

turers, merchants, etc.,—are talking about giving back their bonds as a free gift to the country. That itself is an indication of the seriousness of the financial condition. Better than that, however, is this—they are trying to revive the ancient spirit of their people. Now that they know they may get very little indemnity, and now that they know how difficult it will be to get anything from Russia, they are falling back upon the resource that promises most—they are appealing to the old dogged British spirit of sitting tight, living cheap and working hard—the spirit that has not failed them in a thousand years of history. Let us hope that they will win.

Now this general condition affects the question of the buying of wheat. They want wheat and they want it cheap. Can you blame them? There are many amongst them, especially amongst their labor people and their consumers, who believe that Government buying is cheaper than commercial buying because, as they say, it eliminates competitive buying. These demand that the Government shall continue to buy the wheat through one agent in order to keep the price of wheat down, and they are also advocating that the Allied Governments should buy their wheat through one agency in order to eliminate competition between the importing countries and thus secure their wheat at the lowest possible price. The British want to buy their wheat at a price that will enable them to sell the four-pound loaf at ninepence, because this would save them a subsidy of from 50 to 80 million pounds sterling.

I do not believe that Government buying is as cheap as commercial buying. I believe that Government buying in Britain would result in straining the relationship between Britain and Canada, and I believe that if the importing countries combined to buy wheat cheap the inevitable result would be a counter-combination between Canada and the United States to sell it as high as possible. At all events, national and inter-allied buying would be a serious matter for Canada. Further, there is a difficulty