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THE COST OF RAISING WHEAT.

The low price of wheat has caused the enquiry to be made, in many countries: what is the cost of producing a bushel of wheat. This question the Agricultural Commission of Ontario attempted to answer in 1881. "The average yield of fall wheat," the Commission reported, "is now probably a fraction under twenty bushels per acre and of spring wheat about twelve bushels per acre." Compared with other countries in a situation similar to that of Ontario, twenty bushels appears to be a large yield for fall wheat; it is very much more than the average of the United States. But if we take the figures of the Commission, what do we find, in the present state of the market. At seventy-five cents a bushel, an acre of fall wheat would bring \$15 and an acre of spring wheat \$9. If we turn to the Commission's estimate of the cost of raising an acre of wheat, we find that, upon neither crop is there much profit and on one there is a loss. We quote: "Charging interest on the value of land or rental, all the labor and the measure it is probable that the cost of raising an acre of wheat, by what passes generally as fairly good farming, is from \$15 to \$16 per acre and of spring wheat from \$13 to \$14 per acre." If the value of the straw be added at an estimate mentioned, \$1.50 an acre, we should have \$17.50 as the total value of the crop of an acre of fall wheat, and \$10.50 as the value of an acre of spring wheat. There would still be a profit of \$2 an acre on fall wheat, and a loss of \$3 an acre on spring wheat. If we strike a balance between spring and fall wheat, we must, on the basis of the above figures, conclude that wheat growing in Ontario scarcely pays at present prices. The price assumed—seventy-five cents a bushel—for both kinds is more than the farmers throughout the country have been realizing, and if the actual figures they have received in some localities were given the result would be still worse.

But if it be true of the average that wheat growing in Ontario does not pay at present prices, it is far from being universally true. Crops of thirty and even forty bushels an acre are sometimes grown, and when these results are got without much additional cost there must be a good profit for the farmer. The widest differences in yield are some-

times found within the limits of a single county. The commission reports of Essex and Kent that "the cultivation of spring wheat has been practically given up. Formerly it was a good crop of twenty-five bushels or upwards to the acre, but to use the words of Mr. Stephen White, it has of late years been a failure altogether." Mr. McNair, whose home is in Essex, says, on the contrary: "The land is so rich that we just keep cropping away, and we get all the crops we want." And this process is still carried on in a county in some parts of which it has resulted in an inability to grow spring wheat at all. The difficult crop is, as a rule, not spring but fall wheat, which has to run all the risks of a variable winter, and if wheat can be grown at all spring wheat can. Professor Brown is of opinion that "the yield of wheat is steadily on the increase in the older parts of the Province," a change which he attributes to the growing of more roots and raising more cattle; and Professor Buckland thinks that Ontario farmers cultivate too much land for grain and retain too little pasturage for sheep and cattle.

BANK INSPECTION.

The Comptroller of the United States Currency, in his last annual report to Congress, explains the system under which the official examinations of the national banks are made. For purposes of the examination, the country is divided into twenty-five districts, in each of which bank examiners are stationed. A large city like New York or Boston forms a district of itself. Each bank is visited by an examiner at least once a year, many banks are visited twice, and even more frequently when occasion demands. The examiners act upon instructions issued from the office of the Comptroller of the Currency, which are in their tenor both general and specific. They have been amended whenever the National Bank Act has been revised. "It has been the aim," says Mr. Cannon, "of the Comptroller to increase the efficiency of the examinations by carefully noting the causes that have in particular cases led to the suspension or failure of national banks, and calling the attention of the examiners to these causes, suggesting such methods of examination as seemed to be best calculated to prevent the repetition of such disasters and to expose violations of law which led to the same." The cash, bills receivable, books and accounts are examined; a close scrutiny is made into the business of the bank; the fitness of the officers for the discharge of their duties is enquired into, as well as the manner in which the business is conducted; inquiry is made into the nature of the loans and into losses that have been or are likely to be made. The examiner ascertains how often the directors meet, and whether the officers are borrowing largely from the institutions under their charge. Attempts are made to discover any malfeasance or wilful neglect of duty. The customary state of the lawful reserve is ascertained by examining the daily statements. If the bank borrows money to re-loan, the fact is noted. When the comptroller receives the reports of the inspectors, that functionary calls upon the banks to amend anything that has been found amiss, and the attention of

directors is called to any matter which is detrimental to the safety and well-being of the bank.

When all this has been done, the comptroller is obliged to confess: "The examiners are liable to be deceived, and they sometimes find it impossible to discover and remedy in time even gross mismanagement of the affairs of national banks." This was to be expected. "No laws or systems of examinations," Comptroller Cannon adds, "will prevent dishonest men from keeping false accounts and rendering untrue statements, and by means of these and other devices they can conceal from the examiner the fact that they are using the money intrusted to their charge in private speculations until final disaster makes longer disguise impossible." From all which the general conclusion is drawn that it is "exceedingly difficult to detect violations of law or misuse of the funds of a bank." Must we then vote bank inspection a sham, which is of no value? Not so. When violations of law are pointed out to directors, as they are almost daily, a change often takes place in the management. A large number of indictments and convictions for violation of the National Banking law has been made as a direct result of inspection. This indicates at once the necessity of inspection and the good results that have been got from it. Still there are bank officers who make false oaths for the purpose of deceiving the comptroller. Inspected banks fail as well as banks that are not inspected; but the inspectors cannot control the character of the loans and cannot prevent failures. The law provides that no loan shall be made to any one individual, firm, or corporation, exceeding in amount one-tenth of the paid-up capital; but this provision is violated in many different ways. To some extent the inspector must depend for information upon officers or directors by whom the law has been violated; and men who have made a wrong use of the funds entrusted to them and covered up the transaction by a false entry or a false oath will not hesitate to deceive the inspector. There is a line beyond which government interference with the management of the banks would become intolerable.

Where there is no inspection, violations of the law by officers may be notorious; they may become a public scandal and be in every one's mouth, and yet no official notification to directors will be made to discontinue them; whereas timely correction might prevent final disaster. There are certain lines on which necessary inspection is directed to move; weak spots which experience has shown to exist to be examined. It would be easy to find out whether the capital of a bank was all real or whether part of it was fictitious; whether a bank was lending on its own stock, directly or indirectly. Where there is no inspection, both these forms of violation of law may exist and even be notorious, and there is no one whose business it is to notify the offenders of wrong-doing or to call them to account. The ordinary violations of law of offending bank officials are well known; and for these the inspector can make a search. The history of banking shows that at particular times and in parti-