

# SHALL WE SACRIFICE OUR WHEAT?

By JOHN A. COOPER

ONE does not need to be a farmer to be concerned about the financial side of Canada's wheat crop of 1915. The prosperity of every business man in the Dominion depends more or less upon the amount of produce produced by the farmers and the net return received by them. A short crop means short business. A large crop sold at unprofitable prices has the same result.

Will William Brown, farmer, make money this year? That depends on two conditions—the amount he produces and the price at which he sells. At the present moment the amount is assured, but the price is not. Because the price is not assured, bankers, grain merchants, cabinet ministers and economists are somewhat worried. These are indications that grain prices in October will be ridiculously low.

Let us examine the situation in detail. When the war broke out last August, the quantity of food grains in stock was low. There was a bare sufficiency in sight, consequently prices went up. This led to a greater planting of wheat in the fall in countries not affected by the war. During the winter, the high price of grain continued, and in the spring a similar result followed in countries where spring wheat is a staple. As a consequence, the grain crop of the world in 1915 is the greatest in the world's history.

Compare these figures for 1914 and 1915, and it is clear that the world has almost reached the point of over-production:

	Bushels.	
	1915.	1914.
Europe .....	2,170,400,000	1,959,200,000
Canada .....	224,000,000	160,000,000
United States .....	956,600,000	891,200,000
Australasia .....	96,000,000	176,000,000
India .....	383,200,000	314,400,000
All other .....	308,800,000	151,200,000
Total .....	4,148,000,000	3,652,000,000

Excluding Russia and Roumania from the list of exporters, the total surplus of wheat available for export is 740,000,000. That is the quantity of wheat available for sale to the countries which regularly import wheat.

Now turn to the other side. Germany and Austria cannot import this year because of war conditions. The other countries of Europe that can import will require about 440,000,000 bushels, and non-European countries about 64,000,000 bushels. Thus the total

world demand is 504,000,000 bushels, as against a supply of 740,000,000.

Then the question arises, what is to become of the balance, the 236,000,000 bushels, which nobody needs? This is the problem which is bothering every one who is interested in the price of wheat.

Last year there was a shortage and wheat went as high as \$1.60 a bushel on this continent. This year there is a total production of nearly five hundred million bushels more than last year. What effect will that have upon the price of grain at Montreal, Chicago, Fort William and Winnipeg?

THE price of export wheat is mainly fixed by the importers at Liverpool, because that is the recognized centre of the export and import wheat trade. Liverpool is in possession of these facts, and is it not reasonable to assume that the Liverpool dealers are likely to wait for lower prices? Every one who has studied the course of prices during the last year knows that the lowest prices prevailing during any twelve months' period occur during October and November, when the United States and Canada is rushing its crop to Liverpool. It seems clear that Liverpool always bears in the market in those months, and is it not reasonable to assume that they will again do so in this year of plentiful supply?

Wheat prices have been steadily declining for a month, although they are not yet as low as they were at this time last year. Here is the comparison:

	Aug. 17th. 1915.	Aug. 17th. 1914.
Winnipeg .....	\$1.27	\$1.02½
Lake Ports .....	1.39½	1.16

LATER in 1914, prices rose. At Winnipeg the price on September 16th was \$1.07½; on October 20th, \$1.17½; and on November 20th, \$1.18. Similar at the Lake Ports the price rose to \$1.15 in September; \$1.23 in October, and \$1.24½ in November. So it is seen that the prices ruling in August of this year are higher than the prices ruling during any month last autumn. This looks favourable and reassuring, but will these prices hold?

Yet, when we turn from these "spot" quotations to the "futures" we find that October "futures" were

quoted at Winnipeg on Aug. 20th at 98 cents, and May 97½. In short, the Winnipeg dealers expect a drop of thirty cents a bushel between Aug. 20th and October 20th. Nominally, wheat to-day is worth \$1.25; in reality not a bushel of the new Western crop can be sold to-day for more than 98 cents.

The Government carried on a "Patriotism and Production" campaign and asked the farmers to produce more grain. Yet as soon as the grain is ready for selling, the Winnipeg dealers prepare for a drop of thirty cents a bushel. Where is the nigger in the wood-pile? Have the Government, the wheat exporters and the millers made a combination to keep down the price of wheat? Or are these gentlemen simply reflecting the opinions of the wheat operators at Liverpool?

This is a serious situation. A drop of thirty cents a bushel at Winnipeg means a loss of sixty million dollars for the farmers of Manitoba, Saskatchewan and Alberta, assuming that they will have two hundred million bushels of wheat to sell.

Has the Government done everything it could to provide ships and money to handle this huge crop which they asked the farmers to produce not only in the West, but in the East? If they have made the necessary arrangements why is the price of Winnipeg wheat booked to drop thirty cents in the next thirty days? And, further, what guarantee have the farmers got that there will not be a further drop in October and in November?

These are questions which the Hon. Mr. Burrell and Dr. C. C. James, the men responsible for the "Patriotism and Production" campaign, must answer. The country has not heard from these gentlemen for some time, but the country will have something to say to them if Canada's great grain crop is forced on the market at unprofitable prices.

There has been talk of the Government taking over some of the surplus so as to prevent the market being glutted. There has been talk of special arrangements being made for ships to carry away the wheat from Montreal. But these are mere rumours. So far as official announcements are concerned, there is at present no evidence that the Government has done anything to ensure that Canada's magnificent record grain crop shall be economically handled upon the ocean and profitably sold at Liverpool. If the Government and the bankers have plans to prevent a disastrous fall in prices, they are maintaining a splendid silence.

# NO FLEET EVER DID MORE

*What the British Navy Has Done in One Year, in Contrast to the Navy of the Kaiser*

By RT.-HON. A. J. BALFOUR

First Lord of the Admiralty

THE First Lord of the Admiralty has been moved to speak his mind. Since he became First Lord, Rt. Hon. A. J. Balfour has been too busy for literary work. But in the following letter to Mr. Tuohy, of the New York World, he replies to Count Reventlow, and in so doing gives the most able and inspiring review ever written of what the British Navy has accomplished.

July 31, 1915.

I am obliged to you for showing me a copy of the communication from Count Reventlow entitled "A Year of Naval Warfare," which has just been published in the New York World. I am not quite sure that I comprehend the purpose with which it has been written, but in accordance with your desire I am making a few observations upon its contents.

The introductory paragraph calls for some comment from me. Count Reventlow explains why the German Fleet was not completed during the 15 years which have elapsed since the first Navy Bill, and recounts some of the political miscalculations of the German Government through which, as he believes, the German Fleet in the North Sea has been put in a position of numerical inferiority. These are points on which perhaps Count Reventlow speaks with authority; in any case they only concern his own country. But when he incidentally declares that England "desired to attack Germany," he blunders into a controversy where he will hardly receive so respectful a hearing. The world, though he may not know it, has long made up its mind as to who is the aggressor in the present war; and I should have thought it hardly worth his while to repeat such charges outside the limits of the German Empire.

The main purpose, however, of Count Reventlow's communication is to praise the performances of the German Fleet; and certainly it is no purpose of mine to belittle the courage or the skill of the sailors composing it. I doubt not that they have done all that was possible both in the honourable warfare to which doubtless they were inclined, and in the dishonourable warfare required of them by their superiors. But what, in this the first year of the war, have they accomplished by either method? He tells us that we—the British—have failed to induce the German

Fleet to come out and fight us—and certainly we have. So far the German Fleet has thought it wise to avoid engaging a superior force, and I am the last person to blame them. But this surely is hardly to be counted as a triumph of either tactics or strategy; it is a military exploit which, however judicious, would be well within the competence of the least efficient fleet and the most incapable commander.

## FAILURE OF THE HIGH SEA FLEET.

THE truth is that the German High Sea Fleet has so far done nothing, and probably has not been in a position to do anything. At the beginning of the war we were told that by a process of continual attrition it was proposed to reduce the superior British Fleet ship by ship until an equality was established between the two antagonists. The design has completely failed. The desired equality is more remote than it was twelve months ago; and this would be true even if certain extraordinary mis-statements about such small actions as have occurred in the North Sea had any foundation in fact. He tells us, for example, that in the skirmish of August 28, when some German cruisers were destroyed, the English squadron suffered heavy damage. This is quite untrue. He tells us, again, that in the skirmish of January 24 last, when the Blucher was sunk, the British lost a new battle cruiser (the Tiger). This is also untrue. In that engagement we did not lose a cockle boat. I do not know that these mis-statements are of any great moment. But for the benefit of those who think otherwise, let me say that in no sea fight, except that off the coast of Chile, has any ship of the English Fleet been either sunk or seriously damaged.

## WAR ON CIVILIANS.

A PART from these purely imaginary triumphs, the only performance of German warships in the North Sea on which Count Reventlow dwells with pride and satisfaction is the attack by some German cruisers on undefended towns in Yorkshire. This exploit was as inglorious as it was immoral. Two or three fast cruisers came over the

North Sea by night; at dawn they bombarded an open watering-place; they killed a certain number of civilian men, women, and children; and, after an hour and a half of this gallant performance, retired to the safety of their own defended waters. Personally, I think it better to invent stories like the sinking of the Tiger than to boast of such a feat of arms as this.

But in truth, if anyone will examine Count Reventlow's apology for the German High Sea Fleet, he will find that it amounts to no more than praise of German mines and German submarines. There is no doubt that German mines, scattered at random and with no warning to neutrals, have been responsible for the destruction of much neutral shipping and of some vessels of war. The first result is deplorable; the second is legitimate. Mine-laying is not, indeed, a very glorious method of warfare; though, used against warships, it is perfectly fair. But something more must be said about submarines. Anybody reading Count Reventlow's observations would suppose that submarines were a German invention and that only German foresight had realized that their use would necessitate a modification in battle fleet tactics. But this truth has been among the commonplaces of naval knowledge for years past, and was no more hid from Washington and London than from Berlin and Vienna. What was new in the German use of submarines was not their employment against ships of war, but their employment against defenceless merchantmen and unarmed trawlers. This, it must be owned, was never foreseen either in Washington or London. It is purely German. But Count Reventlow is profoundly mistaken if he supposes that, during the year which has elapsed, these murderous methods have affected in the slightest degree the economic life of England; what they have done is to fix an indelible stain upon the fair fame of the German Navy.

## SEVEN FUNCTIONS OF A FLEET.

IF any one desires to know whether the British Fleet has during the last year proved itself worthy of its traditions, there is a very simple method of arriving at the truth. There are seven, and only seven, functions which a fleet can perform:

(Concluded on page 18.)