

What Another Year of High Priced Wheat May Do for Western Canada

The Soil of Germany and Various Other Wheat-Producing Countries in Continental Europe has Greatly Deteriorated During the War

By H. M. P. ECKARDT.

"Canadian Finance", of Winnipeg remarks in the issue of March 21st, apropos of the British offer of \$1.30 per bushel for the Dominion's 1917 wheat crop, that the rejection thereof by the representatives of the Western farmers may conceivably mean the loss to us of a golden opportunity of an assured price for a crop that has not yet been seeded. One can understand, with the cash price of number one Northern at Winnipeg ruling at \$1.87, that the farmers might believe there was slight prospect or chance of a drop of 50 or 60 cents per bushel between now and October, especially when the crop failure in the Argentine Republic is considered. Nevertheless, as the Winnipeg financial journal remarks, the end of the war may be nearer than anticipated; and it seems to be quite within the range of possibilities that at conclusion of peace some of the urgency that has characterized the war-time demands for wheat and other leading raw products of North America will disappear. This does not say that Europe will not need our wheat. Premier Lloyd-George made it clear, in his recent speech on restricting and prohibiting the importation of certain articles into the United Kingdom, that experts in London and Liverpool look for a continuation of high wheat prices for several years after the war. He pointed out that the soil of Germany and various other wheat-producing countries in Continental Europe, has greatly deteriorated during the war, and that even when peace comes it will be years before this soil can be made to produce on the scale prevailing in ante-bellum days.

Thus he evolved the theory that these countries would be importers of wheat in larger quantities than ever before; and, that being assumed, it is but natural to conclude that their extensive buying would affect the wheat markets in America quite materially. So the British premier considered it safe and good policy to guarantee wheat prices to British growers over a term of five years. The guaranteed prices are: for 1917, \$1.77½ per bushel; 1918 and 1919, \$1.62½ per bushel; 1920, 1921, and 1922, \$1.33 per bushel. In making the offer to purchase the Canadian crop this year at \$1.30, on behalf of the British Government, Sir George Foster explained that when transportation, insurance and other expenses of getting the grain to England are allowed for, this price is approximately equal to the \$1.77 guaranteed to British farmers. If the British offer had been accepted and our Western Provinces come forward this fall with a huge crop the circumstance would probably have some effect in preventing the British producers getting more than the guaranteed price—providing of course that shipping facilities are adequate for transporting North American wheat overseas. On the other hand if America has another bad harvest, or if it proves impossible to get the wheat to England in requisite quantities, then the British farmer might sell his wheat at prices considerably above the Government's guarantee. This illustrates one of the possible differences in results as between the guarantee given to British farmers and the "flat" purchase price as offered to Canadians.

In our case, too, there was merely the offer to purchase the crop produced in the present year, as against the five-year guarantee given in the United Kingdom. Everybody here recognizes, of course, that special inducements were required to ensure that an adequate acreage of the land in the British Isles, for years devoted to pastures, parks, etc., should be converted into wheat farms. As regards the three prairie provinces of Western Canada, there has been a notable improvement in their outlook during the last year. The beneficial effects of a bumper wheat crop such as that of 1915 would not be prolonged beyond a couple of years; and in the same way one year of high prices taken by itself would not leave a permanent mark on Western Agriculture. As regards the great crop of 1915 a considerable part of it, perhaps half, was sold in the fall of that year at less than a dollar a bushel. Next year, in 1916, the remainder of this crop was exported while prices ruled far above the dollar mark. The farmers and grain dealers both benefitted to a considerable extent from the higher range of prices. Throughout the whole period of marketing the 1916 crop prices were very high—and fortunately it turned out that the official estimates of the yield were largely exceeded by the actual figures. Now again in 1917 prices are not far

below the \$2 mark; and the farmers, East and West, are strongly possessed of the idea that they will be able to sell at \$1.50 or more all the wheat they can raise. Thus we may say that the whole of the 1916 crop and half the 1915 crop were sold at prices yielding extraordinary profits. And if the experience is repeated in the present year, the cumulative effect on the economic position of Western Canada must be very great indeed.

In 1915 nearly all farmers who handled their land properly had good yields—the exceptions being some who were unfortunate enough to be hailed out and some who farmed in small districts to which the 1915 climate proved unsuitable. What the 1915 crop did for the west was to largely clear off the floating debt of great numbers of farmers. These men redeemed notes held by the banks, by implement companies, storekeepers, etc., and cleared up arrears of interest, etc., on land payments. In passing, it should be noted that these debts had in numerous instances grown unduly large as a result of the poor crop of 1914. Some of the large producers, who held a considerable part of their 1915 crop until the spring or summer of 1916 and then sold it at 40 or 50 cents per bushel extra, were able to make sensationally large payments on the principal of their land obligations. In 1916 in Southern Alberta and parts of Saskatchewan, the harvest results again permitted large payments on account of funded debt. Throughout these favored districts many farmers whose obligations on mort-

gages or agreements of sale ran perilously near the value of their land, were able to so reduce their indebtedness as to very appreciably reduce the fixed charges against them and make the holders of the claims quite safe. In other parts of Saskatchewan and in Southern Manitoba, the outcome of the 1916 operations was not so satisfactory. Southern Manitoba in particular contains not a few agriculturists who were obliged to plow up the wheat land without threshing the crop. However, partly as a result of their sacrifice last fall, it is said that Southern Manitoba is in exceptionally good position, as regards fall plowing, etc., for seeding a heavy acreage in 1917.

On considering these points one can easily see that another year of high prices and ordinary good fortune in the way of yield, would put large numbers of Western farmers in the way of owning their farms with little or no encumbrance. Eastern observers do not in all cases realize the great stakes which the Western farmer plays for in periods like the present. A little illustration will make the point clearer. Take a man who is struggling to hold a half section with \$10,000, with debts, floating and funded, amounting to \$9,000. Suppose he has 200 acres in wheat and at harvest time finds he has nearly 4,000 bushels to sell. With prices ruling at the level obtaining in the past year, this man might conceivably reduce his debt by \$3,500 or \$4,000, reducing his annual interest by \$280 or \$300 and putting himself definitely in an easy position. This example also gives an idea as to the position of affluence attained by farmers not so heavily indebted, on getting similar crop results. So it can be said that another year of high prices with a good yield of wheat in Western Canada would bring many farming districts or sections out there into comfortable circumstances as regards mortgage debt. This would react most favorably on the market for Western securities, and it would, of course, greatly increase the West's buying power.

Your Money or Your Children

People, in any Commercialised Society, will Employ More Prudence and Sagacity in Regard to Their Material than in Regard to their Human Possessions

By J. W. MACMILLAN.

On a recent occasion one of the talented public women of our country found fault with the Government of Canada for dealing more tenderly and generously with the money of the country than with its children. She said:

I know a family where there were several sons, who were at once the pride and support of the household. Their parents looked to them for their sustenance in old age. The Government came to those parents saying, "Give up your boys." It meant to send them away into terrible perils from which they may never return. Or they may return so crippled as to become a burden rather than a support to the home. And the parents patriotically gave up their sons for the war.

I know another family where there are no children, but great wealth. The Government came to that man and woman saying, "Give up your money." It would appear to be a lesser sacrifice to yield one's money than one's children, but the Government put it on an altogether different plane. It had made no promises to the parents who had boys to give, whereas it said to the rich couple, "If you will give up your money we will pay you good interest on it. You shall certainly have it back again. And we will, besides, exempt it from taxation."

This is not fair and equal. The gift of flesh and blood should have at least as great a reward as the gift of dollars.

Such was her plea, and her audience was visibly impressed by it. And, indeed, one part of it, which refers to the old-age-insurance element in the family composition, might properly engage the attention of the Pensions Board. But the major part of it, which asserted that the Government had shown undue leniency to rich people, is not justifiable. It overlooks one broad and important fact in commercialized human nature. It seems worth while to consider this fact and its implications.

This fact is that people, in any commercialized society, such as Canada is, will employ more prudence and sagacity in regard to their material than in regard to their human possessions. Rich and poor are alike in this. And people will put their own lives along with the lives of their children, relatives and

friends, on the comparatively lower plane.

The fallacy which lurks in the comparison of rich and childless parents with poor parents who have children is exposed by considering the case of parents who have both money and sons. No one can say that the richer classes have withheld their children from the war. Both in Britain and in Canada the young men from homes of ease and luxury have been behind no other class in enlisting. The same man gives his boy without conditions who stipulates for exacting conditions when he gives his money.

The Government has simply paid the market price in each case. It could get soldiers for nothing, so it took them. It could not get money without providing security and promising interest, so it did these things. It was in the business of forming an army for foreign service, and it naturally did the requisite thing in either case. The Government is not to blame, but the schedule of relative values which the citizens have adopted. If I can find a music store which gives away pianos and sells mouth-organs, no one will expect me to insist on paying a high price for a piano. I naturally pay what is asked.

THE PRICE LIST.

It is the prevalent price list which is wrong. Our quarrel should be with the thinking, the motivization and standardization of the community at large. It is wrong for a man to sacrifice his health and his higher living in order to make a fortune. It is wrong that the machinery in our factories should be expensive and efficient while ventilation and safety-devices are wanting. It is wrong that our laws should be so severe on offences against property and so lenient towards offences against the person. It is wrong that a horse should be surer of a minimum wage than a laborer. It is wrong that our banks should be palatial edifices while the homes of the workers are narrow and unhealthful. All these things are wrong, but it is not the Government's fault. It is our fault.

There is something, too, to be said on the other side of the question. It is only where a lower order of virtues, such as prudence, foresight and sagacity, are involved that wealth is held to be more precious than humanity. The chivalrous virtues,

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