

# The Commercial

WINNIPEG, APRIL 16, 1894.

## WHEAT PREDICTIONS AND STATISTICS.

President Van Horne, of the Canadian Pacific Railway, made a prophecy last fall regarding the price of wheat which proved a dismal failure. He advised farmers to hold their wheat for higher prices, and those of them who took his advice lost heavily. One would suppose that this failure would have led the great railway man to keep rather mum about wheat in the future, especially in view of the fact that his prophecy undoubtedly caused heavy loss to many Manitoba farmers who placed confidence in his opinion. Mr. Van Horne is not to be knocked out so easily as this, however, and he is once more posing as a wheat prophet. This time he figures out that wheat will be worth \$2 per bushel within eighteen months. This prophecy, for rashness, entirely casts in the shade any previous utterances in this direction.

Mr. Van Horne was quite satisfied that his prophecy last fall would be fulfilled—so much so that he promised to take another look at freight rates, with a view to reducing them, if his words did not prove true. He has, however, failed to make good his promise, and in view of this double failure, it is very doubtful if his latest prediction will create more than a smile—perhaps a rather nauseating smile to some who lost by taking his advice last fall.

Mr. Van Horne's prophecy last year came at a very opportune time, or rather inopportune time for those who accepted it. It was given out just at a time when the Manitoba crop was ready for market, and it was whispered about that there were other reasons than a desire to benefit the farmer, which led to the pronouncement. Again the prophecy comes at an important time, and just as Manitoba farmers are about to begin their seeding operations, we are assured that wheat is to bring a fabulous price in the future. We wonder if there is not something in the desire to induce Manitoba farmers to put in a full wheat crop, which has led to the prophecy at this time. If this is the idea, it is unnecessary, as there is no reason to believe that the wheat area in Manitoba will be materially curtailed this year, notwithstanding the low price of wheat. Mr. Van Horne has a right to express his opinions just the same as any other person, and his prediction may just have been a casual remark, which has been taken up and made great deal more of than was intended. It is very often the case that a careless remark made in ordinary conversation, coming from a person occupying such a prominent position as the railway president, is spread abroad as a confident and authoritative declaration.

However, \$2 per bushel for wheat, before a second crop comes to market, is certainly a prediction remarkable for rashness. The most enthusiastic wheat bulls stop short at less than half this price in their predictions of future advances. There is nothing more uncertain than estimates of the future of wheat prices, and there is nothing

at the moment upon which to base a belief in high prices for the near future. The fact that wheat is now ruling very low inclines one to the belief that prices will improve, for recovery seems the more natural course. At the same time, many leading economists believe that an era of permanently lower prices has been reached.

Bullish reports are based to a certain extent on an expected decrease in the wheat area in the United States, but it is by no means certain that there will be any material decrease in the area. It is generally conceded that there is some decrease in the winter wheat area in that country, but such a reliable authority as the Cincinnati Price Current calculates that the total area sown will be equal to the number of acres harvested last year. The general condition of winter wheat in the United States is considered to be better than it was a year ago. The Price Current says:

A careful review of evidences concerning the condition of the growing wheat crop in the several states, and proper application of the same in general calculations leads to the conclusion that the present average condition is approximately 88, as compared with 100 representing a full healthy condition of the plant. The average condition officially reported for April 1 last year was 77.4. This would imply that even with the decreased area which has this season been recognized the present outlook admits of a larger production of winter grain than last year, if conditions should hereafter be equally as favorable.

Some decrease in the spring wheat area is expected, but there is no proof of it yet. It is simply a matter of opinion, but by no means the general belief, some authorities claiming that the area will be equal to last year. European crop advices are generally of a favorable tenor, and very little bullish sentiment prevails across the Atlantic.

Wheat stocks are large. Bradstreet's report shows that available supplies of wheat in the United States and Canada, March 1, both coasts, amounted to 105,868,000 bushels, and on April 1 the total was 98,367,000 bushels, a decrease of about 7,500,000 bushels during March. This is one third more decrease than in March of last year, which is a favorable feature so far as it goes. Stocks of wheat in the United States and Canada and in Europe and afloat for Europe amounted to 175,959,000 bushels on March 31, showing a decrease of only 8,157,000 bushels during the month, in contrast with a total decrease of stocks in the United States and Canada during March of 7,495,000 bushels. While wheat supplies in the United States and Canada fell away 7,495,000 bushels in March, those in Europe and afloat for Europe declined less than 700,000 bushels. World's stocks amounted to 175,959,000 bushels on March 31 last, and the corresponding total one year ago was 178,233,000 bushels, or more than 2,000,000 bushels larger than this year. Two years ago world's stocks were 143,595,598 bushels; in 1891 they were 99,808,000 bushels; in 1890 stocks were 90,854,000 bushels, and in 1889 the total was 99,393,000 bushels. Thus, while stocks are a trifle smaller than a year ago, they are much larger than at the same date in any previous year.

Bradstreet's says:—In 1891 the decline in the world's supplies of wheat from March 1 to

July 1 was about 16,000,000 bushels; in 1892 it was about 46,000,000 bushels, and last year it was about 26,000,000 bushels. Should the decrease during the next three months be no larger than it was in the like portion of last year, supplies, so far as Europe, the United States and Canada are concerned, will amount to very nearly 150,000,000 bushels on July 1 next, a little less than they were on July 1 last year, but 50 per cent. more than they were in 1892, and proportionately larger than on like dates in preceding years. If, however, the increased rate of decrease in supplies in this country observed last month continues, as seems not unlikely, it may be fair to presume the decrease from this time until the close of the cereal year will be heavier than last year; but in any event Europe and the United States and Canada are certain to cross into the new cereal year on July 1 next, with available supplies of wheat materially in excess of corresponding totals in all preceding years except 1893.

## VIEWS ON THE TARIFF.

The Commercial's articles upon the tariff revision have not pleased some of our contemporaries. We did not expect they would please the party press, and moreover they were not particularly intended to please that section of the press. The opposition press would not of course be pleased with anything short of an uncompromising denunciation of the tariff. On the other hand, even friendly criticism would not be relished by the government press. The course The Commercial has taken has therefore pleased neither party. While approving of the general plan followed in reducing the tariff, we found many features open to criticism, hence The Commercial has incurred the displeasure of strong party journals and strong partisans of each party. This, however, is not a feature which will cause as serious distress. Our party friends can just fire in their criticism as freely as they choose, and we will not be in the least disturbed thereby. We rather like it. Even personal references to the publisher in this connection will not prove annoying.

But while strong partisans may criticise, The Commercial has received many expressions of approval of its course from independent thinkers. One gentleman writes, "Why cannot all the papers take such a moderate and reasonable course?"

There are many features about the new tariff of which we cannot approve. A greater reduction of the duty upon many lines would have been welcome, and we believe the Government should have gone further while it was about it, in cutting down the tariff upon many lines of goods. The revision, however, has been carried out upon the lines always advocated by The Commercial, namely: A gradual reduction covering a wide range of articles. The reductions now made, taken with those given at recent former sessions, make a very large decrease in the tariff. It rests with the people to see that the policy of tariff reduction now well entered upon, be kept well in view and continued in the future, until no room for further complaint can be found.

The amendment introduced in Parliament by the Liberals declares that every vestige of protection should be eliminated from the tariff, and only revenue requirements considered. While we will not stop to dispute this from the