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CROPS AND THE OUTLOOK.

While it appears certain that the widespread optimism of a few weeks ago regarding this year's grain crops has not been entirely justified, yet there seems to be a general consensus of opinion that on the whole a very fair average crop is now being gathered in. Drought of an intensity not remembered by the oldest of old-timers has played sad havoc in some districts, but against this may be set the fact of possibly cheaper labour and of higher prices consequent upon the war in Europe. Apparently this terrible business will have some compensating features for the western farmer.

In regard to wheat, which remains and doubtless long will remain the staple crop of the Canadian prairie, estimates place the yield as likely to be in the neighbourhood of some 172 million bushels. Of this estimated yield, Saskatchewan is supposed to be responsible for a production of over one hundred million bushels, and Manitoba for about fifty-three million bushels. With regard to the other crops, there is estimated to have been a considerable falling off in the acreage under flax and a yield of under 11 million bushels is calculated. Oats promise a crop of 210 million bushels and barley one of 47 million bushels. The crop reductions are reported to be principally due to the utter failure of the crops in certain districts. Against this is to be set the fact that mixed farming has made substantial progress, and the proceeds of the output on these lines are apparently much larger than before.

Generally speaking, it seems that the present harvest, almost all over the West, is a particularly early one, which means that there will be more time for the railways to handle it. It may be assumed that they are in good shape for getting the wheat to the lakes. The crop, apparently, is not quite so big a one as they have had to deal with in some former years, while their facilities would, of course, be better than ever before. The circumstances of the crop's transport after it reaches the head of the lakes would seem to depend upon the developments of the present war. If, as is to be hoped and believed, the course of events is such that the

north Atlantic continues clear for British shipping to pursue a practically normal course, then it may be assumed that the grain will be rushed as rapidly as possible to Montreal, and thence by liners and a fleet of tramps to England. The tendency on the other side, under present circumstances, would probably be to buy even somewhat more freely than was actually required for current needs in order to have a substantial store ready for future emergencies. There would doubtless be little difficulty about the requisite tonnage were there once given reasonable assurance that merchant ships can proceed across the Atlantic without fear of molestation or capture.

Under these circumstances, and the foreign exchange problem settled, as there are good prospects of its being, and Canada would begin to receive substantial amounts of credit in return for her produce. This in turn should help to alleviate the monetary situation here. But that the proceeds of this year's crops will be much more than sufficient to pay off pressing debts is doubtful. The generally received and apparently well-founded opinion that two more good crops would set Canada booming away again in 1916 will have to be revised in the light of the events of the last two weeks in Europe and of what may happen before the nations are again at peace, even when a full allowance has been made for the high prices which are likely to be received by our farmers for this produce, and the stimulus which will accordingly be given to production. The effects of this struggle will be felt in the money markets of the world for the next decade at least, and they will be wise, who looking for no "boom" period to give them a lift, conserve their resources as much as possible, cut unnecessary and luxurious expenditure and generally prepare themselves for some rather dirty financial weather during the next few years. In any case probably the pace of Canada's development will be slow, or comparatively slow, during the immediate future, owing to the impracticability of obtaining capital to make it go faster. More of the capital for the new work actually undertaken will have to be provided by ourselves, and the first step towards doing this is the repayment of debts in lieu of making new purchases.