

LIVE STOCK EXPORT FEATURE.

Nine people in ten would offhand probably say that Canada exports more wheat, as wheat, than it does of livestock produce. Yet it is not so. The balance is slightly in favor of produce obtained direct from farm animals. But the export of wheat flour tips the scale the other way. Nothing can better help in estimating the importance of the livestock industry than seeing its relatives stand among the factors which make up national prosperity. In one striking way the extension of livestock is of more value than the extension of wheat fields. It is more stable and permanent; it does not lend itself so readily to farm gambling or "mining in wheat."

The following figures of export values, for the year ending September last, supplied by the Dominion Bureau of Statistics, prove the importance of the produce from farm animals:

Exports of live animals...	\$ 41,710,000
Exports of hides and skins	15,813,000
Exports of leather (hide value)	5,000,000
Exports of meats bacon and ham	41,969,000
Beef	15,837,000
Canned meats	476,000
Pork	1,213,000
Other meats	3,400,000
Exports of other articles obtained from farm animals:	
Butter	10,068,000
Cheese	39,522,000
Milk and cream	10,923,000
Total	\$185,931,000
Value of exported wheat...	\$182,753,000
Value of exported flour...	60,525,000
	\$243,278,000

Thus the proportion of direct animal products to wheat and flour in Canadian exports is as three is to four.

SHORTSIGHTED POLICY.

The financial editor of the London Times says that the concern now being felt by the Canadian wheat growers at the absence of an effective demand for their product furnishes an object lesson of the short-sighted policy of the Dominion Government in establishing an embargo on the import of Canadian securities. At best it was inevitable that the prevailing high prices and the penalties imposed by low exchanges would make Europe's task in buying food and raw materials from the new world this season difficult. The Dominion Government, however, by its action in shutting out Canadian securities which Europe, and more particularly Great Britain was willing to sell, has put a new obstacle in the way of buyers, which is now recoiling unpleasantly on those responsible. Arbitrary interference with the working of natural economic forces is a dangerous business

Period of Depression at Hand

Due in the Ordinary Course of Nature, but Can be Eliminated to Large Extent says Roger W. Babson.

The treatment of industrial and financial prosperity or depression as spiritual and community problems, rather than as mere economic matters, was the basis of the advice tendered by Roger W. Babson, head of Babson's Statistical Organization, in addressing the quarterly luncheon gathering of the Montreal Branch of the Canadian Manufacturers' Association. There was an unusually large assembly in the Rose Room of the Windsor Hotel, over which Mr. F. W. Stewart presided. Mr. Babson showed that an expectation of a wave of depression exists today, but he argued that, although this was due in a natural way, it was possible to circumvent nature in economics just as much as in other phases of life. Further, he preached a layman's sermon by declaring that the way for a period of depression in trade was paved by laxity of morals and spiritual tone in the latter half of the season of prosperity which preceded it.

Factors in Lessening Security.

In discussing "The Outlook for 1921", Mr. Babson, to begin with, set forth some factors which foretold business prosperity today. First, the great mass of people still held Government bonds which they bought during the war, and until these were sold there would still remain a big reserve buying power. The second factor which would be effective next year was that millions of dollars which had been spent on liquor during the past two or three years, were now being expended on home building and furnishing and on general merchandise. In this respect he did not believe that Canada was going backwards. Then the banking system of Canada was in better condition than it was during past periods of financial distress, and there was no reason for a financial panic, as had happened in the past. National advertising had become a great factor in the production and the distribution of goods. This, in his opinion, had come to stay and it should tend to lessen the severity of the next depression. The standardization of many lines of goods would also contribute to greater efficiency in production, with less effort. In the matter of foreign trade, Canada was in a better position to develop such trade than the United States, as the latter had reached its peak some years ago. Seasonable fluctuations in manufacturing and selling were also being eliminated and adjustments were more easily brought about, whereby the ice dealer could turn to coal. The reduction of taxation might also be looked for, especially in relation to business and profits.

Conservative at Heart.

Referring to the general political situation on this continent, Mr. Babson said that the elections had shown that the great mass of people were conser-

vative at heart, and that even the wage-earners recognized they were more or less capitalists. Statistics clearly showed that the great majority of the wage-workers had gone to the polls and voted on the Conservative ticket. The last factor mentioned by the speaker was that the United States and Canada, as a result of the war, were potentially the richest countries in the world. "We people of America, whether North or South of the Great Lakes, instead of becoming panic-stricken today and terrified, should focus our minds on these many important factors which foretell prosperity. Yet," added Mr. Babson, "notwithstanding these factors, general business is discounting a depression." Figures were then cited by the speaker to show the fall in prices of cotton, wool, silk, metals, copper, wheat, corn, sugar and potatoes, after which he remarked that they were bound to be optimistic for 1921.

Reason for Break.

Discussing the apparent inconsistency of this situation and the tremendous break in prices, Mr. Babson declared that business runs in cycles, with a period of prosperity, followed by one of depression. A study of statistics led him to the conclusion that—first, a period of depression was the result of the unrighteousness, dishonesty, extravagance and inefficiency which developed in the latter half of a period of prosperity was the reaction from the righteousness, industry, integrity and thrift which developed in the latter half of a period of depression. The speaker referred to a chart which he had on the wall, which showed that we had just passed through a period of distinct prosperity, which reached its zenith in January of this year, and that we were now entering a period of depression, provided nature were allowed to take its course. "But why should nature be allowed to take its course?" he queried, and he went on to argue that just as fire is fought by community service, so trade depression should be encountered in the same spirit. "We are all brothers, industrially, economically and financially, just the same as regards fire destruction," he declared, "and we will continue to have these periods of depression just so long as we say, 'To hell with the other fellow,' and when we realize that we are brothers economically, that if one suffers, all suffer, then we may eliminate these periods of depression. So, when you ask me what is the outlook for 1921, I want to say quite frankly that everything is staged for a conflagration in 1921, and we are in for a period of depression, if nature is allowed to take her course, that is, if the sick man is allowed to take care of himself. If we would help the man in financial distress as we help the man in physical distress, then we can to a large extent eliminate these periods of distress."

GERMAN GRAIN NEEDS.

An official inventory of the visible supply of grain tends to show that Germany will be obliged to import 1,600,000 tons of wheat, rye, corn and barley in order to safeguard the nation's bread supply up to the next mid-summer.

Germany, says the inventory, has been obliged to pay prices ranging from 4,000 marks to 7,000 marks, per ton for foreign grains in past months, and unless the mark shows a pronounced improvement or the Government is able to provide ample credit in the near future, the quota of wheat to be purchased abroad will cost 12,000,000,000 marks.

An official communication says these estimates pre-suppose the realization of inland deliveries, which the National Grain Bureau has not yet definitely estimated. Of two and one half billion tons contracted for abroad 900,000 tons have reached home ports or are afloat. It is added that the present computation makes small allowance for requirements of flour products, exclusive of bread, as the food controller is desirous of improving the quality and the size of the loaf as soon as supplies permit.

TRADE WITH RUSSIA.

The British Cabinet held a long session last week to again discuss the question of the opening of trade relations with Soviet Russia. Premier Lloyd George, Rt. Hon. Bonar Law and other members of the Cabinet were understood to be pressing for resumption against the opposition of Earl Curzon, Foreign Secretary; Rt. Hon. Winston Churchill, Secretary of State for War, and Rt. Hon. Austen Chamberlain, Chancellor of the Exchequer, who fear it would be difficult to enforce the provision in the proposed agreement that the Bolsheviks cease propaganda against Great Britain. They desire to meet gain with Leonid Krassin, the Soviet representative, and endeavor to get from him further assurances on the propaganda question.

SWEDEN FACING DISMAL WINTER.

Prospects for the coming winter are regarded by many Swedish business men as anything, but bright at present. After the blockade was lifted, the country became flooded with American and English produce, chiefly textiles, foodstuffs and automobiles. As a result, the dollar rate soared from 3.20 kroner to nearly 6. The importation of foreign foodstuffs soon ceased, but textiles and automobiles are still pouring into the country at such a rate that an embargo upon their importation is being seriously considered. The overflow has thrown thousands of Swedish workers out of employment. The great mills at Norrköping and Borås have been working only four days weekly since August and they are now preparing a general dismissal of their employees.