

# The Grain Growers' Guide

Winnipeg, Wednesday, March 21, 1917

## FIXING WHEAT PRICES

What is the Dominion Government going to do with the wheat crop of 1917? This is a question uppermost in the minds of tens of thousands of farmers in this country. The British Government requires an adequate supply of wheat and Canada is the nearest source from which that supply can be secured. Three weeks ago Sir George Foster, minister of trade and commerce, proposed to the Canadian Council of Agriculture that the crop should be taken over at a fixed price, which would not only insure an adequate supply to the British Government, but would also encourage the highest possible production in the West. The price proposed by Sir George Foster was \$1.30 in store at Fort William, on the basis of No. 1 Northern, the spreads between other grades to be fixed by tests showing the annual milling and baking value of the wheat. He asked representatives of the Canadian Council of Agriculture to approve of the plan and the price, but they could not accept the responsibility. The full board of the Canadian Council meeting in Regina last week considered the question at great length.

The Canadian Council of Agriculture is the most representative farmers' organization in Canada and is the only organization entitled to speak with any degree of authority for the grain growers of the prairie provinces. The responsibility which the government placed upon the council was tremendous. The responsibility was not only to protect the grain growers of the West, but also to protect the British and allied nations in the life and death struggle in which they are now engaged. The government proposal of \$1.30 per bushel was given publicity from Ottawa a couple of weeks ago and created much anxiety throughout the West. The Canadian Council, with a full realization of its responsibility and with a desire to be fair to its own people and to the British Government, reached a decision which was embodied in the following statement and telegraphed immediately to Sir George Foster on the evening of March 13—

"Respecting the matter of fixing or guaranteeing a price for the surplus crop of Canadian wheat, for the year 1917, discussed with you at your request in Ottawa on March 3, by representatives of the Canadian Council of Agriculture, your suggestion that a price be fixed about \$1.30 per bushel, basis 1 Northern, Fort William, for the entire crop, was considered by the full meeting of the council here today and after full deliberation upon the matter, the council, having in view the present high cost of production, believe that to ensure maximum production of wheat for the coming year it is advisable to fix a minimum price covering all of this year's crop, and this council therefore recommends that a minimum price at Fort William of \$1.50 per bushel, basis 1 Northern grade, be guaranteed, and that a maximum price of \$1.90, basis 1 Northern, Fort William, be fixed. Spreads in price on grades lower than 1 Northern to be fixed on the actual difference in value between such grades, as determined by milling and baking tests, or, if a flat price be decided upon, such price should be \$1.70 per bushel, basis 1 Northern, Fort William; this being less than the average price of 1 Northern at Fort William during the last six months."

It will be noted that the council expressed a preference for a minimum and a maximum price, but in deference to the government's request they also recommended a fixed price if the government prefers that course. Immediately the report reached Ottawa and was published the government press announced that there was a strong feeling that the Western farmers were trying to hold up the British Government. This view cannot be justified by an examination of the facts. The Western farmers did not ask the government for any protection on their wheat prices and they have never done so in the past. They are willing to accept a minimum of \$1.50 per bushel and take their chances on the market,

with a maximum of \$1.90, or they are willing to accept a fixed price of \$1.70. The grain growers have never had any power or influence in fixing the price of their grain. It has always been dumped on the open market with the wheat from other parts of the world and the price before the war was ruinously low.

Farmers are practically the only class of producers who have no voice in fixing the price of their own product. Manufacturers of all kinds, railways and banks, fix absolutely their own prices and they fix them just as high as they possibly can. Since the outbreak of the war many of the manufacturers have made very large increases in their prices beyond all reason and under shelter of the protective tariff and other protective legislation. The government has never made a move to regulate these prices nor to protect the consumer in any way. The cost of living has gone up enormously and the government has permitted it to keep on going up. In every other one of the warring countries the governments have taken steps to regulate the price of almost everything, the British Government going farther than most any other country. In Canada, munition manufacturers have been permitted to make munitions at a profit, in some cases running as high as 500 per cent. If any person has been holding up the British Government it is the munition manufacturers, who have been making such enormous profits and the government has permitted it, and, by so doing, approved of it.

On the other hand, the grain growers have been getting a big price for their wheat since the outbreak of war entirely because of conditions over which they had absolutely no control. The government has asked them to accept \$1.30 per bushel. That is, the government has selected the industry which has shown the least profit for the past twenty years and asked that the farmers shall be the first to make a sacrifice. The fixed price of \$1.70 per bushel, which the farmers have asked, is lower than the average price of the past six months and lower than they would probably receive in the open market during the coming fall and winter. Everything the farmer buys has increased enormously in price, and many farmers are paying \$60 or \$70 a month for inefficient farm help. Under the circumstances the price they have asked is not unreasonable. If, however, the government of Canada is prepared to take steps to regulate the prices of other products and so reduce the farmers' cost of living and cost of production, undoubtedly the grain growers would be willing to accept a lower price for their wheat. But if the government permits and approves of combinations, trusts and agreements by which the price of everything is being put up, and by which corporations are making profits hitherto undreamed of, then the government is not justified in asking the farmers to produce wheat at less than a reasonable profit.

The Western farmers will take second place neither to the government nor to anyone else in their patriotism and in their determination to prosecute the war to a successful conclusion. Their brothers and sons are in the trenches and many of them are sleeping their last sleep "somewhere in France." Those who remain at home are prepared to do their duty and will do it to the end. They are prepared to sacrifice to any degree and we believe that the majority of them feel that the time has come to make a sacrifice. But that sacrifice should be made by all the people of Canada and not alone by the farmers who have done most of the sacrificing in the years gone by.

If the protective system is all that its supporters claim for it Germany ought to be the most prosperous country in the world, because

everything the German gets nowadays is "Made in Germany."

## FARM FINANCE

To any person who reads in this issue the letters from the farmers giving their financial experiences, it will be clear that we have tapped a new and important source of valuable information. Very little attention has been given to the many problems of farm finance. In the early days and in fact at the present time to a great extent chief emphasis is laid upon agricultural production. To many well intentioned advisors of the farmers the great and only problem is to produce more. The question of marketing is receiving more and more attention and both farmers and their advisors are learning that the profit and loss account of the farmer is affected quite as much by the marketing and distribution question as by production. It is time that more attention was given to farm finance in its various phases. The letters published in this issue, and many others for which we had not space, indicate that the farmers' financial problems are many and varied. If the farmer can be financed in his various operations at a reasonable cost it will afford to many a saving greater than their average annual profit. Farmers today, or at least a great many of them, are getting their credit from banks, merchants, implement dealers, horse dealers, neighbors and other sources. The cost of such credit runs anywhere from 8 to 50 per cent. and is a burden hard to carry. A solution of this great problem will have an important bearing upon the prosperity of Western agriculture.

It is quite apparent from the experiences of farmers with their bankers that there are different kinds of farmers and bankers in this country. There are some bankers and some farmers who are doing a mutually satisfactory business with each other. In most cases this is due to the fact that both have an appreciation of the functions and obligations of a bank, as well as the functions and obligations of a farmer borrower. It is also quite apparent that some bank managers are not doing justice either to themselves or to the bank which they represent in their attitude towards farmers and their treatment of farm business. Just in the same way there are farmers who expect unreasonable things from the bank and refuse to comply with the ordinary rules of credit. There is considerable room for improvement in this country both in banking and in farming. As Mr. Vere Brown has pointed out in his articles in The Guide, the well equipped and well informed banker-farmer is what is needed. We already have some of them managing country branches and more are being developed. All of the shortcomings of the country banker, however, should not be laid at his own door individually. There are some of the head offices of the banks that need a change of heart and a change in their attitude towards farm business. On the other hand, some of them appreciate the problem very clearly and their country managers are profiting thereby. Educational work in and by the head offices should be followed by educational work among the country bankers. The same kind of educational work is needed among farmers and this work could well be carried on by the farmers' organizations now in existence. It is important that a farmer should understand fully the essentials for credit so that when approaching a banker he is able to present his claims for credit in a clear and businesslike manner. When a farmer in good standing with his business records in good shape meets a well equipped banker-farmer and cannot get suf-