

# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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## THE WAR AND WHEAT PRICES

The remarkable series of important victories recently won by allied arms in France, Palestine and Macedonia has strengthened the general conviction that the overcoming of enemy resistance is now within measurable distance. Many observers consider it quite probable that the war will have concluded before the year 1919 has far progressed. If these expectations are realized, immediate relief would be experienced by the market for government bonds. One would expect that the securities of Great Britain, United States, Canada, France and other allied countries would show appreciation in value; but, even if the quotations did not at once rise sharply on its becoming clear that peace was in sight, the market would nevertheless be relieved from the necessity of providing for vast continuous or successive issues of new bonds. The business community in general would also find some relief in the prospect of the removal of certain of the special war taxes, which have proved to be particularly burdensome. While it is recognized that the legacies of the war will be such as to prevent any great immediate reduction of taxation, steps can be taken when peace returns in the direction of readjusting the load, so that Canadian trade and industry can continue to develop satisfactorily as in past years.

The whole Dominion is profoundly interested in the question as to how prices of agricultural products will be affected by the termination of the war. Western Canada in particular is giving much thought to this matter. If grain prices then are such as to yield the farmer a satisfactory profit, it is certain that the accessible unoccupied fertile lands of the West will be quickly brought under the plow. That would mean, in all probability,

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a steady and rapid growth, not only of the farming population, but also of the western towns and cities; it would mean, also, a rapid rise of the West's production, representing increased wealth for the Dominion. On the other hand, an era of discouragingly low prices for wheat would have a tendency to check the growth of the western provinces and keep down their production. However, it can be said that the situation as at present existing does not point to disastrous cuts in wheat prices when the war is ended. It is, of course, to be expected that with the return of peace the demand for some commodities which we have been exporting actively will cease entirely; and probably some of the keenness or insistence in the demand for grain and other articles of commerce will be missing, thus tending to cause decline in prices. But it is well known that there is a great shortage of the world's supply of foodstuffs, and, owing to the devastation and destruction caused by the war, it will certainly be several years before the general production can be brought to an equality with the world's needs. During that period, at any rate, Canadian farmers are likely to get prices for their wheat which will yield them satisfactory profits.

So it appears likely that, apart altogether from the uncertainties regarding termination of the war, agriculturists here and in the United States can go ahead and seed their land with reasonable confidence that when the harvest of 1919 matures prices will not be on an unprofitable basis. Since the extremely high prices came in, early in 1916, the western Canadian farmers have not been so fortunate as to have a bumper crop. While the crop of 1915 broke all records, most of that was sold before prices reached the \$2 level. In 1919, if labor difficulties can be overcome, there will be another chance for the combination of a large yield and high prices.