

upon such the duty was enormously increased, in some cases making it practically prohibitory. For instance eggs, one of our leading items of export, were taxed five cents per dozen. Barley, another large article of export, was taxed 30 cents per bushel of 48 pounds. Sheep were taxed \$1.50 per head; horses, \$30 per head and 35 per cent. ad valorem additional for animals valued over \$150. Poultry, five cents per pound. So on all through the list, commodities which we sold to the United States seemed to be almost singled out by the McKinley bill for higher duties. The repeal of this act would therefore be a great aid to international trade between the two countries. As our exports are largely food products, animals, etc., it would seem reasonable to suppose that they would be about the first things the Democrats would be likely to consider in revising the tariff.

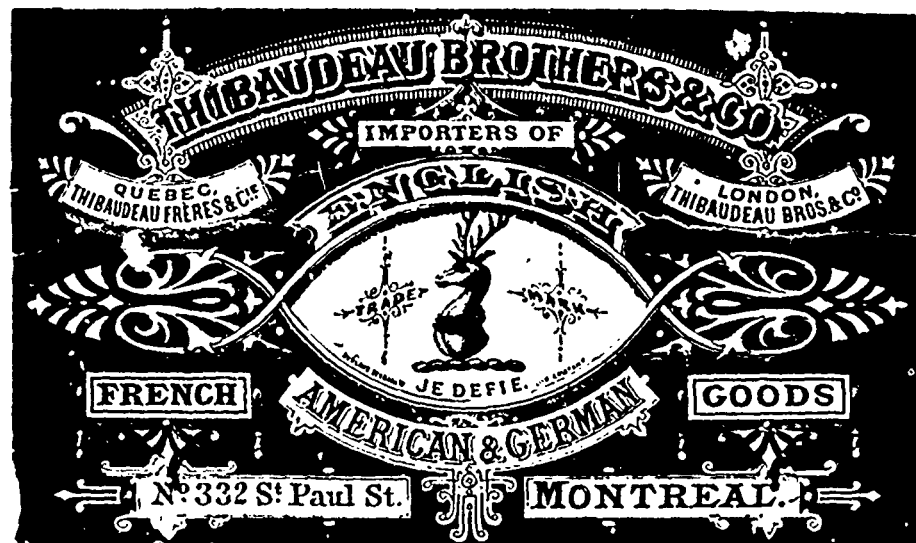
So far as the probability of a reciprocity treaty being negotiated with the republic is concerned, the opinion seems to be that the prospect for such is not increased. The policy of the Democratic party is to leave congress free in the matter of tariff legislation, whereas the negotiation of such treaties would rather tend to hamper congress. The general policy of the new administration, however, is certain to be such as to encourage trade freedom between the two countries. The best way to bring about greater commercial freedom between ourselves and our neighbors to the south, is no doubt by each country following a policy of tariff modification and concession in the interest of international trade. No reciprocity treaty is necessary to do this. Each country can reduce its tariff on its own account, to some corresponding extent. This would be a better way than to negotiate a treaty, and it is more in keeping with free trade principles.

The Wheat Situation

No little ado has been made of late by those who have been disturbed through an alleged undue depression of prices of wheat due to reports of extraordinary large available supplies in the United States. The assumption has been made by the class referred to that wheat merchants throughout the world, speculators and others, are all so simple as to infer that because available stocks exceed any like total held at a corresponding period therefore the total net supplies available for export (as well as for home consumption) must necessarily be larger than ever held here before during the autumn.

Such a conclusion is neither logical, true, nor creditable to those who arrive at it. Ever since the now antiquated basis was formulated upon which the "official visible supply of wheat" is prepared (available and visible supplies of wheat after harvesting, in seasons of relatively equal abundance, have continued to exceed like stocks in preceding years, with few exceptions. In other words, with the growth of facilities for getting wheat from farmers' hands to markets, or into second or third hands, such grain has naturally gravitated out of producers' hands in larger and larger proportions, particularly since the development of organized and legitimate speculative facilities, the primary function of which is to carry available stocks of wheat, or more exactly, to carry our surpluses, from bountiful over to lean seasons.

These facts are known to every one to almost every well informed grain merchant in the country, as well as to those in the foreign countries to which we export. No one ever has supposed merely because the available supply of wheat increased 4,000,000 bushels within a week, against 3,000,000 the week before, or 2,000,000 in the like week a year ago—no one, we repeat, ever has supposed that therefore the wheat crop must be larger than had been presumed—that is, no one who knows anything about the subject. Neverthe-



less we find there are voices raised against the publication of totals of available stocks of wheat because, forsooth, somebody is going to infer the crop is an enormous one if the increases perchance be heavy, or short if they are unusually small. This sort of reasoning is of the variety which once objected to railways because cows might stray across the tracks and be killed.

The foregoing has been emphasized because of efforts which have been made to belittle the value of an available supply report of grain crops. It may be worth while explaining to those critics that "the visible supply" covers stocks of several varieties of cereals at a score or more points of accumulation only, the identical stocks (except St. Paul, Minneapolis and Duluth) which it has included for twenty years and more. At one time these visible supply stocks constituted the available supply, but not within a dozen years. Within that period points of accumulation have increased very rapidly; some of the original "primary markets" are not "primary" markets at all; the thousands of interior or country elevators at the northwest have been constructed, and the necessity has thus been created for a compilation of supplies of available wheat—in other words, for the total of stocks of wheat available for practically immediate shipment by rail or water to fill a milling or export, or even purely speculative, demand. Of one thing the timid ones, who have dreaded available supply report totals, may rest assured—one of the safeguards against speculative "corners" in the food grains is to be found in the reports of available stocks of the same.

The "low price of wheat," therefore, is not necessarily due to exceptionally large stocks of wheat in sight on both coasts, for the people most interested in such prices at the principal markets here and abroad, as has been pointed out, are not of restricted vision. In the first, second and last places, the cause is simply abundance. Whatever may be the private, speculative or other view of this, that or the other merchant, or of the outside public, any one who is interested enough to do so may easily satisfy himself that there is, so far as it may be forecast, quite an abundance of wheat to meet the world's demands this year, even if not more than enough as compared with the prospect one year ago. Then we were looking for a pinch owing to the Russian wheat and rye failure, and to short crops of the same in some other European countries. This year the United States have raised, say, 110,000,000 bushels less than last year, but they started in with from 35,000,000 to 45,000,000 bushels more, besides which, Russia and Germany are

said to be better able to take care of themselves in that direction.

As that well informed London circular, Beerbohm's *List* states, shipments from America and Russia to Europe continue to exceed the latter's requirements. It is now explained that Russia's wheat crop this year will equal 241,000,000 bushels against 200,000,000 previously anticipated. More than this, the United Kingdom's greatly increased proportion of imported wheat flour (as compared with wheat) increases "the depressive power" of its receipts. France, it is said, is suffering from surplus importations of last year, and even drafts on her own supplies are very light. The same authority notes another cause of depression of wheat prices as the cheapness and abundance of American flour in the chief centres, and Donbusch's *List* adds that the relatively abundant potato crop in Europe in this, the first half of the fiscal year, has tended to restrict consumption of wheat and rye and therefore curtail demand to some extent, and with it naturally, the price. The promise of wheat exports from Australia and South America is declared to be fairly good.

According to a publication by the statistical bureau of the Hungarian Minister of Agriculture, this year's wheat crop of the world amounts to between 744,000,000 and 753,000,000 hectoliters. That of last year was ascertained to have been (in round figures) 750,000,000 hectoliters; hence, says our consul general to Vienna, "there is no difference between the yields of this year and last. The surplus of the yield over the want of wheat is 16,800,000 to 24,300,000 hectoliters. The rye crop may be estimated at 440,000,000 hectoliters; last year it was about 370,000,000 hectoliters."

But, after all this has been said—and it has been necessary to say it because it refers to what has been behind the prolonged (but not undue) depression in the price of wheat—it may be added that it is not at all unlikely that the latter half of the cereal year may witness an appreciable advance in the price from the recent low level. As a London writer says: "Because American millers now furnish flour at 19s. 6d. per sack, it is not a good reason that they should continue to do so. Railway rates from northwest grain mills to New York, ocean freight to London, discharge from ship to warehouse, factors' commission for sale in Mark Lane deducted, what paying balance can the American miller get from 19s. 6d. for 280 pounds of good flour? The position is not tenable for any long period."

In brief, isn't it almost time for the pendulum to swing the other way?—*Bradstreet's*.