

Aspects of Wheat.

It goes without saying that wheat prices have not met expectations of late. The opinion was widely held that wheat would sell for a sum equal to or in excess of \$1 per bushel at Chicago while croising to 1892—which, as we all know, it has not done. This has been attributed by some observers, the secretary of the Toledo board of trade, for instance, to lack of faith in or loyalty to the cereal situation by the trade in the United States, and the opinion is entitled to a good deal of consideration by reason of the fact that opinion in the wheat trade in England and elsewhere abroad has been and is more bullish than in this country. In the United States the widespread impression that the domestic wheat crop is an extraordinarily large has so encouraged the belief that our surplus would nearly if not quite offset the shortage abroad that it has been difficult for a strongly bull view to maintain itself. Furthermore, a part of the bread shortage abroad has been of rye, and the presumption has been made and stoutly maintained there that this would mean an increased demand for (American) wheat, while on this side the notion has not been entirely absent that this latter point is largely problematical. In other words, that wheat from America might or might not be called upon to meet the deficiency or a part of the deficiency of rye in Europe.

As a result the price of wheat, even in the face of unprecedentedly heavy exports of wheat, and exceptionally heavy shipments of Indian corn as well as of rye and oats for some weeks past, has betrayed continual weakness, with occasional reactions, which in turn give way again. On July last No. 2 red wheat at New York ranged at \$1.04 to \$1.05, and six months later was quoted at \$1.02 to \$1.02½ per bushel.

The question now is as to the outlook for the available surplus for export during the latter half of the cereal year, with the prospective tendency of quotations in the world's markets.

It is hardly worth while to assert that the apparent outlook will prove to be the real situation, and that prices will govern themselves in accordance therewith, for, to begin with, one must confess to a lack of entire confidence in all the data at hand. While we are not able to prove that the agricultural department's final estimate of the size of the wheat crop is excessive, for reasons not necessary to rehearse we confess to a lack of confidence that the total crop of wheat produced in the United States in 1891 amounted to 612,000,000.

But for the purposes of this article we will base calculations upon official data rather than err in the opposite direction. The customary calculations as to production, stocks carried over, consumption, exports, etc., will then be about as follows:—

| | Bushels. |
|---|-------------|
| Wheat crop, 1891, United States | 612,000,000 |
| Visible and invisible July 1, 1891 | 31,000,000 |
| Total supply wheat July 1, 1891 | 645,000,000 |
| Domestic food requirements to January 1, 1892 | 157,575,000 |
| Winter wheat seedling requirements to January 1, 1892 | 40,000,000 |
| Exports (with flour as wheat) to January 1, 1892 | 125,000,000 |
| Total eaten, exported and sown to Jan. 1, 1892 | 316,575,000 |
| Total remaining, January 1, 1892 | 328,425,000 |
| Needed for seed (spring wheat) | 20,000,000 |
| Needed for food, first half of 1892 | 151,575,000 |
| Needed for surplus July 1, 1892, say | 23,000,000 |
| Total requirements at home to July 1, 1892 | 316,575,000 |
| Leaving apparent surplus for export first half 1892 | 131,850,000 |

If these totals are approximately correct we will be able to carry over a minimum surplus reserve on July 1, 1892, (amounting to 25,000,000 bushels), and export about 132,000,000 bushels during the six months from January 1 to July 1, 1892, or at the rate of about 5,000,000 bushels per week—more than we have been sending abroad thus far during the new year.

The question therefore arises, are we to be expected to export more wheat during the second half of the current cereal year than during the first half? If not there appears to be a likelihood of a pinch as to supplies here, and hence of a squeeze in prices.

Mr. Beerbohm, than whom few, if any, in Europe are better fitted to judge, declares that European importing countries will require the import of about 212,000,000 bushels of wheat from January 1 to the end of July, 1892, a period of seven months. In the whole of the three preceding calendar years the three principal exporting countries (wheat and flour as wheat) sent to Europe the following quantities:

| | 1891. | 1890. | 1889. |
|---------------------|-------------|-------------|-------------|
| Exported to Europe. | | | |
| United States | 178,400,000 | 83,100,000 | 91,400,000 |
| Russia | 94,000,000 | 101,000,000 | 112,100,000 |
| India | 62,000,000 | 26,000,000 | 26,800,000 |
| Totals | 324,400,000 | 210,100,000 | 230,300,000 |

It is apparent, therefore, that if Mr. Beerbohm's estimate of European requirements proves to be approximately correct, the United States, Russia, India, which during the next six months means practically the United States (and to a slight degree minor exporting countries), will be expected to send nearly as much wheat to Europe in seven months of this year as they did in the whole twelve months of 1889 and of 1890.

A well-known writer in Dornbusch's *Floating Cargoes List* states that Europe's weekly import requirements of wheat, including flour as wheat, for the first seven months of the current calendar year will amount to 7,843,000 bushels. If the United States can supply 5,000,000 bushels of that quantity it leaves 2,843,000 bushels weekly to be supplied from other sources. The same authority quotes two estimates of what other wheat exporting countries are expected to be able to do in that direction, as follows:

| | An American estimate. | Kains-Jackson estimate. |
|--|-----------------------|-------------------------|
| Bushels available for Europe. | | |
| Wheat from India, weekly | 400,000 | 800,000 |
| Wheat from Turkey and Danube, weekly | 300,000 | 320,000 |
| Wheat from Australia and South America, weekly | 200,000 | 450,000 |
| Wheat from Austria-Hungary | 200,000 | 160,000 |
| Total bushels | 1,100,000 | 1,760,000 |
| Total to be supplied in excess of 5,000,000 bushels, weekly from the United States | 2,843,000 | 2,843,000 |

Apparent weekly deficiency... 1,743,000 1,038,000
For thirty weeks, say, the 7,843,000 bushels estimate of European weekly wheat requirements, with Bradstreet's estimate of the United States available surplus, and borrowed estimates of supplies available from other wheat-exporting countries, indicate a deficiency of about 52,380,000 bushels to 32,580,000 bushels. Judging by experience, it seems to us that the larger of these totals is more likely to be excessive than otherwise, and as our own calculation allows for fair reserve stocks July 1, and as new wheat is likely to appear for export late in June and July, it does not seem now as if any squeeze is likely to occur.—Bradstreet's, Feb. 13.

Wheat in England.

The Miller, of London, England, gives the following review of the course of the wheat markets during January: The month's trade began with sluggish markets, the thaw which set in on December 27 still continuing. London on January 1st was slightly against sellers, but the English wheat average continued as high as 39s per qr. The country markets of the 2nd included 20 which were against holders, as compared with 10 which were firm. On the 5th Liverpool gave way 1d per cental; while Hull was 1s per qr. lower for both English and foreign wheat. The Scotch markets on the 6th allowed 6d decline on wheat and flour. On the 9th London was 6d lower for wheat, while Liverpool gave way another 1d per cental. The imperial average fell on the

9th to 36s 2d, being 1s 4d fall from prices before Christmas. The top price of flour at Mark Lane was reduced 3s on the 11th, from 42s to 39s per sack. Wheat was 1s lower on the week. On the 12th Liverpool declined 1d per cental, making 81 per cental from the 1st. The Scotch markets of the 13th were 6d lower for wheat and flour. Bristol, Birmingham, Plymouth and Manchester were 6d to 1s per qr. lower on the 14th. The London market of the 15th was again very weak, and Liverpool conceded its fourth penny on the same day. On the 16th the imperial average fell to 35s 6d or 8d on the week. Twenty-three markets were 1s cheaper, to seven which were stationary. On the 18th London was 1s cheaper both for wheat and for flour. On the 19th Liverpool again lowered quotations, and a fifth concession of 1d per cental made 2s 1d per qr. decline from New Year's Day. London on the 20th was lower for Indian wheat, No. 1 Bombay being sold for 39s 3d, and No. 2 Calcutta for 35s 9d per qr. Other sorts were unchanged. On the 21st Bristol was 6d lower for wheat. On the 22nd the London average for English wheat was struck at 35s 10d, being 8s 2d decline from the end of December. The Irish markets of Dublin and Belfast were 2s 6d per qr. cheaper from the 1st. On the 23rd the imperial average was 34s 10d, being again 8d decline upon the week. London on the 25th was dull, but not quotably cheaper, and with frosty weather the close of the month was distinguished by more steadiness than had been shown from the 1st to the 23rd.

January has favored buyers for at least four-fifths of its course, and value has retrograded 3s on both English and foreign wheat. Good Californian has fallen from 43s to 42s; best Bombay from 42s to 39s; and good English red from 39s to 36s at Mark Lane. The fall in flour amounts to 3s on the best sorts, and country flour fell from 31s to 27s 6d. There has been a slight rally in this direction, so that 29s may now be quoted. The imports have exceeded expectation but slightly; the real difficulty of the situation has been in the large supplies on passage encouraging buyers to wait. The definite report of the American wheat crop of 1891 has added to the depression by the unpromising character of its statement concerning a thirty to a thirty-three million qrs. surplus of American wheat. The heavy shipments of wheat from India have surprised the trade, while the extensive prevalence of pulmonary affections, colds, influenza and low fever has broken up the festive season and reduced the consumption of food.

February with the supplies in sight is likely to be a month of good receipts, but demand after its long December and January rest is also likely to be good, and the fall in prices since Christmas should check shipments. If it is seen by the middle of the present month to be having that effect trade will probably recover firmness, though we fear that in any case buoyancy is hardly to be looked for. The market may be inspired by firmer holding in America, but the days of the "corner" appear to be past; at all events a yield which exceeds seventy million qrs. is too big to be manipulated. If the American farmer, who has probably recouped himself already for the bare cost of growing his wheat crop, cares to regard the existing reserve as capital, then the movement of grain coastwise will be arrested, and stiffness will spread from the inland depots to New York, and from New York to London. But if the American agriculturalist prefers to realize his profit quickly, and to clear his stores, his ability to "bear" the European market is probably not less than his powers of sustaining or even enhancing value.

A view of the entrance to the St. Clair tunnel, at Sarnia, Ontario, has been received from Mr. A. C. Clark, manager of the Lambton Loan & Investment Co., of that place. The card gives a number of interesting facts concerning this wonderful monument to Canadian engineering skill and enterprise.