

What our Bumper Crop means

Increased crop this year due to higher yield per acre — The stimulus it will give to immigration — Where is the wheat to be marketed — Uncle Sam and John Bull are both anxious to trade with Canada

By W. G. GATES.

The harvest monopolizes attention in Canada just now. No wonder. It is putting the props under the business structure of the Dominion. To date the cutting and threshing reports confirm the estimates that ran as high as from 230,000,000 to 260,000,000 bushels of wheat. Premier Martin of Saskatchewan, the banner wheat-growing province of the Dominion, who should be very well informed on conditions, says that the yield in all three prairie provinces will exceed expectations and he looks for at least 250,000,000 bushels. The increased production is due to the high higher yield per acre, which in Saskatchewan is put at three bushels over 1919. For Manitoba the increase is put at one bushel, while in Alberta it is reported to be as high as twelve over that of last year. At one or two points there were a few degrees of frost about the 20th of August, but the damage has been negligible.

Naturally business interests are jubilant over the outlook, for in addition to the yield the price is excellent. Of course there is an element of uncertainty over the price situation, but the yield is the matter of chief importance. If the Saskatchewan yield is 140,000,000 bushels, it will be 50,000,000 more than in 1919. If Alberta has a crop of 66,000,000 as some very reliable authorities estimate, it will mean double that of 1919. From an advertising standpoint, the Alberta crop is of great value, the number of Americans that have settled there being much larger than in any other province. The news of a big yield always imparts a strong stimulus to immigration from the United States; for after all the best immigration literature is the report sent back home by those who have emigrated.

There has been much speculation over the probable percentage of the wheat crop that will be marketed in the United States. With the premium on New York funds high there is a natural desire on the part of both farmers and grain dealers to market a considerable quantity south of the boundary line, but the difficulty of securing cars for shipments is a serious obstacle. Owing to the trouble they have had in getting cars back, Canadian railways are naturally reluctant to see cars go south. But in any event some will go there.

British interests are very eager to secure the handling of a goodly portion of Canadian crops for export. At present an important imperial trade delegation is in Canada working, among other things, to this end. One of its proposals is to have elevators built at Manchester, so that instead of a large proportion of Canadian wheat being shipped via Buffalo and New York, it may go direct by the Canadian route to the English elevators. Those behind the scheme desire that the wheat should be stored there rather than in elevators at the head of the Lakes. They contend that by this system the crop movement would be financed by English, rather than by Canadian banks, the funds of the latter being thus left more free for ordinary business. From an English point of view this may be desirable, but the scheme is sure to be scrutinized very carefully by Canadian grain interests who are fully aware of the value of the grain handling trade. At present the tendency is in the direction of holding a larger quantity of wheat in the country, selling it as the price warrants, rather than dumping it on the market as quickly as possible, which

too often happens in the Fall.

The proposal is worthy of more than passing notice, for it indicates the importance which the business interests of the United Kingdom are paying to Canadian production. Seeing its potentialities and the profit there is to be made in the handling of the resulting products, they desire to get it on the ground floor. In doing so they act wisely, for in the producing of grain the surface of the prairie provinces at present is only being scratched. It is questionable, however, whether in the not distant future the chief market for Canadian wheat will be overseas, for the growth of population on this continent is sure to create a strong demand for at least a portion of it.

The foregoing is only one of the lines along which British interests are working to secure a strong hold on the trade of the Dominion. Already delegates are arriving for the Associated British Chambers of Commerce Convention, which is to be held in Toronto within three weeks, and as they come their plans are unfolded. The truth is that the large share of Canadian trade secured by Uncle Sam during the war years and since has awakened John Bull to the necessity of making greater efforts to get a due proportion of it. That Canada is buying \$4 or \$5 worth of American goods for every \$1 worth of British, and that in spite of the British preference of 33 1-3 per cent. and the rate of exchange which theoretically retards imports from the United States, is giving rise to much serious thought in British trade circles and has led to the asking of the question, If Canada with 9,000,000 people does this, what will she do with 15,000,000 or 20,000,000?

Canadians naturally welcome this attention, considering it a marked tribute to the commercial and industrial importance of the Dominion. Besides, it will inevitably result in much better trading conditions. It means a heavy inflow both of

British and American capital, something much needed, and with it will also come a much larger immigration, all of which is bound to make for greater industrial activity.

The trade returns for July, from an American standpoint, must be considered satisfactory. The total imports were approximately \$129,000,000 of which \$87,062,684 were from the United States and \$21,981,695 from the United Kingdom. During the last seven months the value of imports from the Republic was \$528,492,635, or at the rate of about \$75,500,000 a month. Imports from the United Kingdom for the same period were valued at \$146,561,695, or approximately \$21,000,000 a month. The figures for imports from the United States are running considerably ahead of last year, with a strong prospect of continued heavy importations. The total exports for July were valued at \$106,755,000, of which those to the United States were \$46,985,915, and to the United Kingdom \$31,346,710. In the case of the United States there was an increase of 20 per cent. over the figures for the same month last year. On the other hand, the overseas trade shows a decline.

The amount of American and British capital finding its way into new enterprises continues to be large. This is especially true with respect to American investments in the pulp and paper industry, several new undertakings having been announced during the last month.

It finally is being realized that the only way of being assured an adequate supply of pulp and paper is by putting money into mills and timber limits. If it were not for the fact that American capital represents three-fourths of the total investment in this branch of Canadian industry and controls at least sixty per cent. of the export shipments, publications in the United States would be a great deal worse off for newsprint than they are today. In this connection it may be said that the value of these exports to the United States is now slightly in excess of \$13,000,000 a month.

Business conditions are generally satisfactory and seem likely to remain so for some time. In some cities an increase in the number of unemployed is reported, but of general work there is no scarcity. In the ordinary forms of industry there has been nothing like a general lay-off. Prices while showing a tendency in many lines to decline are unlikely to do so in a precipitate manner. —From Commerce and Finance of New York.

Will there be a Trade Slump?

In Great Britain a prominent economist has predicted a trade slump there and in America. The same prediction has been made in Canada and the United States with the result that many people are withholding funds which they were about to invest in industrial enterprises. Professor Clapham made the prediction when addressing the Economic, Science and Statistics Association at Cardiff. But, he proceeded to say, he is inclined to think that the slump will be greater in the United States than in Great Britain, because America's position today, in his opinion, bears a striking resemblance to that of Great Britain after the Napoleonic wars. For Great Britain he prophesies a bad spell of unemployment, all the more dangerous because of the high standard of living to which people are becoming accustomed. He is, however, less apprehensive for the industries of this country than others. "Nor do I fear," he added, "that a crisis will originate here, but we should be bound to feel the reactions of a crisis which might occur elsewhere."

In an interview on this question, Sir Edward Mackay Edgar expresses optimistic views. "The war," he says, "so far from having undermined us,

has renovated us. Our recovery from its effects and the ease with which we have readjusted ourselves to peace conditions are in a way as wonderful as anything we achieved between 1914 and 1918. An industrial transformation has been brought about which will remain an imperishable and fructifying asset unless we deliberately decide to squander it. We have the energy, the men, the plant and the desire. All that we need to weld them into a conquering whole is sound commercial statemanship."

He lays stress upon two of the vital requisites for success—industrial peace and financial common-sense. Speaking of that other vital need—economy—he says: "It is as vital that the Treasury should regain its old control over expenditure as that it should part with its war-born control over commerce. Decontrol is not only essential for the liberation of British commerce, but it is a long step towards Government economy." And he expresses the view of all sane and reflective persons in the concise statement that "to limit output in the circumstances in which we find ourselves is to commit, industrially speaking, the crime of crimes."