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The gentlemen in charge of the various departments of the Journal, make it a point to answer without delay all questions, addressed to us and which may prove of interest to our readers.

DOES FARMING PAY?

MANITOBA AND OUR EASTERN PROVINCES.

SIR,—I have taken the liberty of forwarding herewith a copy of the Journal of Commerce, of August 15th, containing an article which will perhaps be of some present interest.

The continued agricultural depression in England, culminating in the almost complete ruin of the year's crop, will undoubtedly cause an unusually large emigration of the tenant farmers of that country, who, as they possess both capital and experience, form the most desirable class to attract to Canada. The three great advantages offered by Manitoba: cheap land (1), permanent fertility (2), and immediate readiness for cultivation (3) are so obvious, that unless due prominence is given to the particular inducements which the older Provinces can hold forth, these latter will fail to secure their fair share of settlers.

I would suggest, therefore, that an official effort should be made to obtain through the local agricultural societies, or still better, by personal application to their members, the figures necessary to arrive at an answer to the question, and I trust that the paper may be the means of eliciting such details of capital employed, and profits made in agriculture, as will serve to direct the unproductive labor and money of the mother country into that industry, on the progress and prosperity of which, the welfare of Canada so largely depends.

Respectfully yours, C. J. B.

Does Farming Pay?

The question of profit, though more frequently discussed with reference to agriculture than to any other branch of industry, has not yet, so far as we are aware, received any definite answer. The fact that very many farmers have accumulated considerable means through their own exertions does not conclusively prove the affirmative, for their fortune is often at least as much due to the increase in the value of their real estate, as to the profits of the sale of the farm produce (4). The question is of especial interest at the present time, when, owing to the overcrowded state of commerce and the professions, and the opening up of a new field for agricultural enterprise in the North-West Territories, hundreds of persons are looking to agriculture for a means of livelihood and an opening for the investment of capital.

It is an undeniable fact that an unduly large proportion of the earnings of the country during prosperous years has been invested in banking and commerce, which, even in the best of times, have rested upon a very insecure basis, and which, during the period of depression, from which we have not yet emerged, have not only failed to yield capitalists the return which they might reasonably expect from their investment, but have, in many cases, swept away the principal itself. The legitimate trade of the country is too small to employ even the remainder of the capital now engaged in it, and, although the adoption of a policy of protection will undoubtedly divert a part of this capital into manufactures,

the fact, that the possession of large sums of money is generally necessary for the successful prosecution of almost all manufactures, will prevent men of small means from engaging in them. The necessity of permanently reducing the number of non-producers is daily becoming more apparent and more widely recognized, and, with only the choice between withdrawing their money from an unproductive occupation, or of submitting to its gradual but certain annihilation, capitalists are seeking other and safer investments than trade can offer. The present, therefore, is perhaps the most favorable time to present the claims of agriculture that has occurred for many years. An opportunity offers to attract to the profession a class of men whose business training could not fail to establish principles, and work out results of the highest practical value, and who would, probably, be more prompt than routine farmers to recognize the proper proportion between capital and acreage, upon which the profit of agriculture so greatly depends. It remains for the promoters of agricultural progress, now engaged in the occupation, to point out, what no outsider can so well do, what return may be expected from the investment of labor and capital therein (5).

As a laborer, the farmer has a right to expect, as wages, a profit equal to what his education and capacity would enable him to earn in any other employment (6), and, as a capitalist, a net return equal to at least six per cent. upon the capital engaged, after deducting all necessary allowance for wear and tear, and contingent losses. Of course the relative proportion which each interest bears to the other will determine the nature and extent of the operations in each particular case, and hence it is of importance to distinguish between the profits of labor and the profits of capital.

Whether rightly or wrongly based, an impression is prevalent that farming does not pay; that, after deducting the necessary disbursements and allowance, and a fair equivalent for the farmer's time and labor, the balance, if any, does not represent a fair interest upon the capital employed (7). This view is supported by a consideration of the circumstances of the great majority of farmers, and by the infrequency with which agriculture yields a retiring competency to its followers, in comparison with trade (8). So long as the opinion prevails, capital will not be attracted to agriculture from outside sources, and indeed it rarely occurs that any outsider invests capital in farming, except as a hobby, and without regard to a return (9). Yet the intelligent investment of capital could not fail to be of the highest importance and benefit to the whole farming community; and agriculture, if it is in the thriving state which befits so important and so necessary an industry, ought to be able to offer as great inducements, as trade, to capitalists, whether as active or silent partners (10).

If it does offer such inducements, they must rank among things not generally known, and the figures sometimes adduced in favor of the affirmative side of the question are so vague and general, and so deficient in many particulars, as to throw very little light upon it. If, however, they could be tabulated something after the following form, a clearer understanding might be arrived at:

CAPITAL ACCOUNT.

Value of Land.
 " Farm Buildings.
 " Implements and plant.
 Live Stock, Dairy cows, young cattle, beef cattle, sheep, pigs and poultry, each in a separate account.