

639. Something is due to the decreased cost of transportation. But this would affect all transportable commodities, and while the price of wheat during 1871-80 as compared with 1891-93 was as 94 to 57 the prices of 45 other commodities only show a decrease of 96 to 69. This is for wheat a drop of 40 and for the other commodities a drop of 28 per cent.

It appears, therefore, that increased facilities for transportation and handling are not the cause of the decreased price which wheat has specially experienced.

640. Probably the chief factors in the reduced price of wheat are first the decreased use of wheat, owing to the very great increase in the use of other articles in substitution; canned goods of all kinds may be mentioned in this connection. Second, the increased percentage of wheat finding its way to the markets of the world from countries in which labour is low-priced; third, the decreased cost of handling wheat owing to elevators and other appliances, and fourth, the great abundance of the crop during the years 1892, 1893 and 1894.

If these are the chief factors the only reason why wheat should bring a higher price\* is a very sensible diminution of the supply, especially in the countries of low-priced labour owing to unfavourable weather, resulting in diminished production over a wide area.

641. The consumption of wheat per head varies in different countries. The question is one of great importance in estimating the surplus over for distribution to wheat importing countries. In the United States the amount was fixed in 1878 at 4·7 bushels per head. But of late years considerable doubt has been expressed as to the accuracy of this figure. Recent investigation appears to point to a lower rate and the amount of 4 bushels per head has been suggested as more accurate. The whole question needs thorough investigation. The following is given as the generally accepted statement:—

CONSUMPTION OF WHEAT PER HEAD IN VARIOUS COUNTRIES.

| Countries.                | Bushels. |
|---------------------------|----------|
| United Kingdom.....       | 5·0      |
| France .....              | 9·1      |
| Germany.....              | 2·5      |
| Russia .....              | 2·0      |
| Austria-Hungary.....      | 3·9      |
| Italy .....               | 5·0      |
| Spain and Portugal.....   | 6·4      |
| Belgium and Holland ..... | 4·7      |
| Scandinavia .....         | 1·4      |
| Turkey .....              | 6·1      |
| United States .....       | 4·8      |
| Canada .....              | 5·5      |
| Australia.....            | ..       |
| New South Wales .....     | 5·8      |
| Victoria.....             | 5·0      |
| Southern Australia .....  | 6·5      |
| Queensland.....           | 6·0      |
| Tasmania.....             | 6·7      |
| New Zealand.....          | 7·1      |

\*During April and June, 1895, the price of wheat rose rapidly owing to the anticipated short production.