

The Commercial

WINNIPEG, DECEMBER 31, 1894.

THE ADVANCE IN WHEAT.

THE recent speculative bulge in wheat in Manitoba will not be without its unfavorable influences. Of course it is a very fortunate occurrence for the few farmers who had not sold their wheat, but it will cause anything but pleasant thoughts on the part of the large majority who parted with their grain at the lower prices which ruled all through the season and up to a short time ago. The effect will no doubt be to induce farmers to hold their wheat another year. This is one of the unfortunate results which is likely to follow from the recent manipulation of the Manitoba wheat markets. Of course if a large number of farmers had held their wheat this year, the recent big advance in prices would not have taken place. It would not have been possible to have so manipulated the market, regardless of export values, if a large quantity of wheat had been held. The farmers, however, will not reason it out in this way. They will simply see that their fortunate neighbor who held his grain was the gainer thereby to the extent of 10 to 15 cents per bushel, and that will be sufficient to induce them to hold another year. If the quantity of wheat marketed next year up to the close of navigation is not very small, as a result of the recent speculative manipulation of Manitoba markets, it will be very surprising.

Besides the widespread feeling of disappointment which has been caused by the recent bulge in wheat, the farmers seem inclined to believe that they have been cheated to the extent of the difference between the prices now paid and the prices that were paid earlier in the season when the great bulk of the crop was marketed. They say that if the dealers can afford to pay 50 to 55 cents per bushel now, they were cheating us 10 to 15 cents per bushel when we were getting only 40 cents. This belief seems to be quite general throughout the country. Even some of the country papers have adopted this view of the case, since wheat prices have advanced, and are charging the grain men with cheating the farmers out of 10 to 15 cents per bushel on all the wheat marketed previous to the recent big advance in prices.

In view of these statements, it will be interesting to show the real value of Manitoba wheat for export, at the time the lower prices were paid in Manitoba. About 40c per bushel was the average price paid for wheat in Manitoba to farmers, up to the close of navigation. We will take Brandon as a central point and figure up the cost of exporting as follows:

	Cents per bushel
No. 1 hard price at Brandon	40.00
Cost of buying, elevator expenses, etc. ..	03.00
Freight, Brandon to Fort William	11.40
Elevating, inspection, etc. Fort William say	01.00
Lake freight, insurance, Fort William to Buffalo	03.50
Handling charges at Buffalo	01.00
Canal freight, insurance, Buffalo to New York	03.00

	Cents per bushel
New York charges, elevating, etc.	1.20
Ocean freight, New York to London	0.25
Loss in weight in transit	0.40

Cost delivered in England 71.15

The above is figured up as fine as possible on the basis of fall freight rates. The allowance of 8 cents per bushel for cost of buying, operating elevators, etc., at country points is lower than is usually counted upon. Grain men figure 5 cents per bushel for cost of buying. However, on the basis we have taken, which is under rather than over the mark, it will be seen that Manitoba wheat bought at 40 cents per bushel in Brandon would cost a fraction over 71 cents per bushel delivered in England. On November 30, a lot of Manitoba wheat sold in Liverpool at equal to 72½ cents per bushel, leaving a margin of about 1½c to the exporter for profit and to cover office and incidental expenses, not include in the statement above.

This statement of the cost of exporting, compared with the actual sale in England, indicates that buyers here were paying all the markets of the world would allow them to, when they were buying wheat in Manitoba country markets at about 40 cents per bushel. How then, the question comes in, can they afford to pay 10 to 15 cents per bushel higher now, seeing that the markets of the world have not advanced in proportion? The answer is simply that they cannot afford to pay present prices, at least to export the wheat. The reasons for the recent advance in the local markets, was explained in The Commercial last week. The present situation is due to speculation and manipulation, based on the theory that the export business has been rather overdone, that the balance held will be all required for the home milling trade, and that the millers will be obliged to buy the wheat regardless of export values. There were other reasons for the recent heavy advance in wheat, more of a private speculative nature, but the theory for the advance was based on the reasons given. Whether these theories will be realized remains to be proved by the developments of the future.

THE DEAD MEAT TRADE.

A considerable quantity of dead meat is being shipped out of Manitoba this winter in the form of dressed beef. Notwithstanding the fact that there was a large increase in the number of live cattle shipped out during the past summer and fall, it appears from the shipments of dressed beef that a considerable surplus of cattle were left in the country at the close of the shipping season for live stock. The large number of cattle shipped out of Manitoba this year, as previously reported in The Commercial, indicates a very great extension of our live stock interests, which must be gratifying to those who have advocated mixed farming instead of excessive wheat growing. The live stock interests have evidently been vastly increased during the last two or three years. The shipments of dressed beef now going east will add materially to the number of cattle shipped during the summer and fall. Each carload of dressed beef would

equal about three cars of live cattle. We learned of one Manitoba firm which had orders for fifteen car lots of beef, equal to say 800 head of cattle. These meat shipments will therefore amount to quite an item in the aggregate.

The price of cattle has ruled rather low this season, owing to the position of Eastern Canada and British markets, which take our surplus production. Local dealers are expecting a firm cattle market for the balance of the winter and early spring trade. They believe that on account of the large shipments out of cattle, and later of dressed beef, that the supply of cattle for local purposes for the winter and spring will not be heavy. This, however, remains to be seen. So far prices have not shown much disposition to advance, and the price paid for Christmas cattle for the Winnipeg market was lower than in former years. Good beef cattle this time of year should show an advance over fall prices, on account of the length of time the animals have been fed.

A considerable quantity of the dead meat shipped out lately has been of the rougher class of beef, and was destined for the lumber regions of Ontario. These large purchases of beef indicate that fresh beef is replacing salt pork to a considerable extent for the lumber woods, a feature which will no doubt be very acceptable to the men.

BANK OF OTTAWA.

The financial statement of the Bank of Ottawa, presented at the recent annual meeting of the bank, is a very favorable one. Notwithstanding the unfavorable commercial situation during the past year, the bank has been able to earn a fair profit. The net profits for the year, after deducting all expenses, making provision for shrinkage in value of premises, etc., and allowing for bad and doubtful debts, is shown to be \$188,096. The sum of \$725,000 has been carried to rest, after paying two dividends of \$59,600 each, leaving still a balance on hand from profits of \$30,000. The balance at credit of rest account is now \$925,000. The net earnings of the bank were only \$3,616 less than last year, but this was on a larger capital than last year. Deposits in the bank increased this year \$714,844. Three new branches were opened during the year—all in Ontario, one being at Rat Portage. The report mentions the fine new bank building erected in Winnipeg during the year and now occupied by the Winnipeg branch of the bank.

It was decided to celebrate this the 20th anniversary of the establishing of the bank by founding a pension and benefit fund for widows and orphans of deceased officers of the bank. The bank was authorized to contribute \$20,000 to this fund, in four annual instalments.

THOUGHTS FOR THE NEW YEAR.

The New Year is a time for thinking over the situation, making resolves and turning over a new leaf. It is a fact that New Year resolutions are very often worthless and are