

The Commercial

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WHEAT OUTLOOK.

An important point for Manitoba farmers now is: "What to do with their wheat." Prices are low—unprecedentedly low, and even the wonderfully fine quality of wheat produced in the Canadian West this year will bring but a poor return for the season's toil, at the present value of the cereal in the world's markets. Naturally the question arises, whether it would be well to sell at present prices, or hold the grain in the hope of an advance. President Van Horne of the Canadian Pacific Railway—a shrewd and successful observer, by the way—has no hesitation in advising the farmers to wait a while before parting with their cereal property. He speaks of the situation as follows:—

The present state of the wheat market is, I am convinced, due to temporary causes, and chiefly to the scarcity of money for buying wheat and carrying wheat stocks. Such things have occurred before, and they will doubtless occur again, but the farmers are no worse off—indeed, not nearly so badly off—as the iron and silver producers and many other classes, and the farmers of Manitoba are no worse off than the farmers elsewhere; and they are incomparably better off than those of England, who have not alone suffered from the low prices, but are just now on the verge of ruin because of an almost complete failure of most of their crops. There is nothing in the stocks of wheat in sight, no new developments in the production of wheat, nothing but the lack of money for handling wheat, to justify anything like the excessively low prices, and almost every grain operator and miller and speculator within my acquaintance, and beyond, as far as I can learn, believes that a great profit is to be made in buying wheat at present prices, and there will be a scramble for it as soon as money is to be had for the purpose. The prices cannot within reason go lower; the chances the other way are infinite. Our farmers will risk practically nothing in holding their wheat, or as much of it as they can, and if they do not make money by it I will resign as a prophet and take another look at freight rates."

THE COMMERCIAL does not quote the famous railway man as authority upon the wheat question. That gentleman would not himself claim to be an authority upon this matter if he were asked this question. His opinion is given as a prophecy, and is not a labored argument to prove on paper the correctness of his theory. At the same time he points out the two great arguments favorable to an advance in wheat. The arguments are, firstly: that wheat is already so low that in the very nature of things an advance should be more probable than a further decline. Secondly, the financial situation is an important factor in the depression, and an improvement in the money markets—which are evidently now convalescing—should impart strength to wheat. These are the two most powerful arguments THE COMMERCIAL can base a hope upon, for a permanent advance in wheat and there is a great deal in these arguments.

In the first place the general tendency in the commercial world is to recover from depressions. We have periods of depression and

periods of prosperity—sometimes of inflation. Neither become chronic. It would be sound advice, as a general rule, to say: sell when prices are high and hold when values are extremely low. We have the extremity of low values in wheat at the moment.

Secondly, again, there is the financial situation. Wheat is not cast down into the depths solely on its own account. The very low prices are not caused by vast over-production or by other influences due to the position of the cereal itself. There has to be sure been some over-production, but not we think to the full extent of the depression now felt. Outside influences have been at work to cause the shrinkage in values. This makes the outlook for better prices appear more hopeful. Remove these outside influences and the cereal should react to normal values. The financial horizon is evidently clearing, and as the storm of mistrust passes over, the weight of depression should be lifted from the great staple commodities, allowing them to appreciate to normal values.

These we say are the two strong arguments which may be advanced in favor of higher prices for wheat. At this time of the year there is always an epidemic of prognosticating upon wheat supplies and demand. Alleged statisticians and economists by the score will prove in figures a scarcity or an abundance of wheat, just as they desire. There is nothing more unreliable than these statistical compilations of the wheat crop of the world. One year after another has proved that statistics overwhelmingly in favor of a short crop theory have been astray. We have had two famine years in succession, proved clearly on paper by volumes of statistics, but somehow or other a huge surplus of wheat has been on hand at the end of the year. Crop reporting has not yet been reduced to a reliable basis, and even within small areas great mistakes are constantly being made in estimating the crops. When it comes to estimating the crop of the world even approximately, the task is too big, a one to be safely undertaken, and all such estimates must be viewed with a great deal of uncertainty. It is now a well known fact that the wheat crop of the United States for the years 1891 and 1892 was greatly under-estimated in the official crop reports.

There are other considerations which must be taken into account by the individual, in the matter of holding farm products. Each individual will be obliged to consult his own circumstances. Pressing obligations may force some to sell at once. The farmer owes the retail merchant in some cases amounts which should have been paid up long ago, and the retailer in turn has only been saved from an assignment by the leniency of his creditors, and so on. All who have kept their accounts well in hand, and are independent, are naturally at liberty to dispose of their goods at their own convenience. Those who owe past due bills have to think of their creditors as well as themselves.

LOOKING TO THE COLONIES.

Cables from London this week tell of a movement to form a colonial party in the British House of Commons. The object is to have an organized party to watch legislation affecting

the colonies, and endeavor to effect legislation in the interest of the colonies. If members of the British Commons were well informed about the colonies, such a movement would hardly be necessary. Unfortunately they are not well informed, as a body, upon the many questions of colonial interest which come before the house. The vastness of the British Empire is such, that we cannot reasonably expect even a member of the imperial parliament to be well informed upon most public questions from the colonial standpoint. Great mistakes have been made in colonial legislation in the past, and more may be made in the future. There are some members of the British Commons—only a few we hope—who openly avow their disregard, if not contempt for, colonial interests, but that great body as a whole we believe is desirous of legislating for the welfare of the empire as a whole, and therefore for the welfare of the colonies.

The object of the colonial party will no doubt be to encourage the study of the colonies and their requirements among the members, as well as to watch legislation affecting the colonies. The colonies are evidently attracting increased attention at home. If the empire is to be more closely drawn together then it has been in the past, there is no better place to make a beginning for the movement than in the British House of Commons. A strong party there, devoted to the study of the colonies and colonial questions, prepared to assist in securing legislation in the interest of the colonies, or to oppose measures of an opposite nature, would be in itself a great step toward a closer union. The tendency in the different self-governing colonies has been to consider questions from a local or selfish point of view rather than to legislate in the interest of the empire at large. If the home parliament has at times apparently taken the selfish ground, in legislative enactments, it is only what the colonies have frequently done. The colonial party will also no doubt give special attention to legislation intended to promote trade throughout the empire, and secure uniformity wherever possible. Such matters as cheaper postal service, uniform money, weights and measures, etc., throughout the empire will doubtless receive due attention. In fact a colonial party in the British House of Commons would naturally be a party for the empire at large, as opposed to the narrow view of home interests only. It would be a party for the unification and consolidation of the empire.

There is another direction in which the members of the proposed colonial party might do good service for the colonies outside of the halls of parliament. They might, and doubtless will endeavor to direct the attention of the British people at home to the colonies, as a field for immigration and investment. If the British people who have strayed from home to foreign lands within the last century were all in the colonies, what a great empire we would have. If the millions of British capital which have been sunk under foreign flags, had been invested in developing British colonies, what a showing we would be able to make to-day. Untold millions have been sunk in Turkey, in Egypt, in the semi-