

282. The very marked effect which the adoption of the National Policy, in 1879, had upon the imports of wheat and flour will be immediately apparent upon looking at the above table. It will be seen that while the average importation of wheat in each year from 1868 to 1879 was \$5,480,735, in the period 1880 to 1886 it only averaged \$168,097 per annum, increasing the home market for wheat to the extent of \$5,312,638 annually.

Effect of
the Na-
tional
Policy.

283. The decline in the price of wheat during the last five years has been very marked. In 1881 in Montreal it was \$1.33 per bushel, and in 1886 only 85 cents per bushel, being a reduction of 48 cents. According to United States official reports, the export price of wheat in 1881 was \$1.11, and in 1886, 87 cents, a difference of 24 cents a bushel.

Decline in
the price
of wheat.

284. Several causes have combined to bring about this result. During the ten years previous to 1882, there were several unusually bad seasons in Europe, while they were universally good on this continent; there was in consequence an abnormal demand for American wheat. During the last five years the average production of wheat in Europe has increased some 50,000,000 bushels, while the harvests have been generally better. In consequence of the increased European demand, large areas of land were brought under wheat cultivation in Russia, British India, Australia and South America, as well as in the United States and Canada. The increased production in India and Australia has been very large, especially in India, owing to the excessively low price of labour and to increased facilities for transportation; large areas are still being continually brought under cultivation for wheat, and it is not improbable that before many years Europe will look still more to the East for her supplies. According to figures published in the United States Record of Foreign Commerce for 1886, British India exported in 1885, 39,312,969 bushels, and the United States

Causes of
decline in
price of
wheat.