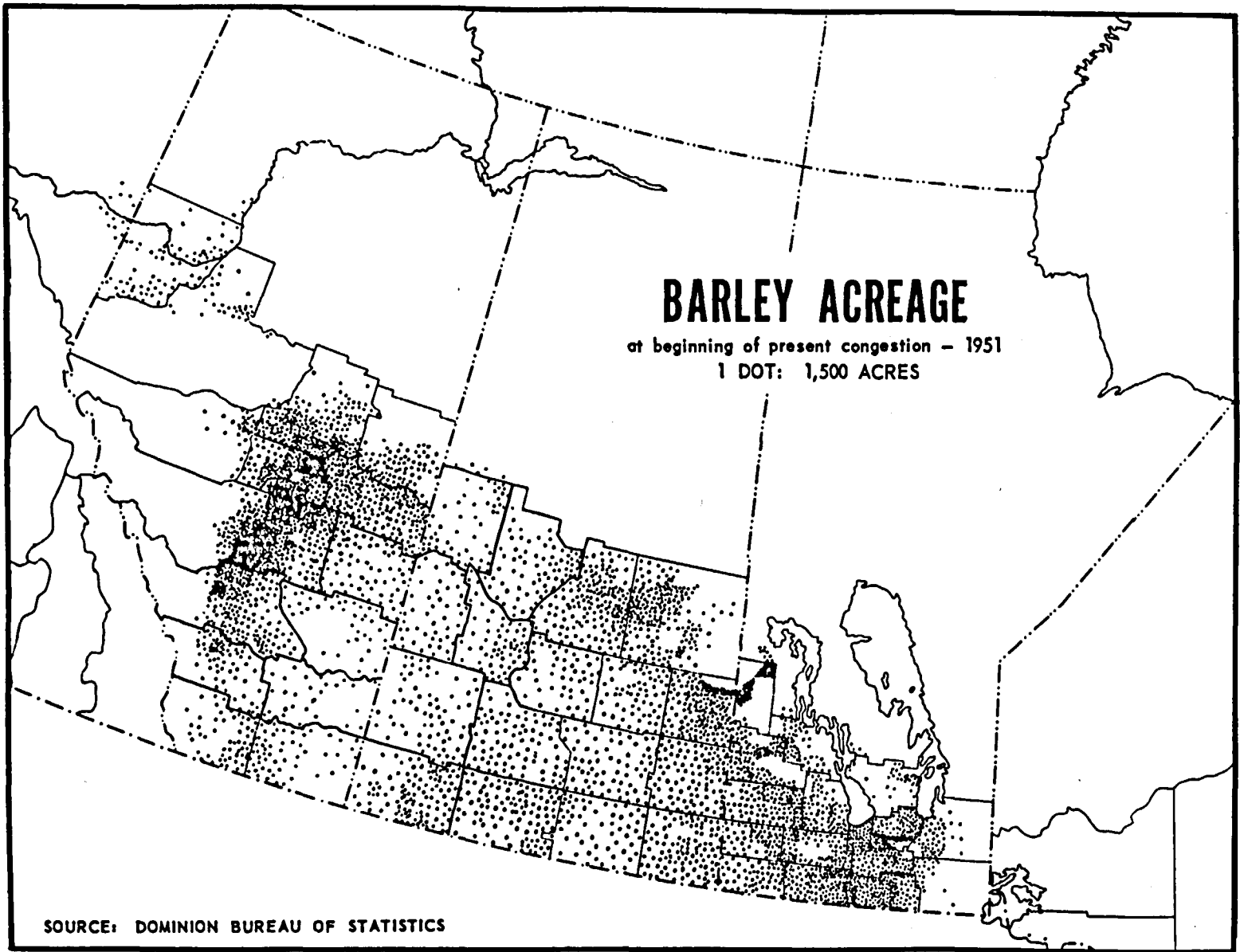
Subdivisions within Provinces represent Crop Districts

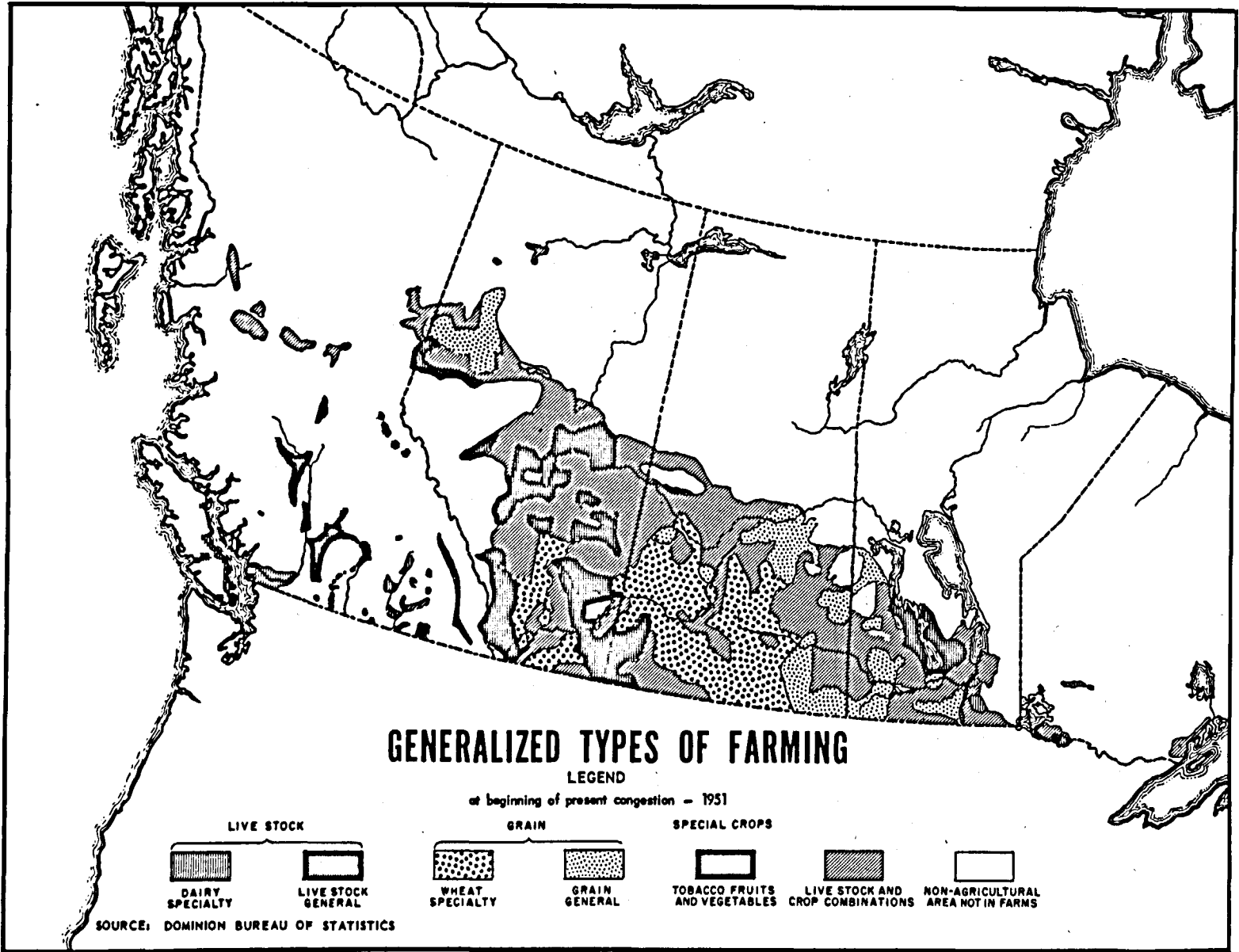


Factual Background Material

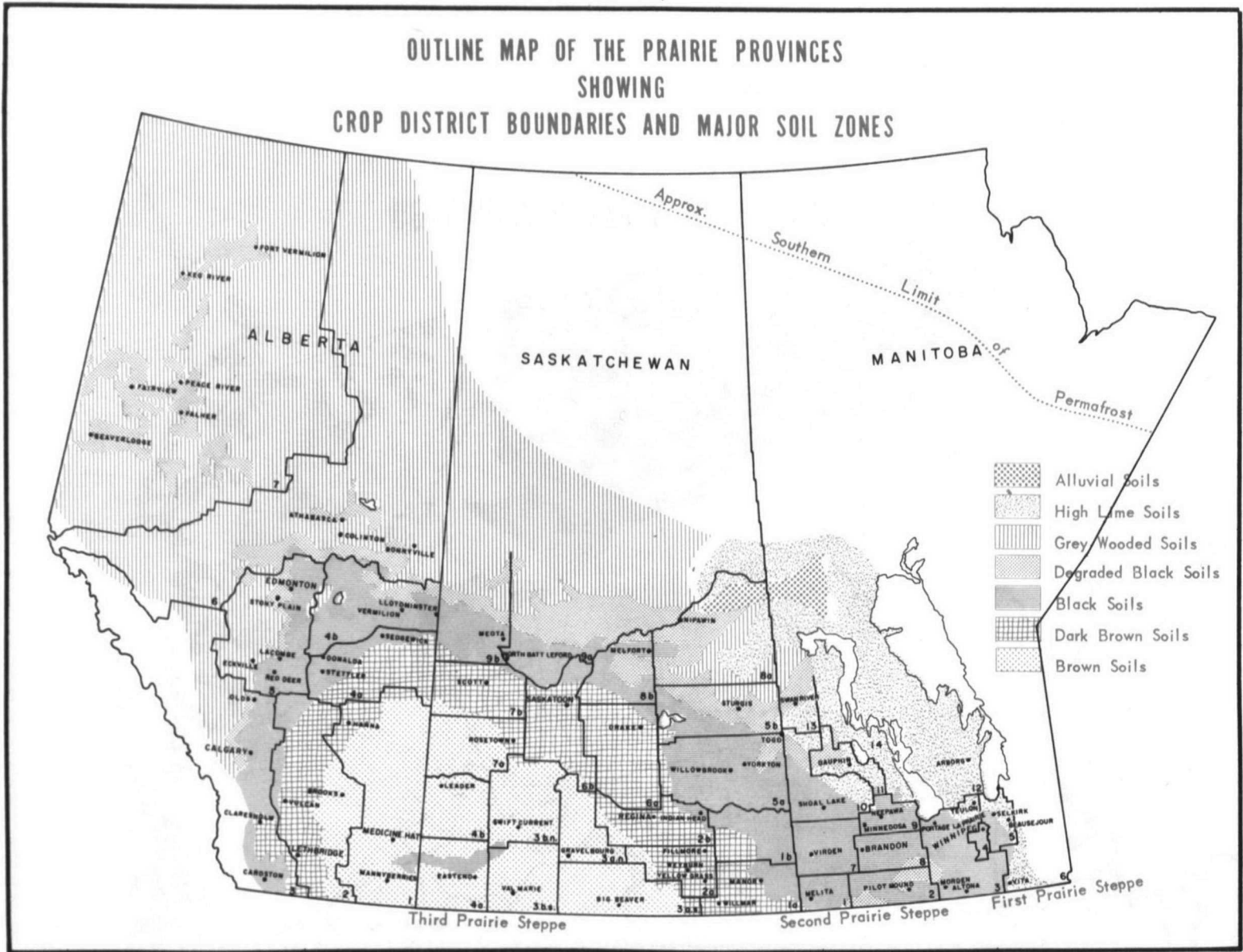




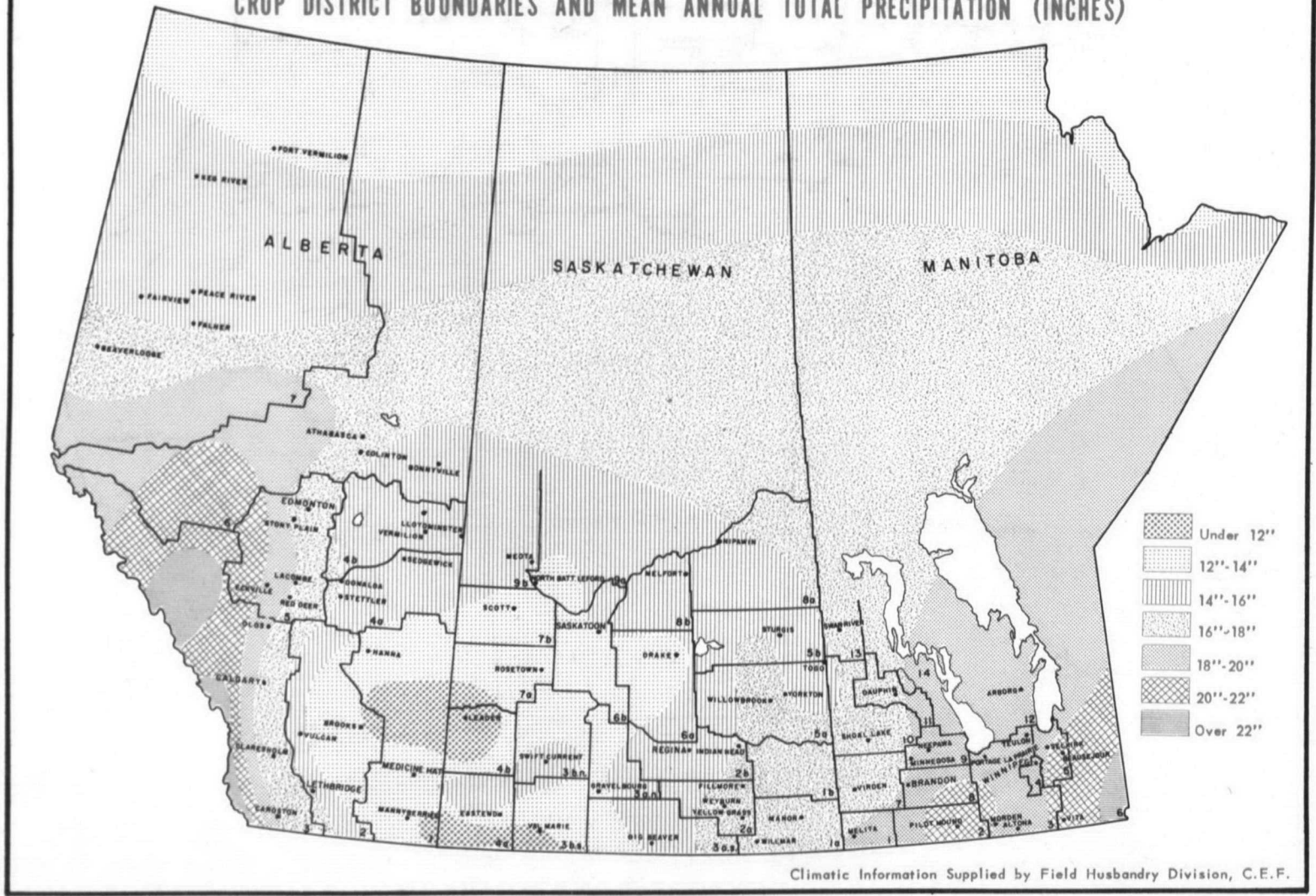




OUTLINE MAP OF THE PRAIRIE PROVINCES
SHOWING
CROP DISTRICT BOUNDARIES AND MAJOR SOIL ZONES



OUTLINE MAP OF THE PRAIRIE PROVINCES
SHOWING
CROP DISTRICT BOUNDARIES AND MEAN ANNUAL TOTAL PRECIPITATION (INCHES)



Climatic Information Supplied by Field Husbandry Division, C.E.F.

Factual Background Material

