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## THE GENERAL FINANCIAL SITUATION

There is a good deal of humour about the demands of the Western farmers for the re-establishment of the Government wheat control. Theoretically, the most stalwart of free traders, they are howling for high protection for themselves, and apparently have not the remotest notion of any incognuity in their position. Consistency, is doubtless a virtue, but a consistency that touches the pocket is not an easy virtue to live up to, and in spite of all the high faluting pretensions that some of their leaders are wont to indulge in, there is plenty of evidence that the farmers' organizations, like the wicked industrialists and financiers of Eastern Canada, constantly keep a very fair eye on the main chance for themselves.

Apart from this aspect of the question, which occurs inevitably to everyone outside the farmers' ranks, there is no doubt that the matter thus raised by the farmers is one that is of considerably more than sectional or local importance. Wheat constitutes a main prop of Canada's export trade; the brisk sale of it at a high price means prosperity not only to the growers, but also in turn to all other industrial and commercial interests. That fact has always been self-evident enough, and it has again been forcibly shown by recent developments, although the demands of Europe during the war period for other of our exports besides wheat, possibly to some extent disguised it for the time being. It follows that any slump in the price of wheat, such as that which has taken place during the last few weeks, means a corresponding loss not only to the wheat growers but also to the whole of Canada in lessened exports and lessened proceeds of production.

With the peak of war time necessities well passed, the European nations are now very naturally going warily about their purchases of wheat; they

are endeavouring, as any ordinary business man would endeavour, to buy as cheaply as possible, and in order to accomplish this purpose, they are holding off their purchases as much as possible. They have two factors in their favour; there is no doubt that the European harvests this year are somewhat more adequate to local needs than in recent preceding years, and outside of Europe, they can buy where they like, from India, the Argentine, Australia, the United States or Canada to name only the principal wheat producing countries. They require Canadian wheat—it has some qualities which other wheat does not possess—but they are not in the position which they were during the war years, of having to have it no matter what the price. That is the primary fact which the farmers overlook. If the Wheat Control Board were re-established, and a minimum price guaranteed of \$2.00 or \$2.50 or \$3.00, it does not follow that the European purchasers would be willing to pay the minimum or any more anxious to buy than at present. If they were not willing, what then? The wheat might have to be sold at a loss, and the deficit made up out of taxation; in other words, the general body of Canadian taxpayers would be called upon to pay a subsidy to the Western farmers running into millions of dollars. Of what benefit, this would be to anyone in Canada, outside the farmers, it is not easy for anyone else than a farmer to see.

The farmers, like the manufacturers and commercial interests generally, have had several very fat years, and like everyone else, they have got to make up their minds that in the course of a worldwide re-action from circumstances utterly abnormal, they may have several less fat. They cannot be blamed for trying to keep up prices for themselves—in so doing they are merely following the example of everybody else at the present time. But in endeavouring to keep up prices for themselves