# Journal of Commerce

VOL, XLVII. No. 1

J-41-121-44-2 C2

MONTREAL, TUESDAY, JANUARY 7, 1919

Price, 10 CENTS

## Journal of Commerce

Devoted to

CANADIAN INDUSTRY, COMMERCE AND FINANCE.

Published every Tuesday Morning by

The Journal of Commerce Publishing Company, Limited.

Head Office: 35-45 St. Alexander Street, Montreal.
Telephone: Main 2662.

Toronto Office: 412 C. P. R. Bldg., Toronto. Telephone: Adelaide 3310.

Vancouver Office: 507 Board of Trade Bldg., Vancouver.

HON. W. S. FIELDING, President and Editor-in-Chief.

Subscription price, \$3.00 a year.

Advertising rates on application.

MONTREAL, TUESDAY, JAN. 7, 1919.

### Special Articles

Getting Together and Remaining Together By J. W. MACMILLAN.

Book Reviews.

By HOWARD S. ROSS.

Conditions in the West

By E. CORA HIND.

#### Editorials:

The Price of Wheat 1
The British Elections 2
President Wlison in Europe 2
Conference Notes 2
Welfare Work and Wage Reductions 3
Public Works 3
British and Canadian Fisheries 3
Getting Together and Remaining Together 4
Book Reviews 5
Conditions in the West 5
Mentioned in Despatches 6
Printers' Pie 7
Among the Companies 8-9
Weekly Clearings 10
News Notes 11
Commodity Markets 12-13
Insurance
Business in 1918 15-16

#### The Price of Wheat

T HE problems for men in authority in war-time seemed and were very important. But it is beginning to be seen that the after-the-war problems are more numerous and more difficult of solution. If many things unprecedented in their character had to be done while the war was on, there was a spirit abroad that made the doing of them easy. Men were wanted; there was an almost universal desire to help the good cause in some way. Money was wanted; the people were ready and willing to provide it. Food and munitions were required; those who could supply them were asked to do so regardless of cost or price. Seldom was a critical spirit manifested. The things that were needed for the prosecution of the war must be obtained, and whatever price was necessary to command them must be paid or guaranteed. As it was with us in Canada in the beginning, so it became in the United States when that nation came into the war. We are now approaching a day of reckoning and difficulties are likely to be met which will be more embarrassing than anything that arose while the activities of the war service were evident on every hand.

One of the serious problems now presenting itself is the price of wheat. In the days when it was of paramount importance to obtain food for the armies, as well as for our people at home, it became necessary to give the farmer an assurance of a satisfactory price, not only at the moment, but also for some time ahead. Otherwise he might not have felt able to produce the article. The current price, though fairly satisfactory, might fall, and in that event, in view of the increased cost of everything entering into production, wheat growing might be disastrously unprofitable. To guard against this, to make certain of abundant production, it became necessary to give the farmer a satisfactory price for the wheat immediately available and also to insure his obtaining a satisfactory price for the next crop to be raised.

Thus it came about that in both Canada and the United States the Governments fixed prices designed to net about \$2.20 a bushel. This was, in one way, an advantage to the farmer On the other hand, there was advantage of a wider character which the community obtained. Wheat is the staple article of our breadstuffs. The prices of wheat and flour and bread had advanced. There was

danger of further advance. There is much reason to believe that if the price had not been fixed, if the law of demand and supply had been left to unrestricted operation, the prices of breadstuffs would have advanced still further, and the people, already pressed by the high cost of living, would have suffered more severely through higher cost of bread. There were times-perhaps they would have been continuous-when the farmer, if he had been allowed a free hand, might have obtained more than \$2.20 for his wheat. It is worth remembering that at one stage our Government, acting for the British Government, endeavored to secure a future supply of wheat by offering a guarantee of \$1.70 a bushel. The shrewd Canadian farmer, seeing that if the war were protracted wheat would go much beyond that figure, refused to accept the offer. As he had expected, the price did advance and later he received a guarantee of \$2.20 a bushel, instead of \$1.70 previously offered.

Now the question arises, how long should this guaranteed price continue. There are some articles which are basic in their character, their price having a controlling influence on the prices of other commodities. Wheat is a basic article of foodstuffs, and influences very largely the price of all foods. If the price of wheat is to remain at \$2.20 there will be but little, if any, reduction in the cost of living, which is oppressively high.

The question of the price of wheat becomes more perplexing because, while the price guaranteed in Canada and the United States is the same, there is a material difference between the periods for which the price was fixed. In both cases those in charge of the matter looked ahead; neither contemplated the sudden termination of the war. In Canada the period for which the price of \$2.20 is fixed will expire in August, 1919. This means that the price was fixed for only the crop of 1918. The crop of one season is usually approaching exhaustion at midsummer of the ensuing year. For the crop of 1919 there is thus no Canadian guarantee. If no further action be taken by the authorities, the price of wheat will then be left to the old law of demand and supply. That there would be some reduction of price is reasonable to expect. But in the United States' the guarantee of \$2.20 covers not only the crop of 1918 but also that of 1919. Thus until June, 1920, the American farmer will receive \$2.20 a bushel, while the farmer across the border in Canada will receive only the