

## COST OF A BUSHEL OF WHEAT

### It Varies According to Yield Per Acre—One Estimate is 74 3/5 Cents

How much does a bushel of wheat cost to produce in Western Canada? The Canadian Credit Men's Journal gives the following estimated cost of a bushel of wheat delivered at Fort William based on the following assumptions:—

At 7 per cent. rate of interest. Land valued at \$30 per acre, including buildings, fences and all implements. That all feed is raised on the farm. That all horses are raised on the farm after the first purchase of 8. That implements, harness and tools last an average of 7 years. A 12 cent rate per bushel to Fort William. That on a half-section (320 acres) the crop will be about as follows: 150 acres hay and pasture. That an allowance of \$480 be made to the farmer (based on laborers' wages less what he would have to pay for rent).

Farmer's wages per year .....	\$ 480.00
One man and his board for 7 months .....	280.00
Annual charge to replace implements, harness, etc., value \$1,200 .....	215.00
Sharpening shares, shoeing horses and repairs to implements, harness, etc. ....	50.00
Interest on 95 acres used for growing oats, hay and pasture .....	199.50
Taxes on 95 acres used for growing oats, hay and pasture, 12c. per acre .....	11.40
Cost of thrashing oats and twine .....	144.00
Interest on first cost of 8 horses at \$1,600 ..	112.00

Total cost for labor and implements on 150 acres .....	\$1,491.90
Total cost for labor and implements on 1 acre ..	\$ 9.95
Interest on 225 acres wheat and fallow charg- ed to 150 acres wheat, per acre .....	3.15
Taxes on 225 acres wheat and fallow charged to 150 acres wheat, per acre .....	.18
Total cost per acre for labor, implements, interest, taxes and seed .....	\$14.28

Cost per bushel for various yields based on cost of \$14.28 per acre:—

Bushels per acre	25	20	15	10	17 1/2
Total cost per bush- el for labor, im- plements, inter- est, taxes and seed .....	57 3/25	71 2/5	95 1/5	1.42 4/5	81 3/10
Thrashing 8 cents, boarding gang and teams 2 cents, twine 1 cent=11 cents					
Elevator charges, commission, in- spection, etc.= 3 cents .....					
Freight to Fort William=12 cents	26	26	26	26	26
	83 3/25	97 2/5	1.21 1/5	1.66 4/5	1.07 3/10
Leaving out in- terest on land \$3.15 per acre					
Leaving out farm- er's wages 480/ 150 \$3.20 per acre, \$6.35 per acre or per bu.	25 2/5	31 3/4	42 1/3	63 1/2	36 2/7
The cost at Fort William would be .....	57 18/25	65 13/20	78 13/15	1.05 3/10	71 1/10

Here is Mr. Norman Lambert's estimate after a general inquiry in different parts of the West as to the various items entering into the production of a bushel of wheat. The figures which follow represent the costs of production from summer

fallow or the best cultivated areas, and they are based on the experience, not of one isolated farm, but of a series of farms distributed throughout the three prairie provinces. These figures are calculated on a basis of an acre. The estimated yield of wheat per acre is then taken and the cost per bushel easily follows:—

	Per acre.
Ploughing .....	\$ 2.50
Two diskings at 25c. each .....	.50
Seed drilling .....	.65
Seed at \$2 per bushel, and 1 1/2 bushels per acre .....	3.00
Harrowing after seeding .....	.25
Cutting with binder .....	1.00
Stooking (including harvesters' wages and board) ...	.50
Binder twine (2 1/2 lbs. per acre) .....	.50
Thrashing (15c. per bushel) .....	3.75
Hauling to elevators or train (10c. per mile per bush.)	2.50
Interest at 7 per cent. on value of land at \$50 per acre	3.50

Total cost ..... \$18.65  
Average cost per bushel (at 25 bushels per acre), 74.3-5 cents.

### Cost of Production According to Yield.

It may easily be seen that the cost of production per bushel will vary according to the average yield per acre. The summer fallow areas in the west this year promise to average about 25 bushels of wheat per acre. Therefore, the costs are lower on summer fallow than they would be on first breaking, which will produce probably from 12 to 15 bushels per acre. It would cost the farmer who has 15 bushels per acre at least \$1.25 per bushel to produce his wheat. There is also another variable quantity that must be considered—namely, the value of land. Fifty dollars per acre is not too high a price for good summer fallow land within ten miles of a railway; but there is much land in the west that is not cultivated so well, and it would average about \$25 per acre. The cost of ploughing new land, however, is just double that of ploughing summer fallow, and harrowing is also more expensive on the newer areas. Rates of interest and haulage charges are also higher where the land is cheaper, and the security not so good as in the more productive districts.

Therefore, it is fair to say that the average cost of producing a bushel of wheat in the west in 1917 would range between seventy-five cents and \$1.25, according to the yield. Any farmer working for himself would be able to keep well within those amounts. Two years ago the range was from sixty-five cents to ninety cents per bushel.

## LARGE BRITISH BANK MERGER

An amalgamation has been arranged between two of the oldest and largest British banks, the National Provincial Bank of England and the Union of London and Smith's Bank. The fusion will be effected on the basis of an issue by the National Provincial Bank to shareholders of the Union of London of nine £60 shares, £12 paid, of National Provincial Bank for every ten £100 shares, £15 10s. paid, of Union of London and Smith's Bank.

The name of the amalgamated bank will be National Provincial and Union Bank of England. The business of both banks will continue as at present. Directors of the Union will join the board of the National Provincial and Union Bank. The management and staffs of both banks will be retained. The amalgamation will take effect January 1st next.

The National Provincial Bank on June 30 had deposits of £97,365,600. The Union of London and Smith's Bank, of which Sir Felix Schuster is governor, on June 30, had deposits of £51,527,372. The amalgamation will be one of the largest banks in the country.

Financial editors of the London papers describe the amalgamation as a development of exceptional importance, and the greatest event of its kind in the history of banking in Great Britain, both in point of size and consequence.

The National Provincial Bank was established in 1833, and on January 1, 1917, its subscribed capital was £15,900,000, paid-up capital, £3,000,000 and reserve £2,000,000. The Union of London and Smith's Bank was established in 1839. At the beginning of the year its subscribed capital was £22,934,000, paid-up capital £3,554,785 and reserve fund £1,150,000.

The Royal Bank of Canada has opened a branch at Charlestown, Nevis, British West Indies.