

Comments on Current Commerce

By E. S. BATES

THE WHEAT PURCHASE: Sir George Foster, Minister of Trade and Commerce has issued a statement in connection with the proposal made by the Canadian Council of Agriculture for the purchase of the Canadian wheat crop of 1917, by the British Government. In this statement he endeavors to justify his offer of \$1.30 per bushel, basis No. 1 northern, at Fort William, for the entire wheat crop. The Council considered this offer too low, and recommended a flat price of \$1.50 per bushel, basis No. 1 northern, Fort William, or preferably a guarantee of prices from a minimum of \$1.50 to a maximum of \$1.90 a bushel, basis No. 1 Northern, at Fort William. Sir George evades consideration of this recommendation. His attitude is hardly clear. Britain must have a guaranteed wheat supply, and in view of the comparatively short ocean transportation, it is entirely proper that our surplus should be at her disposal. The submarine menace and shortage of tonnage make the transportation of the Australian crop, and even of the Russian crop in the event of Turkey's collapse, a very difficult matter. These considerations enhance the value of the Canadian crop, and even in the event of an open market it is expected that prices will maintain a very high level during the coming crop year. Moreover, western farmers must be assured of high prices before they can be expected to employ the labor necessary for a bumper crop. Owing to the labor shortage, and the high wages which will have to be paid to induce Americans to come to Canada, and the advancing costs of twine, machinery and all other supplies, the farmers are under a very big handicap. Therefore, in order to insure a record production this year, the Government should be prepared to offer the highest possible price for the crop, and also to utilize and regulate existing marketing facilities, so that the crop will be moved in the quickest possible time and all branches of the trade shall be protected. In handling the Australian wool clip, the Commonwealth Government established a basis price, and then carried out the grading and purchasing scheme through the brokers, all of whom were sworn in as agents of the Government. Some such scheme should be carried out in connection with the purchase of the Canadian crop. Comparisons with prices paid last year for the British and Australian crops will not help out. It is necessary that the Department of Trade and Commerce obtain the service of recognized authorities in the grain marketing business, appoint a Director and Committee from among the brokers and grain growers, and thereby make it possible to consider every phase of the deal. Sir George Foster cannot expect to play a "lone hand" in this deal; the stakes are too large.

IMPORT RESTRICTIONS MODIFIED: The British authorities have relaxed the prohibitions against the importation of canned fish and fruit in favor of Canadian shippers. According to an announcement from Ottawa the British Government has signified its intention to purchase 600 tons of Canadian canned salmon monthly for consumption by the British troops. The fish so purchased will be admitted to Great Britain in addition to 50 per cent of last year's importations, entry of which has already been authorized. In the case of fresh fruit, the import restrictions have been modified so that such fruit will be admitted into Great Britain up to 50 per cent of last year's importations, until July 1st, 1917. After that date the importation of fresh fruit into the United Kingdom will be prohibited, except under license. These modifications are of much moment to the apple trade of Nova Scotia, and the salmon trade of British Columbia. The prohibitions had threatened to effect these trades very seriously, and while the Canadian Government recognized the urgent need for reducing imports into the United Kingdom owing to the shortage of tonnage, it was felt that these two articles should not have been included. The British authorities appear disposed to protect the interests of the Empire to the furthest possible extent, and in this case their action is of much importance to Canada, in that these two trades depend largely upon the United Kingdom for their markets.

SHIPBUILDING IN CANADA: The extensive shipbuilding development which the Imperial Munition Board announces will shortly be commenced in this country is sufficient almost to make the man-on-the-street hesitate before accepting the plans as

workable. There is no doubt that such development of this great industry would mean much to the Canadian iron and steel industry. The demand for shells and munitions has produced a wonderful activity and expansion in iron and steel manufacture in Canada. In addition to such concerns as the Dominion Bridge Co., and the Steel Co. of Canada, controlling a score of large plants, there are hundreds of iron and steel shops throughout the Dominion producing shells and other munitions. Many of these plants are equipped solely for the manufacture of these products; others have merely turned existing plant on to these lines. But the end of the war will see a large proportion of the shell factories scrapped, others will return to the lines formerly manufactured, and others are now preparing to extend their efforts to products not manufactured in Canada heretofore. The purpose behind the proposed development of the shipbuilding industry is to utilize the manufacturing power of this iron and steel industry, and if possible to prevent any of it from being lost to Canada.

Already, contracts for the construction of upwards of sixty million dollars worth of shipping have been granted to Canadian concerns. These comprise sailing ships and a number of steel vessels. The Imperial Munitions Board has undertaken to organize the resources of the Dominion in the establishment of large shipbuilding works and dry-docks. They will encourage large steel plants to commence the manufacture of structural steel and steel plates. Mr. J. W. Norcross, of the Canada Steamship Lines, Ltd., has been appointed to direct the placing of shipbuilding contracts and to speed up production of tonnage in existing plants. Development of shipbuilding and marine engineering in Canada will mean much to the metal-working industries when shell orders stop, by producing a big demand for a large variety of iron and steel products, formerly not made in Canada, and for which the Canadian demand before the war was small. Of course, the ultimate requisite will be that our shipbuilding industry must be in a position to meet world competition. But the present demand for tonnage, and that which shall exist for some time after the cessation of hostilities, is most favorable to the development of the industry in this country. Some assistance from the Government in laying the foundation of the industry might well be expected, especially with a view toward placing the industry on a permanent basis. The demand provided in this way for the products of the iron and steel industry undoubtedly would encourage development of a wide range of other products, such as textile and paper mill machinery, now imported in large quantities.

INCREASING FARM PRODUCTION: Members of the Toronto Board of Trade have proposed to the Ontario Government to send 5,000 of their employees to help Ontario farmers during the summer instead of taking their usual vacations, the object being to increase production. The suggestion has been taken up by the Ontario authorities, and it is probable that some plan will be organized to take advantage of the available productive force of these workmen. Farm production to the utmost capacity of the Dominion this year is essential. Labor shortage threatens to impede this production. Efforts are now being made to induce large numbers of laborers and farm help into Canada from the United States. But however successful these efforts may be, Eastern Canada faces an acute problem that can scarcely be overcome in any such easy manner. The suggestion made by the members of the Toronto Board of Trade involves a plan that is applicable to any urban centre. The thousands of workmen, office men and others, who take an annual holiday of from one to three weeks, might well be induced to spend their holidays on the farms at healthful work, and thereby, a great productive labor force would be mustered. It is necessary that some central organization be established, which might undertake to operate employment agencies in all urban centres especially for this class of labor. If the co-operation of employers was secured, a satisfactory system of allocating holiday periods could be evolved, and with a careful system of registration of farmers requiring help, arrangements could be made whereby the farmers would have an adequate labor force throughout the summer months. Of course, such help would be almost entirely unskilled, but it would be very poor help indeed who could not give real assistance in the

planting, haying and harvesting seasons. The scheme should be particularly feasible in the vicinity of large urban centres, and especially in Eastern Canada. It might surprise many to find a large proportion of this "cityfied" help eager to assist farm production, and assuredly our cities and towns are filled with farmer's sons who would welcome a few weeks' vacation at work "back on the farm."

NEWSPRINT PRICE REGULATION: Difficulties have arisen in connection with the regulation of prices at which newsprint paper can be sold in the United States and Canada. In this country, the paper mills agreed on a price basis of 2½ cents for newsprint, at the mill, with the understanding that the agreement would become operative after March 1st. But the publishers hold that the agreement is operative since January 1st; a price of 3 cents a pound having prevailed in the interval. With this conflict of views, newsprint continues unregulated except by the natural laws of trade. At any rate, the matter is far from settled. In the United States the question is far from being settled. In an article in this Journal last week, I referred to the agreement entered into with the Federal Trade Commission. This agreement was signed by firms representing only 27 per cent of the newsprint production of the Continent, whereas it is stipulated that before the agreement becomes operative it must be signed by 85 per cent of the newsprint production of the Continent. There are so many big questions involved in this matter of price regulation that it is extremely doubtful whether any equitable settlement can be made, other than permitting the continued operation of natural laws. Publishers are protected against collusion on the part of the paper-makers, and if they would show an attitude to investigate rising costs of all materials and labor that enter into the manufacture of paper, an easier solution might be found than by price regulation.

"STANDARD BREAD": After March 26th, the people of the United Kingdom will undergo a further regulation of their tastes in the matter of bread. No white bread is now being made or sold in the United Kingdom, for the reason that the Food Controller has fixed the percentage extraction of flour from wheat and other grains, in an effort to bring about a valuable diminution of the consumption of wheat, with a corresponding release of tonnage. The compulsory extraction of flour has now been fixed at 81 per cent, and admixture with rice, barley, maize, oats, maize, semolina, rye or beans to the extent of an additional 5 per cent is compulsory. Further admixture to the extent of an additional 10 per cent is permitted, and the Food Controller reserves the right to add any other cereal to the list. It will be seen that if the miller chooses to exercise his option to the fullest extent the total percentage of flour obtained may be as high as 96 as compared with 86 under the previous order. This will tend further to exclude Canadian flour from the British markets, but this has already received attention and large orders for flour have been placed here for shipment to France for army consumption. It is stated that "Standard Bread" as now baked is found to be both pleasant to eat and nutritious. Perhaps some of our bakers will make an effort to reduce the high cost of living here by producing "Standard Bread." There is little question but that it would find a large sale among the laboring classes.

BRITAIN'S WAR BILL.

Replying to a question in the House of Commons a few days ago Andrew Bonar Law, Chancellor of the Exchequer, said the daily average expenditure of the British Government from April 1, 1916, to March 31, 1917, would work out at £6,000,000.

Mr. Bonar Law said the nominal total national debt was estimated at £3,900,000,000. The total estimated amount due from Great Britain's allies and the Dominions, the Chancellor said, was £964,000,000.

The Chancellor said the average daily payments between February 11 and March 31 would amount to £7,250,000. In that period especially heavy payments were falling due, which had increased the expenditure by a daily average of more than £1,000,000, and the daily expenditure for the year would work out at £6,000,000.