

a descriptive sketch, and I am confident you will agree with me in the statement that I have made as to the resources, the orders and the power of the Wheat Export Company.

Buying through the winter and spring months for May and July delivery—and of course they were not the only buyers, as the Canadian mills were doing the same—a situation arose, which, as the month of May approached, brought to a head the accumulating effects of the war upon the grain business of this country. The gatherers of grain at country points had hedged their holdings in the usual way. Much of the grain so hedged did not come up to the contract grades, and the result was that as the month of May approached there was heavy bidding for the contract grades and prices went skyrocketing. Had the holders of May and July stuck out for their pound of flesh, they would have brought about a disaster to the Canadian grain trade, and, as it appeared later, to the grain trade of the whole North American continent, unparalleled in commercial history. To avoid this the Winnipeg Grain Exchange took hold of the situation, and the result was the next profound effect of the war upon the grain trade.

The rising prices of wheat, accompanied as they were by parallel increases in the cost of flour, produced a clamor amongst the consumers of the country, and as usual this outcry was very largely directed against what is popularly called speculating or gambling in the bread of the people. The Winnipeg Grain Exchange began by instituting a censorship in order to ascertain accurately the extent and character, if any, of illegitimate speculating in wheat. Very little of such business was found by the board of censors, and after the first surprise due to the creation of the board of censors was over, and the first fall of prices that resulted therefrom prices began to mount skyward again.

The Winnipeg Grain Exchange then decided upon the fateful step that took away the facilities for future trading in wheat in the Winnipeg Exchange, and proceeded to take all the other steps rendered necessary thereby. The last closing price was taken as a basis of closing trades in the Clearing House, and after a great deal of trouble the May and July accounts were all cleared as satisfactorily as it was possible to clear them to the various interests involved.

I need not describe these steps in detail as they are familiar to every member of the Exchange. You will recall, I am sure, the days of the crisis—it is unique in the history of the Winnipeg Exchange. You will recall the censoring. You will recall the withdrawal of facilities for future trading. You will recall the negotiations with the longs and with the shorts, with the scalpers and the spreaders, and with the agencies that gather the grain throughout the country. And you will not forget that on the one hand the Wheat Export Company met the Exchange in a generous way, and that on