

*Some Figures Which Throw Light on Farmers' Incomes
on this Continent---By John A. Stevenson*

The ~~lack~~ evidence of the economic fortunes of a class or section of the community can be found in income tax returns; but unfortunately our Canadian Income Tax has been in existence such a short space, and its administration has been so slipshod, that statistics are not available for a proper diagnosis. However, taken all in all, farming conditions on the continent of North America do not present any marked difference from the economic point of view. Canadian farmers are faced with the same sort of circumstances as United States farmers. Their climate is, perhaps, a little sterner, but the varieties of soil are the same, their oppressors and enemies bear close resemblance, and neither enjoy too often the blessings of efficient and enlightened government.

We may safely take it that evidence as to the financial earnings of United States farmers would provide an interesting side-light upon the incomes of Canadian farmers. The United States Income Tax has now been in existence for practically six years, and sound deductions can be derived from the returns of 1916. Some of these have recently been made, and may be of interest to Canadian readers.

In the United States the obligation of making an Income Tax return only falls upon men who have a net income of \$3,000. This limit, while it may have political motives behind it, is based upon pure common sense, and has also been accepted in Canada. Men who have reached it may enjoy the ordinary social comforts of life, but economic ease is certainly not their lot. Their condition is not one that would make a potent appeal to an ambitious young man at the point of choosing a career. Yet out of 6,000,000 farmers, stock raisers, and fruit growers, only 14,407 reached the income tax lists of 1916. Yet this quota included the great ranchmen of the Rocky Mountain states, the owners of the rich fruit farms in California, the owners of great sugar and cotton plantations in the southern states, and retired millionaires attempting to dissipate their fortunes as amateur farmers. One in every 400 so-called farmers in the United States enjoys an income which brings him to the dignity of making an income tax return under the laws of 1916. Is it at all probable, when we consider the number of the habitants of Quebec farming meagre acres and the struggling homesteaders of the West, that Canada will show as good a percentage, even if farmers are compelled, as they now are, to include in their returns the value of the last onion grown in their kitchen gardens?

How does farming compare with other occupations in light of the economic tax returns? Teaching is regarded as a poor and underpaid profession, but yet one teacher out of 200 in the United States pays income taxes. Clergy are not famed for their wealth, but one in 80 has the necessary margin. One commercial traveller out of every 22 is enjoying tax-paying prosperity, and one doctor and one military man out of 14 are in the ring. Engineers did even better, as one out of 9 filled in the forms; and I know the reader will not raise his eyebrows in surprise when he learns that one lawyer, one banker and one broker out of every 5 was able to

make the grade. In short, in 1916 in the United States, a lawyer, banker or broker had 80 times the farmer's chance of being caught by the income tax.

Not only had the farmer 80 times the chance of these favored classes to escape income taxation, but even when caught he was captured with a much smaller purse. Of the 14,407 farmers who filed returns, a little less than 6,000, or 44 per cent, had incomes under \$5,000. Of the lawyers and judges, only 34 per cent, returned incomes under \$5,000; of the bankers only 20 per cent. If the figures in comparison were expanded, the disparity between agricultural fortunes and other occupations might be further emphasized.

We have not the slightest doubt but that the income tax returns of Canada would show no great divergence from the revelations of the assessments of Washington. Senator Nichols and his friends will retort perhaps that farming is not a profession, like law, or medicine, which demands a highly specialized training, nor an enterprise like banking or stock broking which demands considerable capital. Naturally farming may vary from the most primitive culture of the half-breed farmers around St. Laurent, Manitoba, to a scientific highly capitalized enterprise, but it is safe to say that among our farmers there is just as large a proportion with a good technical training as there are among lawyers and bankers. As far as capital is concerned many farmers have an investment in their holdings which, if invested in banking or broking, would soon put its possessors in the income tax class.

Possibly it is natural that professions of standardized technique, like medicine and banking, should yield greater returns on the average than that of agriculture, where the technique has an amazing range of variation. But it is astonishing that the percentage of American farmers with incomes of over \$3,000 should be no greater than a quarter of one per cent. and it surely furnishes some proof that economic institutions are working against the farmer.

We are now talking gaily and enthusiastically about settling our returning army on the land; but in the years to come, when the increase of paper money and war debts have almost doubled the cost of living, do we expect men to take cheerfully to a living which only offers one in 400 chances of making \$3,000 a year?

Is there any reason to suppose that under existing conditions the proportion of capable and well-trained men who will venture on an agricultural career will increase? Of course, there is a retort that man does not measure life by income tax returns and that admitting an easy income is difficult to obtain by agriculture, still the atmosphere of rude plenty, the security and independence which it secures is sufficient compensation.

This problem arouses psychological and speculative questions which cannot be here entered into. But we do know this, that in determining the choice of occupation the chances of financial success carry great weight; and if agriculture, which is the most essential of all professions, is to attract ability and skill, its conditions must be improved.

When our income tax returns have been completed and the chaos and muddle now reported as existing in the Ministry of Finance are ended, let us hope that R. H. Coats, the able statistician of the Federal Government, will make a rough estimate providing Canadian farmers with an idea of their chances of reaching the financial class of, say, the average Bank of Commerce manager of ten years' standing.



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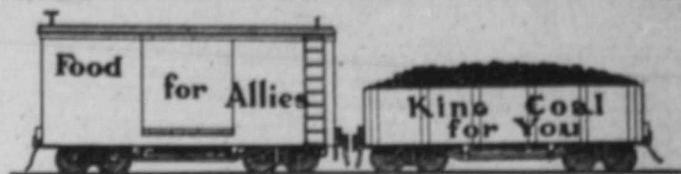
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