A FARMING PROPOSITION

STUDY THE FIGURES BELOW

As there seems to be a number of farmers in the Cardston district who wish to increase their investments, I believe it would be well for them to organize into a Farming Stock Co., by so doing they could operate farms on a large scale. It would be the object of the company to buy raw lands on the crop payment plan, improve and make sales and make the land pay for its self. By so doing the company would always be in a good financial condition, not having to finance any large payments to make on the land. But would only turn one-half the crop as part payment on the land each year.

I would propose that the company capitalise at \$100,000.00 with a paid up capital of \$40,000.00, with \$60,000.00 treasury stock which would be sold from time to time as the company wished to make new investments. It would be the object of the company to start business at once by buying six sections at an approximate cost of \$76,000.00 with a cash payment of \$19,200.00, and to plow and seed 2,000 acres at a cost of about \$18,525.00, including buildings and fencing to the amount of \$3,500.00. I have been figuring out this proposition to see what the possibilities were, and have become convinced that there is an opportunity to make money that has no equal anywhere in the field of investments. I have submitted the figures given below to a number of successful farmers and they all, without exception, agree with me.

Bear in mind, I am not selling any tock, but am asking you to go in with me in the undertaking. All that is required at present is that you should signify your intention of taking stock and also intimating how much you are willing to subscribe and pay for at once. This should be done before May 15, in order that incoporation may be secured without delay, the lands contracted for and arrangements made for putting in the first crop.

Below I give figures to show the position the company should be in after 10 year's business. It will be noticed that the expenses are given at outside figures, as I have made all calculations on a contract basis, while the average yield and selling price have been placed so low as to allow for any possible fluctuations in yield.

1st, payment on lands		\$40,000	Interest on \$44,350	2,660		Net profits	12,400
Breaking 2000 acres @ \$4 Disking	8,000 4,000 2,000		to apply on purchase	27.340 13,670		Total surplus	26,150 8,000
Seeding	1,000			13,670			\$18,150
FencingBuildings	525 3,000		Season 1911-	12		Season 1913-14	
Balance to carry over		\$2,275	Cash available		\$13,670 7,000	Proceeds of crop 30,000 Less cost of seeding7,000	
Season 191			Surplus		6,670	Dividend 10% 4,000 11,000	19,000
2000 acres @ 30 bn. per acre Selling at, after paying har- vest expenses, threshing	60,000	bu. `	Crop as per figures above Interest on \$30,680	30,000 1,840			\$37,150
and hauling to market, 50c	\$30,000			28,160		Sixth Year	
Deduct interest on purchase price	3,500		to apply on purchase	14,080	14,080	Proceeds of crop 30,000 Less cost of seeding 7,000	•
to be applied on purchase	26,500		Surplus		\$20,750	Dividend at 10%4,000 11,000	19,000
price	13,250	10.010	Season 1912	-13			\$56,150
Leaves for seeding fall 1910		13,250 \$15,525	Surplus on hand		20,750 7,000	In like manner the 7th. 8th, 9th, and 10th years should give \$19,000 net	
Season 1910	-11	45 505	Crop as above		13,750	each, after paying running expenses and dividends of 10% each year	76,000
Expenses seeding 2000 acres Crop—2000 acres @ 30 bu.		15,525 15,000	Less interest	29,000		Add value of land at \$40 per acre	132,150 153,600
60,000 bu, at 50c	\$30,000		Balance on land paid in full	16,600		Value of assets at end of 10 years	285,750

Equal to 714 p.ct. on original investment besides having paid 70 p.ct. in dividends

This is also on the basis of the surplus lying idle in the banks, and earning nothing, while of course judicious handling of the surplus would very materially increase the profits even above the figures quoted. I therefore take this opportunity of placing this proposition before you, and should it appeal to you as a good safe common sense investment, I trust you will be able to get in on the ground floor, as I feel confident that the Company will be organized and in working condition by Mary 15.

R. Wm. PILLING