

the other, the agencies which collect the grain in the country guaranteed to sell 90 per cent. of all the wheat they controlled for the balance of the crop year to that company. And you will permit me to recall the fact that while many members of the Exchange were financially injured, yet all the members were dominated by the one spirit, the spirit, namely, of give and take, and of doing the best in the interest, not of their own particular line of business, but of the country during the period of stress and war.

I mark this as the next great effect of the war upon the grain trade. It is true that the fact that much of the hedged grain did not come up to the contract grades contributed to the intensity of the crisis, still the major causes of this effect were undoubtedly war causes, and I think it is worth while to particularize to some degree the war causes to which I refer.

To begin with there was a loudly proclaimed shortage of the supply of available wheat. This shortage, for some reason or other was emphasized in the speeches of some of the most prominent men in the British Empire and also in the United States. Ministers of the Imperial government, high officials in both countries and hundreds of newspaper editors emphasized the fact that the surplus wheat in Russia was locked up by the war, that the surpluses in such countries as India and Australia were not available through conditions of transportation and that Argentine had no surplus at all. They proclaimed the dependence of the European Allies, so far as wheat is concerned, upon the continent of North America, and they devised ways and means of eliminating waste, of husbanding the resources and of persuading or coercing their peoples to use substitutes for the white bread to which they had become accustomed.

Next, there was this imperious need of the allied peoples for our wheat at a time when their men in uniform had been withdrawn from productive work, thus causing a labor shortage in agriculture as in other interests on the one hand, and on the other increasing the normal consumption of bread. The soldiers at the front must be fed, and well fed; the workers in the United Kingdom were demanding and receiving higher rates of wages; the ranks of the workers had been increased by thousands and hundreds of thousands of women workers, so that the masses of the people in the United Kingdom had more money to spend than for some years previous.

Next, the war had affected profoundly the money situation, and in so far as currency had been inflated or increased in any of its forms, higher prices were inevitable.

Lastly, it must be noted that the concentration of the buying for the European Allies had been only slowly carried out and imperfectly at best. For example, in the Winnipeg