

The Commercial

WINNIPEG, FEBRUARY 4, 1888.

THE WHEAT SITUATION.

According to *Breadstreet's* the total supply of wheat in the United States on the first of July last, was 470,000,000 bushels, made up of the crop of 1888, amounting to 415,000,000 bushels, according to the official returns, to which is added the balance or reserve from the crop of 1887, amounting to 55,000,000. Exports from both coasts of the United States from July 1st to date are placed at about 54,000,000 bushels, including flour represented by its equivalent of wheat. To the exports since July 1st may be added the quantity of wheat required for domestic use—for food, seed, etc.—to the amount of 352,000,000 bushels, leaving an apparent surplus of 64,000,000 bushels. Out of this surplus, however, it is estimated that only 26,500,000 bushels are available for export, the balance of 37,500,000 being necessary for reserve stock, to carry over to next crop. Of this reserve stock, about 7,500,000 bushels would be in the Pacific coast states. The amount of wheat available for export, according to these figures, looks very small. Only a little over one-half of the crop year has passed away, and it will be six months before new wheat will begin to come in, east of the Rocky mountains. Exports for the balance of the crop year must therefore be small to keep within the figures named and leave the designated amount of wheat to be carried over.

From this point of view the statistical position of wheat looks strong, and it is undoubtedly strong so far as this continent is concerned. But when the foreign situation is considered, it can be seen that the position of wheat is not as strong as conditions here would appear to make it. The surplus of wheat on this continent is certainly small, but nevertheless there is a surplus. Now, if foreign importing countries do not need our surplus, or rather, if importing countries are able to obtain all the wheat they require at lower prices than are asked for it here, it is evident that we will be obliged to keep our surplus, or take the prices which the foreigners are willing to pay. It will therefore be seen that the small surplus here, while giving strength to the domestic situation, does not necessarily

mean high prices. If the importing countries were short of wheat, and had to have our surplus, we could of course make them pay a stiff price for it; but in the present instance it does not appear that they will be obliged to buy our wheat at our own prices.

Great Britain is of course the principal wheat-importing country. The annual consumption of wheat in the United Kingdom is about 210,000,000 bushels. Imports into Great Britain together with deliveries of home-grown wheat, have been about 90,000,000 bushels for the present crop year to date. Home grown wheat yet to be delivered is estimated at about 33,000,000 bushels, and 20,000,000 bushels more were on passage. Stocks on hand in Great Britain were about 22,000,000 bushels, and allowing for a reserve of 15,000,000 bushels, Great Britain will require further imports of about 62,000,000 bushels to the end of the present crop year, or about 2,000,000 bushels per week.

In other European countries, stocks were on the large side on the first of the year, and Russia will be able to supply a good deal of wheat yet to the importing countries of that continent, from her crop of last year. Small surpluses of wheat can also be drawn from the Danubian provinces, Egypt, Algeria, South America and Australia. The harvest in Australia is now just about over, and is a poor one, but there is some reserve wheat on hand available for export, to the amount of eight to ten million bushels. The new crop of wheat in India will be available in April for further supplies to the extent of about 30,000,000 bushels. New California wheat will follow later, so that there seems to be little likelihood of a shortage at least before the last few weeks of the present crop year. By that time the influence of the new crops in sight will be paramount, and the course of prices will depend more upon the crop conditions than upon the immediate demand. With the possibility of a big crop in sight in Europe and America, about the first of July next, a temporary shortage in Europe would not be a very strong factor in advancing prices. The crop outlook for winter wheat is already almost the leading factor in the situation, and it will be steadily increasing in importance as the season advances. Any serious injury to this crop would have a strong influence upon prices.

But though the wheat situation in

Europe is not particularly strong, neither can it be said too weak. Imports into Great Britain and other importing countries have been large for about the first half of the present crop year, and stocks are a little on the large side, but a good deal of wheat will yet be required before the end of the crop year. It is estimated that France will have to import thirty to forty million bushels before the first of August next, and other importing countries will require smaller quantities. Under ordinary circumstances it is certain that the export movement from this continent will keep up in moderate proportion, and by the close of the crop year, our available surplus will have disappeared. While there appears to be plenty of wheat to fill the world's requirements for the balance of the crop year, there is not any large surplus above requirements, consequently there would seem to be nothing particularly depressing about the present statistical situation generally. Crop prospects in America and Europe will therefore be closely watched for the next few months, and the now evenly balanced position may be turned either way at any time by the outlook for next harvest.

EMBARKING IN BUSINESS.

It is peculiar that in Manitoba, so many farmers who have done well with their farms, and have succeeded within a few years in clearing a few thousand dollars, are anxious to risk their savings in business enterprises. A commercial traveller the other day related to the writer his experience with a Manitoba farmer who wished to go into the store business. This farmer had been very successful with his farm, and although only a short time in the province, he had succeeded in laying by about \$3,000, besides paying for his farm and implements. Prosperity, however, seemed to make him discontented with his calling, which, by the way is not an unusual feature in life, strange to say, and he had decided to give up his farm and go into business. He therefore wished the traveller, with whom he had been previously acquainted, to take his order for a bill of goods. His only experience in store trade amounted to a short season in a store while a lad, and being now in middle life, this, of course, was simply no experience at all. The traveller very properly endeavored to show the man the folly of giving up his farm, when he was doing so well, to embark in a risky business undertaking, and