

THE EFFECTS OF THE WAR UPON THE GRAIN TRADE.

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The Effects of the War Upon the Grain Trade.

A war involving so many of the commercial nations of the world is bound to affect the grain trade profoundly sooner or later, and it has done so to a degree not yet realized by the general public. It may be worth while to attempt to give a more or less descriptive sketch of the main effects of the war upon the grain trade of this continent.

Grain Exchanges.

The outstanding feature of the marketing of grain in North America during the years of peace was the development of the grain exchanges. I do not propose to sketch that development; it is enough for my purpose to say that these organizations were due to commercial evolution, that they were not created by the governments, and that they served a necessary economic purpose. It was the grain exchanges that found the way to collect the grain at country points, assemble it in vast quantities at the terminal points, and distribute it among the mills of this continent and the mills of Europe. It was they that developed the system of classification of grain into grades, that developed the use of warehouse receipts, that perfected the system of insurance against fluctuation in prices known as future trading, that made possible the financing of grain by the banks without incurring undue risks, and that in time developed the most complete machinery for taking the grain from the producer and putting it in the hands of the consumer at the lowest possible cost.

