

MARKETING THIS YEAR'S WHEAT CROP

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and flour provision is also made whereby under paragraph eight the co-operation of the Board of Railway Commissioners may be secured, this paragraph reading:—

Notwithstanding anything in the Grain Act or in the Railway Act, the Board of Railway Commissioners of Canada shall have power to order any railway company to provide cars and other transportation facilities for handling grain, and to transport as directed wheat delivered to or by the board, or in which the board is interested, and at the request of the board to withhold transport of other wheat or grains for a fixed time.

Authority to appoint representatives overseas as well as within the Dominion is a further power delegated the board.

Trading in futures on the grain exchanges or elsewhere, except on the written authority of the board, is prohibited, thus eliminating for the time being pernicious wheat speculative practices.

That there will, however, be speculative trading in the participation certificates issued by the board as advance payment for wheat bought from the farmers is quite probable. This, at any rate, is the experience of Australia, where a similar scheme to that just adopted by Canada for the handling of the wheat crop has been in vogue during the last two or three years. In fact the Canadian order-in-council is an adaptation of the Australian instrument with certain modifications and changes necessary to comply with the conditions obtaining in this country.

Wisdom of the Move

That the creation of the Canadian Wheat Board, endowed with the powers it is, is a wise move on the part of the government is generally conceded by those consulted by the writer, and these include grain men, millers and bankers. Criticism is heard from some of the farmers regarding the \$1.75 per bushel which it is understood is to be the amount to be advanced at the time purchase is made. But as farmers' organizations have for some time been urging the government to adopt some such scheme as that to be inaugurated August 15th, it may be taken for granted that in principal the order-in-council will prove acceptable to the agricultural community as a whole.

As far as can be gathered the bankers of the country were not called into consultation by the government when the preliminary draft of the order-in-council was being prepared. As it is understood the bankers were advocates of some such scheme as that adopted, it is possible that the government did not think their presence at the round table conference necessary. In view of the part the banks must necessarily play in financing the new crop the omission of their representatives from the conference cannot be considered as being any other than a regrettable inadvertence.

That at least some provision for the control of the wheat and flour trade for the current crop season was necessary there can be no doubt, and for several reasons. True the price of wheat, and it naturally follows, flour as well, promises to rule high for some time to come. The fact that a few weeks ago, when dealing in options on the Canadian exchanges was temporarily permitted, the price of October wheat suddenly jumped to \$2.45 at Winnipeg is a pretty good indication of what might be expected on a free market with speculators in the saddle. That speculators did get into the saddle during the few days the market was open there can be no doubt. And what is more, it is maintained by those who are in a position to venture an opinion that the root of the short-lived temporary bull movement was the action of certain speculators in the United States who aimed to work the price of Canadian wheat up to a figure that would preclude its export and thereby enable the American product to get in on the ground floor as far as the European market was concerned. At any rate, whether American speculators had a hand in the pie or not, it would be little short of disastrous to the financial welfare of the

Dominion were October to December wheat futures boosted to a price which precluded exportation.

In view of the conditions obtaining throughout the world to-day, without a stabilized wheat market in Canada the bankers would scarcely be disposed to be liberal in their advances on the new crop. And the health of the commercial body politic is dependent upon the extent to which the banks provide the financial means by which the crop can be marketed.

Canada's Need of Cash

There never was a time in the history of the Dominion when the wheat, the flour, and every other line of merchandise the country produces should be turned into cash with the greatest possible expedition. The extent to which the forthcoming \$250,000,000 domestic loan will meet with success largely depends upon the facility with which this can be accomplished. Furthermore, it is imperatively necessary that the export trade should be stimulated to the utmost in order that the farms and the factories of the country may find an outlet for their surplus products and that the present favorable balance in its export trade may be maintained, and the export of gold obviated.

That the desideratum, as far as wheat and flour are concerned, can best be secured through the regulation of the trade and the stabilization of prices there can be no doubt, especially when the fact is taken into consideration that the export trade in grain and grain products during the last three fiscal years had an average annual value of no less than \$365,207,136.

MONEY MARKETS

Messrs. Glazebrook and Cronyn, exchange and bond brokers, Toronto report the following exchange rates to *The Monetary Times*:—

	Buyers.	Sellers.	Counter.
N.Y. funds	47-16 pm	413-16 pm	
Mont. funds	5c. dis.	par	¾ to ¼
Sterling—			
Demand	\$4.52	\$4.5250	
Cable transfers	4.53	4.5350	
Range of rates in New York—sterling demand, \$4.3150.			
Bank of England rate, 5 per cent.			

RAILROAD EARNINGS

The following are the earnings of Canada's transcontinental railways for the month of July:—

Canadian Pacific Railway			
	1919.	1918.	Inc. or dec.
July 7	\$3,120,000	\$2,787,000	+ \$333,000
July 14	3,325,000	2,688,000	+ 637,000
July 21	3,202,000	2,644,000	+ 558,000
July 31	4,591,000	3,801,000	+ 790,000
Totals	\$14,238,000	\$11,920,000	+ \$2,318,000
Grand Trunk Railway			
July 7	\$1,048,962	\$1,093,462	— \$ 44,500
July 14	1,238,903	1,130,800	+ 108,103
July 21	1,316,805	1,114,799	+ 202,006
July 31	2,417,076	1,994,902	+ 422,174
Totals	\$6,021,746	\$5,333,963	+ \$687,783
Canadian National Railways			
July 7	\$1,653,564	\$1,424,684	+ \$228,880
July 14	1,599,242	1,506,147	+ 93,095
July 21	1,686,448	1,561,063	+ 125,385
July 31	2,718,148	2,241,405	+ 476,743
Totals	\$7,657,402	\$6,733,299	+ \$924,103