

Conditions in the West

By E. CORA HIND.

Winnipeg, May 17th, 1917.

My last letter concluded with a copy of the special agreement made between the principal longs and shorts on the Winnipeg Grain Exchange and the agent of the Allied governments, which had then been in operation for two days. Since then there have been many happenings and as they have spread to the United States and include joint actions by their big exchanges, they are, more or less, general history, but in as much as the Journal of Commerce is, and should be, a record of important commercial events, it is probably as well to sketch briefly the various steps taken here since my last report.

The agreement has worked well and when it was submitted in detail to Allan G. Anderson, vice-chairman of the Royal Food Commission on Saturday last at Minneapolis, he not only approved of it, but based upon his advice to the Chicago Exchange, which resulted not only in Chicago following the same plan but in the joint meeting of Exchanges which took place at Chicago on Tuesday afternoon.

There was, for a few days, some difficulty with regard to the smaller longs and shorts. A good many of these had sold short on Winnipeg May, and bought Chicago July. Other shorts found difficulty in dealing with were farmers who had sold May against their own wheat, this wheat in the meantime having gone out of condition and they were therefore unable to deliver it. Finally a small committee was appointed to deal with these problems as they came up, and one by one they have all been adjusted and, in fact, the whole of May is provided for and cleaned up; this big undertaking was accomplished in exactly a week's time. July will be dealt with in the same way as it comes along.

Chicago has adopted practically the same system and there is a great deal of amusement on the Winnipeg Exchange at the boastful announcement of their president, that they had solved the problem of the food supply, when all that they have done is to follow the lead given by Winnipeg.

As indicated last week there was trouble about October and this has not been fully disposed of yet. A resolution was passed by the Exchange prohibiting the buying of October excepting for the fulfilling of contracts already made, and leaving the selling of it free, but limiting the price to be paid for it not to exceed \$2.45, and this is the way the matter stands at present, though further plans are being discussed. Commissioner Anderson expressed his ardent desire that the new crop might be handled on the same form of agreement as is now operating in regard to the balance of the 1916-17 crop. The volume of trade all week has been limited and confined very largely to the clearing up of the old business.

There is very little being done on the new Basis No. 1 contracts, the whole situation is so abnormal and really so unsettled that traders are very shy of new commitments of any kind, and this is scarcely to be wondered at.

Quite probably before this letter reaches Montreal there may be a complete change in the situation. Reports from Washington are quite plentiful that the United States Government will ask Britain and her allies to sell a portion of their large holdings on the guarantee that the United States government will return them the wheat out of the new crop. There is nothing official about this at present, though the agent of the Allied governments here admitted that something of this kind might possibly be considered.

NAVIGATION.

The navigation of the lakes continues to be a very serious factor in the forward movement of grain. No such season has been known since the seventies, and of course, at that time there was no grain to take down the lakes. Steamers sunk; steamers with all the buckets off their wheels; steamers fast in 20 feet of windrowed ice; these are some of the messages that come along from the east end of Lake Superior. This morning the channel off Pointe aux Pines is once more filled with ice, completely blocking the downward passage for a time; while a strong fresh north-east wind is again blowing the ice into Duluth. At the upper end of the lake all is clear. Fort William reports the Bay entirely free from ice, and all steamers available loaded.

The railways are living up to their agreement of the maximum daily movement, and if there is not more relief from boats in the very near future, the big terminals at Fort William will be badly congested.

One good warm rain, and the wind in the right direction, would probably relieve the entire situation,

but at present the rain does not come, and the wind is from the wrong quarter.

WESTERN CROP.

Since last writing, the Manitoba Free Press has issued its first crop report on the seeding, and it has proved a complete surprise to everyone, in view of the fact that spring is late. 175 points were heard from by wire on the night of Monday, the 14th, and these reports showed that 90 per cent of the wheat had been seeded up to that date; as May 15 to 18 is considered the limit of time of which it is wise to sow wheat, these reports indicate that 90 per cent of the wheat area was seeded in good time. The soil was almost universally reported in a good condition, with an abundance of moisture, and many points report that germination was rapid and that much of the early sown wheat was from an inch and a half to three inches above the ground. There was a decrease in acreage, as was to be expected from the season. Manitoba will evidently have about the same acreage as last year. She was able to get more fall ploughing done and her 1917 crop came in earlier, and where it was very badly rusted, many of the wealthier farmers simply cut and burned it and fallowed the land. Her last year's acreage, according to the new census figures, was 2,695,389 acres. Saskatchewan was not so fortunate; little fall ploughing was done and the spring season was late, owing to the great abundance of water on the land, and her decrease is about 20 per cent in wheat. Her acreage

last year was 8,532,838 acres, a reduction of 20 per cent would give her 6,836,271 acres. Alberta has possibly a 10 per cent decrease, mainly in the north. Last year's acreage was 2,571,670 acres, a 10 per cent decrease would give her 2,314,503 acres. Added together, these give an acreage of 11,077,614 against an acreage of 13,799,879 last year.

The average yield of the western prairie provinces in the last twenty years has been just a tiny fraction under 19 bushels per acre, so that with no better than an average crop, the Canadian west is reasonably safe of 220,000,000 bushels of wheat. 70,000,000 bushels should be a lavish estimate of home requirements for food and seed, so Great Britain and her Allies may with reasonable certainty count on from 125,000,000 bushels to 150,000,000 bushels of wheat from the crop which has just been seeded.

It is safe to estimate that 75 per cent at least of this decreased acreage in wheat will be seeded in either oats, barley or flax. The report shows that there will be a material increase in all of these grains. Very considerable progress had been made in the seeding of coarse grains, especially in Manitoba, a number of points reporting from 25 to 60 per cent seeded. Manitoba also reports a very considerable acreage in fall and spring rye.

The labor supply, about which there has been so much uneasiness, seems to have worked out very well for seeding. 103 points heard from give the labor supply as "sufficient," a dozen give the supply as "plentiful" and the balance say that labor is scarce. In practically all of the reports, the statement was made that increased labor would be needed for harvest; this, of course, is to be expected, as it has always been recognized in western Canada that two men can put in what it takes five men to reap.

The World's Crop Outlook for 1917

By ERNEST H. GODFREY, F.S.S.

There are unmistakable indications that the sowing season which is now proceeding in countries of the northern hemisphere is of more than ordinary importance, and that it is likely to have a critical effect upon the world's food supplies in the immediate future.

That this is so will be realized by a brief consideration of the circumstances created by the great war and the harvests of the past three years. In 1914 the world's harvests were, generally speaking, under average; in 1915 abundant crops were reaped in nearly all countries, but again in 1916, largely owing to the disastrous effects of grain rust in North America and an unfavorable season in Argentina, the yield of cereals has been again considerably below average. A few figures taken from recently published calculations of the International Institute of Agriculture will make this clear. These calculations relate to twenty-one countries (18 in the northern and 3 in the southern hemisphere), and comprise 81 per cent of the world's cereal production. They include most of the allied countries at war with the central powers, including European but not Asiatic Russia; the production of Germany, Austria-Hungary and Bulgaria is not included.

To the twenty-one countries referred to, the total production of 1916 (1916-17 for the southern hemisphere), as officially reported to the Rome Institute, is 2,796 million bushels, as compared with 3,772.5 million bushels in 1915, and with 3,176.7 million bushels, the average annual production for the five years, 1911 to 1915, and 1911-12 to 1915-16. Expressed in the form of relative proportions the total wheat production, as compared with 1915 (1915-16), is 25.9 per cent less, and as compared with the five year average it is 12 per cent less. As compared with the five year average, all the large wheat-growing countries, viz., Canada, the United States, British India and European Russia showed a large decrease, and no favorable offset occurred in the case of Argentina, whose production for the year 1916-17 is reported as only 70 million bushels as against 172.6 million bushels in 1915-16 and 160 million bushels, the annual average for the period 1911-12 to 1915-16. The production for 1916-17 in Argentina was, therefore, 59.3 per cent less than in the previous year and 56.1 per cent less than the quinquennial average.

For twenty-two countries of the world reporting to the International Institute of Agriculture (excluding enemy countries), the normal consumption of wheat for the year 1916-17 is placed at 3,064 million bushels, and as the total production previously given for the same period did not exceed 2,796 million bushels there is for the year a shortage of 268 million bushels to be made good either by accumulated reserves or surpluses, or by resorting to other cereals as food. Data do not exist to enable us to deter-

mine the total reserves accumulated, and it will not be wise to assume that large reserves exist, even in Russia where the outlet for grain has been to a large extent stopped through the closing of the Dardanelles, because cereals are more or less perishable commodities, and storage facilities are limited. In calculations put forth towards the end of last year, the International Institute of Agriculture contemplated as the world's "carry over" from the 1916 crop year 158 million bushels, as compared with 459 million bushels, the surplus of the preceding year; and the Institute pointed out the serious shortage of food that was likely to occur if the world's harvests of the current year should not redress the balance.

Although wheat is the staple human food for most countries of the northern hemisphere, other cereals, including rye, oats, barley, corn and rice can and probably will be drawn upon should the yield of wheat this year prove seriously disappointing. It will be as well, therefore, briefly to review the available data in respect of the production of these crops. Rye in English-speaking countries is almost negligible as human food, but it is the chief sustenance of the people in Germany and Austria, and is also an important crop in Russia. Of the recent production of rye in the enemy countries we have now no certain knowledge; but for present practical purposes these countries may be omitted from consideration. The crop of rye anticipated this year in the United States is about 60 million bushels, which is about 13 million bushels more than that of last year. The total rye production of fifteen countries in 1916 was 1,011 million bushels, as compared with 1,068.7 million bushels in 1915 and 908 million bushels, the annual average during the five years, 1909 to 1913; so that the crop of 1916, whilst inferior to that of 1915, was above the average.

The consumption of oats, already largely used as a breakfast food, could be doubtless greatly increased for human food without much disturbing its present employment in the feeding of farm live stock. For seventeen countries the production in 1916 was 3,126.7 million bushels, as compared with 3,627.9 million bushels in 1915 and 3,031 million bushels, the annual average for the five years ended 1913. In Canada this crop, so far as quality is concerned, takes equal rank with wheat, and its export can and doubtless will be increased if the present high prices continue. Of barley the yield in 1916 and 1916-17 of nineteen countries was 1,094 million bushels as compared with 1,194 million bushels in 1915 and 1,081.9 million bushels, the annual average for the five years, 1909 to 1913. For this cereal there is the possibility of diversion from purposes of brewing and distilling alcoholic liquors to bread-making

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