

STORAGE PROBLEM IS WORRY

it does today. Railways and elevators were not asked to handle millions of bushels of grain within a few weeks.

Old Time Harvesting

Instead of shiny tractor-pulled combines which cut and thresh the grain in a single operation with a crew of four or five men, scores of harvesters were required

for a single threshing outfit. Binders pulled by horses cut the golden stands of grain. The binders were followed by stook teams which bundled the grain in preparation for the steam-driven threshing machines. Today stream-line trucks haul the threshed grain swiftly to country loading points and farm bins; 25

years ago "Dobbin" pulled grain-filled wagons to market—a much slower operation.

The present trend toward individual harvesting outfits is far removed from the hilarious, boisterous gangs which wandered up and down the countryside in 1915 accompanied by cook cars, bunk-houses and crew outfits. Western farmers who delivered

wheat to elevators at the end of July, 1915, received \$1.27 a bushel, less freight rates to the lake-head, for No. 1 Northern. At the time, October wheat was quoted at \$1.29 1/4 on the Winnipeg Exchange and December at \$1.04 1/4.

While no government control measures were in effect a year after the outbreak of the First

Great War, shortly after, on November 29, Ottawa commandeered all No. 1, 2 and 3 Northern wheat in store at the head of the lakes and in Eastern Canada. The move was made as the result of a deal for Canadian wheat between the British and Dominion governments.

Owners of the wheat taken were

given the prevailing cash price on the Winnipeg market—\$1.04 1/4 for No. 1 Northern, \$1.03 1/2 for No. 2 and 99 3/4 cents for No. 3.

LONDON—The Montreal price of bar gold on the London market was unchanged today at \$37.54 per fine ounce.

Conditions in Europe Cut Off Many Export Markets

By Charles Gunning Canadian Press Staff Writer

WINNIPEG, Sept. 4: (CP)—Western Canada's greatest industry—wheat farming—moves steadily toward the close of another bumper harvest season wondering if the future held as many potent surprises as those which worried the grain trade in the first 12 months of war.

With a great part of the healthy new yield, unofficially estimated as high as 450,000,000 bushels, tucked away in elevators and hastily-erected bins, farmers and grain traders are trying to untie the tangled wheat problem. They compare present conditions with those at the end of July, 1915—one year after the start of the First Great War.

Since early summer, when it became evident that prairie farms should produce another bumper crop, storage and marketing problems have increased the worries of western agriculturists.

At the end of the 1939-40 crop year a record carryover of more than 273,000,000 bushels remained unsold in Canadian terminals and country elevators which have a capacity of almost 423,000,000 bushels. As Hitler's hordes swept first over the small neutral countries of Europe and then France, potential export markets for wheat were cut off, leaving only United Kingdom ports open to ships carrying Canadian wheat.

As a result, overseas shipments dwindled to spasmodic trickles, wheat clearances from Lakehead terminals dropped off and Western Canada elevators became swollen with country deliveries.

Farmers were called upon to carry a share of the burden by storing grain on their farms when the Canadian Wheat Board announced that first delivery permitted by the Board would be restricted to five bushels of wheat, oats and barley for each seeded acre. No restrictions were placed on flax and rye deliveries.

Price Variation

An initial minimum price of 70 cents a bushel for No. 1 Northern wheat, basis Fort William, was assured producers who marketed their wheat with the board and the almost stagnant condition of wheat futures prices on the Winnipeg Grain Exchange made it increasingly apparent that most growers would sell their wheat to government agents.

When the war in Europe began last September 3 wheat prices on the Winnipeg markets were hovering around 55 cents a bushel. War boom buying boosted values almost to the dollar mark during the weeks that followed but Germany's invasion of the Lowlands touched off a wave of panicky selling which slashed as much as 30 cents from quotations within a week before the government pegged prices on May 18. Cash prices were fixed shortly after.

For a time wheat prices fluctuated nervously near the pegs below which they could not drop but on June 25 they sank to their minimums where they have remained ever since. The pegged prices are 73 1/2 cents a bushel for October wheat and 74 1/2 cents for December.

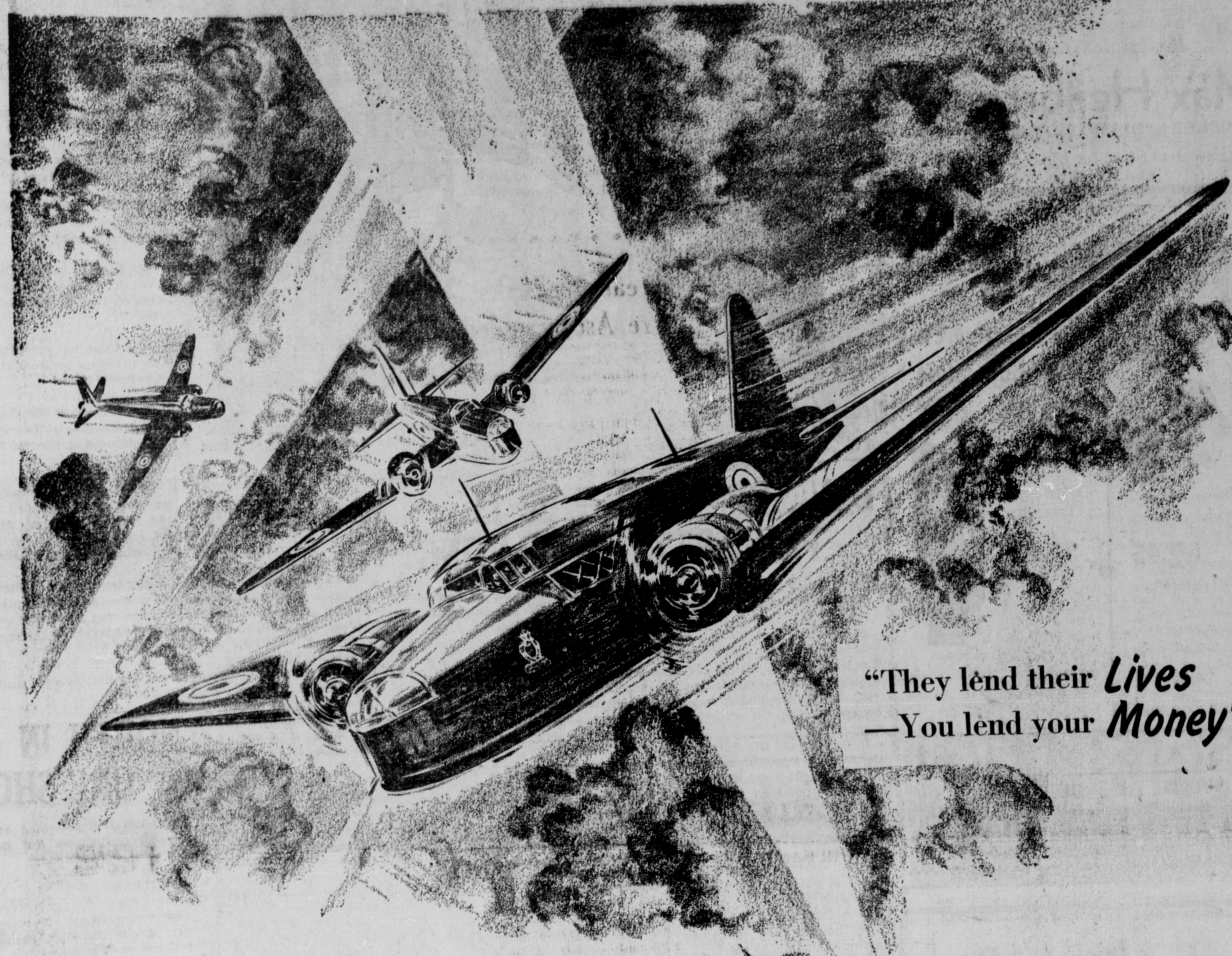
Veteran growers who farmed the western wheat belt during the First Great War recalled a somewhat similar 1915 picture.

The government of Sir Robert Borden had not tagged wheat with a minimum price on the open market, nor had it assured farmers a delivery price, but, like today, the wheat trade faced an export tie-up.

Overseas shipments were hampered by shortage of shipping space in both the Atlantic and Pacific Oceans. Many Canadian ships had been taken over by the British Admiralty to transport troops.

The call for food supplies for the Allied armies had resulted in a 25 percent increase in sown acreage in Western Canada in 1915 compared with the previous year when 123,000,000 bushels of wheat were grown. July estimates placed the new yield at 250,000,000 bushels and there was storage space in Canada for only 168,000,000 bushels.

A quarter of a century ago, however, modern machinery did not rush harvesting operations as



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