Marketing This Year's Wheat Crop

Description of Government Plan—Amount of First Payment not yet Fixed—Farmers Well Looked After—Banks will Receive Six Per Cent.

By W. L. EDMONDS

OF the many orders-in-council passed by the Dominion government under the provisions of the War Measures Act none were as comprehensive and important from the commercial standpoint as the order of July 31st creating machinery for the control of the country's business in wheat and flour.

The order goes into effect August 15th, on and after which date all wheat, either for domestic or export account, and the sale of all flour for export, will be under the control of the Canadian Wheat Board, a body comprising ten members, and which supplants the Board of Grain Supervisors. Mr. James Stewart, of Winnipeg, will be chairman of the board. The other members of the board have not at the time of writing been appointed, but it is understood that there will be two each from the grain and milling trades, a like number representing the consumers, and three farmers. The chairman and assistant chairman will be paid such salaries as the governor-in-council may direct, and the other members of the board will be paid traveling and living expenses and a per diem allowance while actually engaged in the performance of their duties.

Duties of the Board.

Under the authority creating it the Wheat Board is empowered to take delivery of wheat at any point in Canada, to fix dates up to and not beyond which the board is prepared to take deliveries at different points in Canada, and to draw up and enforce such regulations as may from time to time be deemed necessary, subject, however, to the approval of the governor-in-council.

The wheat will be purchased through such agents as the board sees fit to designate. These, it is understood, will be individuals, organizations, and companies such as are already engaged in the grain business. As far, therefore, as buying mediums are concerned, the machinery is already in existence.

When purchasing wheat these agents will, instead of paying the full market price, as is now the custom, advance to the farmer from whom they buy, a certain amount of money based on a fixed price for No. 1 northern, according to grade, quality and place of delivery. This fixed price has not at the time of writing been stipulated. It is generally understood, however, that it will be somewhere about $1.75 per bushel Fort William, although $1.50 and $2 have been given consideration. The probable $1.75 is, therefore, "splitting the difference."

Method of Payment

On purchasing wheat the agent will furnish the farmer with a voucher, much similar, it is understood, to that now used by grain dealers, although altered in certain details to fit the new conditions. This voucher the farmer will present to his banker and either have the amount entailed credited to his account or receive payment in cash. He will also receive from the bank what is officially designated in the order-in-council as a participation certificate which, as its name implies, enables him, as soon as the Canadian Wheat Board has received payment in full for all wheat delivered to it and subsequently sold, to participate in the profits which may have been earned on the season's operations.

"That there will be profits," explained to the writer one who has been in close touch with the government in the preliminary drafting of the terms of the order-in-council, "there can be no doubt. Governments the world over have taken, or are taking, steps to stabilize the price of wheat, and this means, in view of the conditions, generally obtaining, a high as well as a stabilized figure for wheat during the current crop season. The Canadian farmer may, therefore, be assured that he will ultimately obtain a better return than $1.75 per bushel for his wheat. How much more no one can, of course, say."

When the board has received payment in full for all the wheat it has bought and sold, and an accounting has been made, a public announcement will be issued setting forth the financial results. All that the farmer, or anyone else who may in the meantime come into possession of the participation certificates, has to do in order to secure his share of the profits accrued is to present them to the bank and obtain his money.

Remuneration to Agents and Banks

Remuneration to agents or companies handling wheat for, or delivering wheat to the board will be fixed by the latter, subject to the approval of the governor-in-council. Opinion among those on the inside is to the effect that remuneration will be on the basis of about five cents per bushel of wheat handled by each agent, an amount similar to that allowed during the past couple of years by the Board of Grain Supervisors. For this remuneration the agents will have to take care of such incidental charges as handling and elevating the wheat, and securing insurance. Obviously, therefore, the net remuneration will fall short of the five cents per bushel. The head of one grain company that handled wheat under the system obtaining during the past crop year is authority for the statement that the five cents per bushel allowance enabled them to break even on the operations in the province of Ontario, while in the west they experienced a slight loss.

The banks will be allowed interest at a rate not to exceed six per cent. on the money they advance to the farmers on the vouchers they received at the time of purchase from the agents representing the Wheat Board.

All wheat required by the millers will have to be purchased from the Canadian Wheat Board "at such prices and subject to such conditions as the board sees fit," the price of sale "being governed as nearly as may be by the price obtainable at the same time in the world's markets for wheat of equal value, regard being had to the cost of transport, handling and storage."

This means, for example, that the milling company which has, say, half a million bushels in the elevator purchased at the fixed price of $1.75, will have to pay to the board the difference between the latter figure and that obtaining in the world's market for such quantity of wheat as may be required for milling purposes. Should the market price be $2.25 the difference payable will, of course, be fifty cents.

Standards of quality of the flour ground in the mills of Canada will be determined by the board; also the maximum prices or margin of profit at which flour and other products made from wheat may be sold.

The export trade in flour will be wholly controlled by the Wheat Board. As far as the domestic trade is concerned the millers will have a free hand except in respect to prices and margin of profits, these being determined by the board.

Powers Regarding Transportation

The authority of the Canadian Wheat Board is by no means confined to the control of the wheat and flour trades. They extend, for instance, to the matter of transportation. That its powers in this respect is a large one is evident from the fact that it is authorized by the order-in-council to allocate Canadian lake tonnage and to distribute cars for rail shipments. But in order that there may be no hitch in the facilities afforded for the transportation of wheat

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