

The Commercial

WINNIPEG, AUGUST 31, 1891.

THE WHEAT OUTLOOK.

Two weeks ago THE COMMERCIAL published with some comments, the substance of an article prepared by W. E. Bear for *Bradstreet's* journal, showing his idea of the wheat production and requirements of all European countries for the current crop year. Briefly, to recapitulate, Mr. Bear made out, that Europe would require 281,000,000 bushels of wheat over home production. We may say that it is an easy matter to figure out either a surplus or a shortage in a close crop year. It is only necessary to take the lowest crop estimates of the different countries, to make a large shortage, while to take the higher estimates in each case would leave a surplus—on paper. Thus the final showing will correspond with the intuitive belief of the party who tabulates the statistics. Crop estimates of each country are certain to vary very widely, often as much as 25 to 50 per cent. This will show how easy it is to figure either a shortage or a surplus, according to the desire or previous opinion of the person preparing such a table. Mr. Bear evidently started out with the belief that the European wheat deficiency would be very great, for he takes the lowest estimates in most cases. Even from countries which have furnished no reliable data, he scores down the probable crop to a quantity considerably under the supposed yield of the previous year. Mr. Bear admits himself, that his estimate of the European deficiency is greater than any other person's estimate, though he still claims that he under-estimates the deficiency.

When Mr. Bear turned from Europe to the United States, he showed himself far astray in his figures, as he only allowed the republic 140,000,000 bushels surplus. If his European figures are in keeping with the latter estimate, his article is altogether worthless as a guide to the wheat requirements of Europe. In our article of two weeks ago, we only gave Mr. Bear's estimates for European countries, and applied statistics from other sources for the United States, Canada, India, etc. For the United States we allowed 160,000,000 bushels for export, though we believe this amount can be very largely increased. Considerable wheat yet remains to be gathered in the northern wheat belt of the United States and Canada, and if the portion of the crop not yet harvested comes through all right, we believe the United States and Canada combined can export the enormous quantity of 250,000,000 to 260,000,000 bushels. The *Cincinnati Price Current*, a reliable authority, says under date of Aug. 20, that "it is now practically assured that the United States will have 200,000,000 bushels of wheat available for export, and this amount may easily be increased to 225,000,000." The *Cincinnati* journal had no doubt reference to the safe harvesting of the balance of the crop, in saying that the amount could be increased to 225,000,000 bushels. Canada is an important factor in

the wheat situation this year, on account of our heavy crop all over the country. It is now estimated that Canada will be able to export over 30,000,000 bushels, which is a very large quantity in comparison with our exports in past years. Allowing the United States and Canada an export surplus of 250,000,000 bushels, which seems fairly within the mark, in view of the enormous crops in each of these countries, and there would only remain a paltry 31,000,000 bushels of Mr. Bear's European deficiency of 281,000,000 bushels to be made up from other countries. Against the 31,000,000 bushels of a European deficiency over the surplus of North America, we have, according to Beerbohm a surplus of 48,000,000 bushels from India and Persia, 16,000,000 bushels surplus from Australasia and South America, and 12,000,000 bushels from Egypt, Algeria, etc. Thus the remaining European deficiency, according to Mr. Bear, is made up, and there yet remains a surplus of 45,000,000 bushels over all European requirements. A small quantity of wheat is required by China, the East Indies, etc., which may be allowed out of the 45,000,000 surplus we have just accounted for, and there will still remain a surplus of about 15,000,000 bushels to be disposed of, or held over for another year. Thus Mr. Bear's European deficiency, which is the largest claimed by any statistician, can be abundantly made up, along with the requirements of all other wheat importing countries, and there is still a considerable balance left to come and go on.

The surplus allowed for the United States and Canada is very large, in comparison with actual exports of previous years, and many will be inclined to doubt the possibility of such an export surplus. From the small crop in the United States last year, 100,000,000 bushels of wheat were exported, and a quarter of a million more could have been supplied if required. A year ago at this time, some pessimists figured out that the republic would have nothing to export. Others allowed fifteen to twenty-five million bushels and so on. The actual marketings of wheat have shown that the crop of last year was very much greater than estimates based upon official crop reports. Last year's wheat exports from the United States were 40 to 50 per cent. in excess of the estimated surplus, and this in the face of the fact, that potatoes and other crops were very light and prices high. With abundance of cheap potatoes and other food products, the country should be able to spare a larger proportion of its wheat crop this year than last.

In view of these facts regarding last year's crop, and the further well known fact that a very large crop has been safely harvested, there seems no reason to doubt the ability of the United States to export a quantity of wheat in excess of 200,000,000 bushels.

We see no reason for the circulation of alarming reports of a famine in breadstuffs. By the end of this crop year, it will probably be seen how far-fetched these scare articles are. It is surprising how little of a commodity people can get along with, when prices reach an abnormal value. There will undoubtedly be suffering and privation in parts of Europe, on

account of crop failure, and people will have recourse to other articles for food. The rye shortage will not be all made up by increased consumption of wheat. Potatoes, corn, oats and other commodities will be more largely used for food, especially if wheat is unduly advanced in price. The people who use rye are the poorer classes, and they will prefer cheap corn, etc., to dear wheat. We do not believe that wheat can or will be held back in farmers' hands in United States to such an extent as to materially advance prices. The first argument is, that there is so much more wheat to come to market this year, that even if a considerable portion is held back, the early marketings will still be liberal. Secondly, with the immense crops of all kinds this year, the railways will have all they can do, and more to, to handle the grain, and the difficulty will be in getting the wheat to market fast enough. Already there are reports of grain blockades on the central western roads. Kansas City reported one day last week the largest wheat receipts on record at that place, and 2,200 cars on track in the city. Another argument against the holding back talk is, that Europe will not require American wheat for many months. The people over there will have their own crop to consume first, before they are obliged to call on this continent for wheat, and this will be well on to the last quarter of this crop year, by which time the Farmers' Alliance people will be about tired of their experiment of holding wheat. Before they got through with their holding, another big crop year might be in view, and lower prices the rule.

TRADE WITHIN THE EMPIRE.

This is the question which was discussed in the council chamber of the Winnipeg city hall on Tuesday evening last. The speaker was Col. Howard Vincent, C.B., member of the Imperial Parliament for centre Sheffield, England. Col. Vincent is a prominent member of a new organization, formed in England early in the present year, and known as the United Empire Trade League. In fact, we understand he was the founder of that organization. He explains the object of the league to be: "First, the furtherance of mutually advantageous trading relations upon a preferential basis amongst all who share allegiance to her majesty the Queen. Secondly, the advancement of the interests of British industry and commerce throughout the world." The Trade League is further explained to be a business association, and must not be confounded with the older organization known as the Imperial Federation League, with which, however, it is no doubt in active sympathy.

Col. Vincent came to Canada, he explains, to feel the pulse of the country upon the question which he is advocating. He is a good speaker, and apparently of an enthusiastic disposition. This latter quality he will no doubt require abundantly, considering the task he has before him. He also possesses the faculty of tickling the vanity of his listeners in a ready manner, though it may be noted that he refrained from indulging in blarney in Winnipeg to the extent that he did in addressing a Toronto audience a few days earlier. The "old flag" was also waved less ardently at the Winnipeg meeting