

The Future of the Wool Market

Well-known Authority Thinks Wool Will be High for a Long Period

Address delivered by Albert W. Elliot, of Jeremiah Williams & Co., of Boston, Mass., at a recent meeting of the American Association of Woolen and Worsted Manufacturers.

According to the best figures obtainable there are in the world today 634,000,000 sheep, producing a wool clip estimated at about 2,836,000,000 pounds. In the world there are about 19 sheep to every thousand acres of land, and these 19 sheep produce about 85 pounds of wool. Roughly speaking, there is about one sheep for every fifty acres and that sheep produces something less than 4½ pounds of wool.

The Continent of Europe at the beginning of the war had about 185,000,000 sheep, producing about 800,000,000 pounds of wool, and had the densest sheep population and the greatest wool production of any continent. Europe carried 77 sheep to the 1,000 acres producing 333 pounds of wool. Australasia followed Europe with 106,000,000 sheep, producing 767,000,000 pounds of wool. Australasia carried 48 sheep per 1,000 acres, producing 344 pounds.

South America was next in wool production with 128,000,000 sheep, producing 477,000,000 pounds of wool. South America carried 29 sheep per 1,000 acres, producing 108 pounds of wool. North America came next with 56,000,000 sheep, producing 308,000,000 pounds of wool, and carried about nine sheep per 1,000 acres, producing about 50 pounds of wool. Next came Asia, the continent which was the original home of the sheep, Asia has 93,000,000 sheep, producing 273,000,000 pounds of wool, and carries only 8½ sheep to the 1,000 acres, and these 8½ sheep produce only 25 pounds of wool. Last comes Africa with 64,000,000 sheep, producing 207,000,000 pounds of wool. Africa carries 8½ sheep per 1,000 acres and these 8½ sheep produce about 28 pounds of wool.

Considering its possibilities, North America makes a very poor showing, producing a trifle less than one ounce of wool per acre, as against 1½ ounces per acre in South America, 5 1-3 ounces per acre in Europe and over 5½ ounces per acre in Australasia.

Roughly speaking, the wool production of the world is about 1 8-10 pounds per inhabitant and about 4 3-10 pounds per inhabitant of the wool wearing population of the world.

The principal wool manufacturing countries of the world and the amounts of wool they were using in 1914 were as follows:

	Pounds.
Great Britain	515,000,000
United States	505,000,000
France	480,000,000
Germany	400,000,000
Austria-Hungary	140,000,000
Italy	60,000,000

These figures apply before the outbreak of the war, and since then the United States and Great Britain have used enormously increased quantities of wool.

The Bradford Observer estimates that in the year 1915 Great Britain retained for home consumption of her looms over 800,000,000 pounds of wool after deducting all wool exported in the shape of tops and yarns.

In the fiscal year ended June 30, 1916, the United States raised and imported over 800,000,000 pounds of wool and exported nearly \$60,000,000 worth of manufactured goods.

Undoubtedly, as the world increases in population and civilization enlarges its borders, more and more wool will be required to clothe the wool wearing population. Where is that wool to come from?

An increase can be obtained in only two ways: First—By increasing the weight of the fleeces by better breeding of those sheep already in existence. Second—By increasing the number of sheep.

If North America increased its sheep to a point where it carried twenty sheep per thousand acres and by improving its flocks produced only six pounds per sheep (as against 7 1-5 pounds per sheep in Australia), the increase in the clip from North America would amount to 309,559,320 pounds.

If the world increased its flock to a point where it carried 25 sheep per thousand acres and by improving the flocks increased the weight of the fleeces

to five pounds per fleece (as against 4½ pounds, the present weight of the fleece), the resultant increase in the clip would amount to 1,217,147,741 pounds.

In certain parts of New Mexico and Colorado many of the poorer Mexicans are running a poor mongrel class of sheep that probably do not shear on an average over 4 pounds per fleece. Smarter Mexicans, running sheep in a country of exactly the same character, are getting seven and even eight pounds per fleece off sheep that are not very remote cousins of the sheep run by these Mexicans themselves. In the course of several generations through careful breeding and at comparatively small expense for good bucks the descendants of the Mexican ewes would probably shear twice what their ancestors sheared.

Outside of a comparatively few sections of the United States, a large proportion of the sheepmen are intelligent breeders, use good bucks, and have the weight of their fleeces fairly well up to the limit in the particular section where they happen to run their sheep. The poor breeders are being gradually forced out of the business.

I have no hesitation in stating that if those sheepmen who are using care in breeding today continue their present methods and the sheepmen who are behind the times would at once adopt the methods of their more enterprising brothers, inside of four years (a generation in sheep) the clip of the United States off exactly the same number of sheep would be at least 50,000,000 pounds greater than it is today. Australia by proper breeding over a long series of years has brought her fleeces close up to the limit of weight, but she will probably go farther yet. The wool growers of Great Britain at this time probably have their fleeces right up to the limit of weight, for while the average weight per fleece in Great Britain is apparently only about 4½ lbs. per fleece, it must be remembered a great part of the British clip is washed wool of very light shrinkage.

It is when we consider the figures from Asia and Africa, however, with their very light shearing sheep that we can see the enormous possibilities of increasing the clip of those continents by the introduction of good heavy woolled bucks.

Let us now consider how the number of sheep can be increased. It can be increased in some sections already fairly dense with sheep by applying more intensive methods of sheep husbandry. The number of sheep will also be increased by profitable prices for wool and mutton.

Considering that there is a great deal of good land capable of carrying three or four sheep to the acre on the natural grasses alone it is not, in my opinion, expecting too much to believe that the world is capable of carrying one sheep to forty acres with the greatest ease, and without interfering with any other previously established live stock or agricultural industry. Irrigation plants on a large scale are being installed all over the western part of the United States, in a country where they calculate that it requires three acres of land to carry a sheep the year around, and thirty acres to carry a steer. Seeded down to alfalfa and irrigated this same three acres will theoretically carry thirty-four sheep for one year. A section of land (640 acres) which in its natural state would carry only about 200 sheep, under irrigation will produce feed to take care of nearly 5,000 sheep.

If this country had only half as many sheep per square mile as Great Britain, we would be independent of the world as far as our wool supply was concerned and have three-quarters of a billion pounds of wool to export.

What is true of the possibilities of this country in the way of increasing its wool clip through the raising of various crops to feed to sheep is true to a greater or less extent of every country in the world.

Now, what impelling force is going to induce the wool growers of the world to increase the number of their flocks and induce them to endeavor to increase the weight of their fleeces? What impelling motive is going to induce new men to enter the business, and devote land to raising sheep that has been formerly unused or devoted to other purposes?

That force, the only adequate force, is at work today, and it has never before been so strongly at work. That motive is present today, never before

more strongly than now. The force I refer to is the force that always comes from high abnormal prices for any commodity. The motive I refer to is the hope of big profits from the production of that commodity.

If, when the Underwood bill became a law, instead of removing the wool duties, it had doubled them; if there had been no war, prices for wool in the United States would not have been as high as they are today. The American wool grower has never had any such protection as the war, the drouth in the Southern Hemisphere, the interruption of ocean traffic and the various embargoes have combined to give him at this time. He is getting rich, he has money in the bank with which to buy good bucks, with which to buy more land on which to run his sheep. He is not forced to sell his five-year-old ewes and his ewe lambs to the butcher as he was forced to do, when the price of wool was low, to meet his expenses. Of if he does sell his old ewes and some of his ewe lambs, he sells them to some one in his neighborhood who sees all the sheep men getting rich and wants to go into the sheep business and get rich, too.

The premature slaughter of the older ewes and the butchering of ewe lambs in these United States during the past five years was a crime against the economic life of this country, and it ought to have been prevented by law. But the sheep men were forced to it by their financial necessities owing to the refusal of our Government to properly protect them against cheap wool and cheap frozen meat from the Southern Hemisphere. It took the war in Europe and the drouth in Australia and South Africa to turn the tide. But I believe the tide has turned and from now forward for several years I believe you will see a gradual and continuous increase in the clip of the United States.

"And what is true of the United States is true of all the wool-growing countries of the world. In North and South America, in Australia, in Africa and in Asia, even in those European countries outside of the circle of the fighting armies, high prices for wool will not, cannot fail to stimulate the production of it.

After the war is over and times become normal again civilization will march forward and extend her limits. Railroads will be built through Asiatic Russia, a tract of land as big as the whole of North America, 6,000,000 square miles of country now traversed by a single railroad, a country producing only 60,000,000 pounds of wool, a country as well or better adapted to sheep raising than our own Rocky Mountain States. Some day when Asiatic Russia is opened up by the railroads she will produce not 60,000,000 pounds of wool, but more than 600,000,000 pounds. Some day railroads will open up the great tablelands of Central Africa, where now no wool is produced, and Africa instead of producing 200,000,000 pounds of wool will produce four times 200,000,000 pounds.

I believe that high prices for wool have come to stay for a long time. I do not mean to say that the present famine prices are to prevail during the next ten years. I do believe, however, that prices during the next ten years will average very much higher than during the ten years preceding the war. Hundreds of millions of pounds of wool which in the ordinary course would last on a man's back for three or four years have been rendered useless in two or three weeks or a month. A great deal of it, I am assured, will never reappear even in the shape of shoddy. Millions of sheep in France and Belgium, in Germany, Austria, Russia, Turkey and the Balkans have been slaughtered to feed the contending armies. The figures from France only are available. In two years her sheep have been decreased one-third in number.

The great manufacturing districts of continental Europe, France, Belgium, Germany, Austria, Poland are bare of wool today and when the war is over it will take hundreds of millions of pounds of wool to start their machinery, and it will take 1,000,000,000 pounds additional to restore to somewhere near normal the clothing stocks of the people of central Europe.

Just as long as the price of wool and of mutton is remunerative, I look to see an expanding and increasing sheep industry all over the world. You need fear no sudden glut of wool. Taking into consideration that the clip of Australia owing to the drouth is short 175,000,000 pounds of what it was two years ago; that the clip of South Africa is short for the same reason, and to a limited extent the same is true of South America, taking into consideration that vast numbers of sheep have been slaughtered in continental Europe, it will probably be several years before the clip of the world is as large as it was in 1913 and 1914.