

bushels. Unfortunately this decrease is more than offset by the increase in Argentina from 184,799,000 bushels last year to the first official prediction of about 316,000,000 bushels for 1938-39.

The large crops and resultant exports from the Balkans, particularly Roumania, have been upsetting. These surpluses move mostly on a barter basis, often arranged for political rather than economic reasons. Being a cheap, low-quality wheat it has more effect on price levels than would be suggested by the quantities moved. The same can be said for Russian wheat which moved in quantity in the early part of the crop year. Working under a variable subsidy program, United States wheat has also been promoting uncertainty. Traders have had several painful experiences in buying ahead this year and with policies so subject to change, buying on a hand-to-mouth basis will probably rule during the crop season.

The world movement of wheat, so far this crop year, has been higher than in the same period of 1937-38 but still very low compared with the recent average and with exportable supplies. In 1938-39 Canada had supplies of about 271 million bushels for export or carryover, and authorities have been estimating exports at 125 to 160 million bushels. The movement to date has been well up to the latter figure which would leave a carryover of over 100 million bushels at July 31, 1939.

The method of wheat marketing in Canada at present is a combination of the various procedures that have been tried since the War. The Canadian Wheat Board pays a fixed minimum price for wheat and issues participation certificates to producers. The elevator companies handle the wheat for the Board and deliver it at terminal points under the terms of a handling agreement and periodic shipping instructions. The Pools do not operate as they did in 1924-30 but their elevators handle wheat for their patrons. The Board in effect operates on a pooling principle and, working under Government guarantees, pays a higher initial price than the Pools could safely undertake to pay. The shippers and exporters perform their usual functions, buying from the Board at terminals and shipping forward or overseas. The Winnipeg Grain Exchange is open and is used by the Board and the trade in transactions necessary to the purchase, sale, and movement of Canadian wheat. Doubtless there will be other changes in marketing as procedures are adapted to meet the changing wheat situation, so the foregoing is merely one chapter in a continued story. The record is merely brought up to February, 1939.

Subsection 2.—Movement of Canadian Wheat, Crop Year 1937-38.*

A résumé of the movement begins with a description of the crop of the Western Inspection Division. The wheat crop of 1937 marketed in the Western Division during the crop year from Aug. 1, 1937, to July 31, 1938, amounted to 158.5 million bushels. A carryover of 25.2 million bushels from the previous crop year, and an import of 1.7 million bushels, brought the stock of the Western Division to a total for the year of 185.4 million bushels. As for distribution, 111.6 million bushels were commercially disposed of, the chief items of which were 20.2 million bushels exported to the United Kingdom and 73.5 million bushels shipped to the Eastern Division. The direct exports to the United States were 886 thousand bushels and to other countries 2.9 million bushels. The total shipments from the Western Division were thus 97.6 million bushels. The wheat used by the milling companies for the manufacture of flour amounted to about 13.9 million bushels of which 12.3 million bushels were ground into flour for domestic consumption. The all-rail movement eastward from the Western Division, including shipments to the

* Revised in the Agricultural Branch, Dominion Bureau of Statistics.