

The Commercial

WINNIPEG, AUGUST 17, 1891.

THE WHEAT OUTLOOK.

Manitoba's are naturally bulls in wheat. Wheat is by far our largest export product, and good prices for wheat is the next thing desirable to a good crop. This intense desire that wheat may bring high prices often leads to extravagant expectations in the same direction. This year there has been a great deal of bullish wheat literature of one kind and another floating about, principally founded upon the reports of damage to European crops early in the spring. THE COMMERCIAL gave a word or two of caution recently, against the entertaining of extremely extravagant expectations as to wheat prices for this crop. At the same time this caution was given, the opinion was expressed that the outlook was favorable for good prices. THE COMMERCIAL article did not indicate a belief in low wheat prices, an idea which an exchange seems to have imbibed from reading the article. It was only against the extravagant expectations of very high prices, that the caution was given.

While Canada and the United States are producing very large crops this year, the prospects are that it will all be wanted, at remunerative prices to the growers. Crop reports from some of the principal European wheat countries are noted for their unreliability, but at the same time enough is known to indicate with certainty that the crop is short there. With reserves very low, European countries will be obliged to buy from abroad to the full extent of their requirements over home production. In portions of Europe, rye is the staple crop for bread. Reports concerning the rye crop are generally unsatisfactory. The significance of this is, that more wheat will be required to make up for the shortage in rye. America, on account of the large crop in both Canada and the United States, is the world's granary this crop year, and our surplus and more, too, will be required to supply Europe with bread.

William E. Bear, a statistician of London, England, has been looking into the European crop situation, and his summing up of the outlook appears in the last issue of *Bradstreet's*. He thinks there is no doubt as to the failure of wheat in portions of Russia, and the same is also true of rye. He places the crop of that country at 15 per cent. less than last year. He reduces the crop of Austria-Hungary and Germany by 15 per cent. as compared with last year, and the French crop is placed at 25 per cent. less than last year. The wheat crop of the United Kingdom is estimated at 70,000,000 bushels, which is nearly 3,000,000 bushels under an average for five years. Mr. Bear gives wheat statistics for five years up to 1889, which shows that the average annual yield for the countries named for that period is as follows:—

Countries.	Bushels.
Russia, including Poland.....	223,661,125
Austria-Hungary.....	133,443,920
United Kingdom.....	73,917,067

France	295,160,052
Italy.....	106,964,866
Germany	110,204,312
India	250,954,740

Mr. Bear has also prepared a table dealing with the wheat crop of European countries alone. It shows the yield for last year, the estimated yield for this year, and the surplus or deficiency as the case may be, of wheat supplies for the crop year of 1891-92, stated in bushels as follows:—

Exporting countries.	Yield 1890.	Estimated yield 1891.	Estimated exports. 1891-2.
Russia	211,800,000	180,000,000	40,000,000
Austria-Hungary	193,453,300	104,600,000	8,000,000
Roumania.....	61,000,000	61,000,000	80,000,000
Bulgaria and Servia.....	40,000,000	45,000,000	12,000,000
Totals, export co.	515,253,300	449,500,000	90,000,000
Importing countries.			Estimated imports.
United Kingdom	75,004,000	70,000,000	145,000,000
France	323,000,000	218,000,000	100,000,000
Germany.....	92,000,000	78,200,000	35,000,000
Italy	123,000,000	118,000,000	25,000,000
Spain and Portugal	78,000,000	78,000,000	10,000,000
Switzerland	2,400,000	2,200,000	8,000,000
Turkey.....	30,000,000	30,000,000	10,000,000
Rest of Europe	45,000,000	39,000,000	32,000,000
Total Import countries.....	780,394,000	660,400,000	371,000,000
Grand total, Europe.....	1,295,652,000	1,115,900,000	*231,000,000
*Net import requirements.			

The above table shows that import requirements are 371,000,000 bushels, while European exporting countries will have a surplus of only 90,000,000 bushels, making a deficiency of 281,000,000 bushels in the European crop. Altogether this is a bullish showing. The figures of course are "estimated" for this year, and given on the authority of Mr. Bear, for what they are worth.

Leaving Mr. Bear's figures for Europe, the question is, where this shortage is to be made up. Starting at home, we have the Dominion Millers' Association's estimate of a surplus for export from Canada of 22,000,000. For the United States about 160,000,000 seems a liberal allowance, though estimates of the probable surplus of that country vary widely. India's surplus is estimated all the way from 30,000,000 to 44,000,000 bushels. Placing the latter country at 35,000,000, we have a total of 217,000,000 bushels for Canada, the United States and India to supply to Europe, leaving still a shortage, taking Mr. Bear's figures, of 64,000,000 bushels. There are a number of other countries which usually have small quantities of wheat for export. Chili and the Argentine Republic, in South America, usually have a few million bushels each for export, but the internal strife, particularly in the former country, will probably prevent them doing much this year. Australia usually has more wheat than Canada for export. The countries of south-eastern Asia also have a few million bushels sometimes for export. The wheat will doubtless come from somewhere to supply the demand, even should Europe's deficiency be as great as indicated by Mr. Bear. Higher prices usually bring out supplies which were previously thought to be unavailable, while a scarcity of one article leads to greater consumption of other commodities which are used as substitutes. We therefore believe the world will be able to worry along for another year, and that supplies of bread-

stuffs will be forthcoming as required at fair prices.

ENDOWMENT ORDERS.

Considerable attention is being given in the United States to endowment insurance schemes, hundreds of which have been placed before the public, and new ones are being organized every day, under the names of various orders and associations. That many of these society insurance schemes are fraudulent, is superficially apparent, but nevertheless they will flourish for a time and make many dupes. When a society offers to pay a thousand dollars or more at the end of a term of years, and sells its certificates for an absurdly small annual payment, the fraud of the thing should be evident to anyone. Nevertheless, some of these endowment orders, which make the most outlandish promises, rapidly roll up a large membership. In brief it may be stated that many of these societies are swindling concerns, deliberately planned for the purpose of gulling the members, and lining the pockets of the organizers. The officers are sure of a good salary while the order lasts, and of a division of the spoils when the thing goes to pieces. Certificates of course are payable in the order in which they are issued, and the first batch of certificates is distributed to a select number, who for this favor lend their names as a guarantee of the "solidity" of the new order. The payment of certificates, it may be readily concluded, will not continue long after the favored ones have been paid. A more deliberately planned system of swindling than that adopted by these numerous endowment orders, has not been previously undertaken, and the wonder is they find so many dupes, who can be led to believe that the society can ever pay the amounts promised, even were there no expenses to eat up a considerable portion of the income. "Something for nothing" is not a commercial law, and it cannot be applied to insurance any more than it can be to banking or general commerce. Still the dupes are plentiful.

Several states of the republic have undertaken to legislate against these endowment order swindles. Pennsylvania and Massachusetts have taken the lead in this respect. The state of New Hampshire has more recently taken up the matter. The disclosures made in connection with the investigation into the endowment orders in this state, will show how ridiculous it is to expect that these orders could ever pay their certificates. The members of the orders in that state have paid in the sum of \$1,379,358 for certificates, and of this amount \$633,453 has been eaten up in expenses. This means that one half of the entire amount paid on certificates has gone into the pockets of the salaried officers, or for other expenses. The chief claim of these orders is that their expenses are so light that they can meet their Munchausen-like promises. But no regular insurance company could stand the same rate of expenses as these society insurance orders show, and meet its obligations. Further investigation in New Hampshire showed that only \$167,167 had been paid to certificate holders, and this amount probably went mostly to the selected ones who lent their names to give the order the appearance of respectability.