

WESTERN CANADA SECTION

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Representatives Amalgamated Press of Canada

UNIQUE WHEAT SITUATION.

Reaching the Climax—Reduced Supply and Increased Shipments—Winnipeg Grain Exchange.

Monetary Times Office,
Winnipeg, Jan. 14th.

The past week has revealed nothing of particular interest, although we are reaching the climax of a situation the like of which has never before presented itself to the world. Prices stand around what they were a week ago, and during that time have had advances and declines. The question of speculation now is, what will future prices be? During the past week over 34 million bushels of wheat were shipped from Fort William to the East, while the Canadian visible is larger than it has been for years at this period—over 84 million bushels, last year's stocks being less than 5 million. At Fort William alone there is now in store 64 million bushels, against 3 million last year. All this would present a weak situation were it not for the fact that the grain has come forward much faster this year on account of the exceedingly open winter Western Canada has enjoyed. Shipments for the past week east of Fort William have totalled close on one million bushels, and still there is an increase on the stocks at that point of 376,000 bushels. There was a decrease for the same week last year of over half a million bushels. This shows us clearly two strong factors in the Western situation—that we are on an exporting basis, and that we are shipping more wheat than we ever did before at this time of the year. Another strong factor is that there is less in farmers' hands and in the elevators.

Should the present strong demand continue, it will not require many weeks for Western Canada to ship out all her exportable wheat. Granted that our early estimate of the crop of 65 million bushels is correct. Forty millions have already passed Winnipeg or been used by country mills. The balance of 25 millions is accounted for by 64 million in country elevators, 10 millions for seed, and about 84 million to market by grain growers. This is a conservative estimate of the Western crop; in fact, farmers will doubtless yet market nearer 12 million bushels, one-third of which will be milling grain. The supply for millers will largely come from what is presently held by elevator companies, all of which is practically 3 Northern or better; the grade wheat which farmers have still to market, say 4 million; and 3 odd millions at Fort William. This means that Canada cannot export very much more good wheat without running great risk of exporting too much.

The States are largely in the same position, except that their figures are of greater magnitude. With the present heavy shipments of over 6 million bushels per week to Europe, it would appear that with their large home consumption they would be in greater danger by exporting their reserves, were it not for the strong position in which they are placed owing to the winter wheat crop coming in so much earlier in the month of July; and this will be the thermometer on wheat prices for the future.

While it is a little early yet to anticipate or believe reports regarding the state of that crop, it is true of the market, that to bull wheat very much on present conditions would be dangerous on account of the winter wheat crop and large expected shipments from the Argentine. Possibly there never yet has been a year in which the crop has been "bullied" that the anticipations of a new crop have not caused a serious slump in prices, and what promises to be an eventful spring in the grain markets is rapidly approaching. Even the oldest and shrewdest operators, who feel the strong position of the world's wheat situation, are afraid of a "nigger on the fence" which will change the whole face of the situation, giving it a different aspect.

Conditions Last Year.

At this time last year the markets were of a totally different nature, being apparently without any speculation and little question of a shortage. We find that to-day's prices vary from those of a year ago by about 36c. No. 1, 2, and 3 Northern, closed to-day at 108½, 105½, and 99 respectively; the same day last year placed prices at 72½, 70½, and 69. Last season, the carrying charge for contract wheat from January to May was 3½c., this year it is 6½c. This is largely due to the money stringency which exists in the West, to show the improvement in which it is only necessary

to go back to the 17th of December, when the carrying charge for the same wheat was 8½c. As the money situation becomes easier, the smaller will the spread be between cash and May wheat.

Another peculiar feature about this year's market's is that the Winnipeg grain prices are higher than those of any other market, including Minneapolis, Chicago, Duluth and New York. Minneapolis May closed to-day at 111½, Chicago 104½, Duluth 111½, and New York 113, while Winnipeg closed at 115. At this date last year, the contrary was the case. Minneapolis May closed at 78½, Chicago, 76½, Duluth 78½, and New York 82½, while Winnipeg closed at 76. Chicago 2 Red winter wheat was selling practically on a par with our contract grade. This spread shows that there has existed a good demand for our wheat, and that millers and others are making provision for any shortage which may occur.

Report on the Grain Trade.

The report of the Grain Commissioners appointed by the Dominion Government some time ago has been made public, as briefly reported last week. As expected, it deals in a comprehensive manner with the grain trade of the Dominion. One of the striking features of the report is the fact that the Commissioners do not see their way to recommend the Government to take over the elevators, nor to alter the present grading system. The Commission made exhaustive enquiries throughout Western Canada, and into the method of handling grain on the Winnipeg Grain Exchange, also visiting the terminal elevators at Fort William, and afterwards proceeding to the Old Country, where the grain is finally marketed. In no instance have they found any combination in restraint of trade or lack of competition in the grain business. They have made valuable suggestions regarding noxious weeds and other matters, and in the handling of grain at country elevators; but the conspicuous features of the report are the non-recommendation of Government-operated elevators and the satisfaction expressed with the present grading system, not only within the Dominion but on the British markets.

The Grand Trunk Pacific Railway have during the past week removed their headquarters from Kenora, Ont., and established them at St. Boniface, in close proximity to the city of Winnipeg, where they have arranged offices for permanent occupation. District Engineer S. R. Pauling is in charge, and has with him a complement of nearly twenty engineers, tradesmen, clerks and others. More than one-half of the heavy rock work is now completed on the line to Superior Junction, and a similar amount done from that point to Fort William. It is expected that trains will be running from the city to the Winnipeg River during the coming summer, when the bridge over the Winnipeg River will be ready for steel.

Alberta's Growing Needs.

The Alberta Farmers' Association have been in convention during the past week. The president of the Association, Mr. John A. Fletcher, Ellerslie, took the opportunity of blaming the Canadian Manufacturers' Association, the Winnipeg Grain Exchange, and the meat firms for the present financial stringencies and the hard times for the Alberta farmers. The Canadian Pacific Railway also came in for its share of blame. The convention passed a resolution asking the Alberta Government for the establishment of a Government-owned packing plant, on a basis as near to that of the creamery system as possible. They also passed a resolution approving of the Provincial Government's action in arranging for a supply of the necessary seed grain for the ensuing season, strongly urging the acquirement of sufficient grain for districts stricken by frost during the past harvest.

The farmers of Alberta are making strong demands for an Agricultural College, which shall not be under the supervision of the Provincial University, though affiliated with the latter. The success which the Agricultural College of the Province of Manitoba has attained has had its effect in stimulating the other Western Provinces to agitate for the establishment of a means whereby the rising farmer can acquire theoretic and practical knowledge of agriculture at low cost.

Real estate at the head of the lakes has been very active during the past few weeks. Several large blocks changed hands at high prices.

The funeral of the late George L. Chase, president of the Hartford Fire Insurance Company, took place at Hartford on Saturday last. Fire underwriters were present from great distances to testify their respect for the memory of the dead man.