

The Future of Canadian Agriculture

The price of wheat is due to fall at the close of the war, while the price of living in general will remain high. The foreseeing farmer will begin to lay plans to meet the new situation

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The war has proved the economic salvation not only of Canadian manufacturing and commercial activities, but of agriculture as well. Agriculture in the Canadian West was prostrate in 1914, a condition brought about not only by crop failure but by the growing costs of production that in many instances had overtaken farm prices. A crop failure in 1915 would have driven thousands of farmers from the plains of the West, so narrow were their resources, and so discouraged were they with economic conditions. Eastern observers have sometimes become impatient with the agrarian demands of the prairie provinces, but it must never be forgotten that economic discussion in the West keeps close to the good brown earth and has a vital bearing upon the standard of living of the people.

War prices have proved the rehabilitation, as already remarked, of Western agriculture. The standard of living among agriculturists has not only been maintained but considerably advanced. This is a matter of congratulation to East as well as West, for Western farmers in the years to come will demand in largest volume the output of Canadian factories. It is unnecessary to emphasize the surpassing importance of the prairie provinces to the economic life of the Dominion; and now that the standard of living has been raised it may be fairly expected that an ever increasing demand will be in evidence for the products of Eastern manufacturers. In this connection, it may be well to point out how unfair are the attacks that have been made upon Western farmers, in certain quarters in the East, with respect to war prices. It is charged that the farmers are insincere in protesting against profiteering in Canadian commercial life while they themselves blandly reach forth for the economic prizes of war. War prices for food products are the result of world hunger, and are in no way due to monopolies and combines on the part of agricultural workers. Moreover, we have yet to hear of millionaire farmers; while many a millionaire has been produced in manufacturing, in commerce and in stock exchange transactions due entirely to the contingencies of war. Also, agriculturists are the only large body in Canada, producing a basic necessity, who have suffered economic loss through price-fixing by Government action. Very feeble attempts, only, in other directions, notably among coal dealers, have been made to control prices and profits.

However that may be, we are interested, in the present discussion, in those factors and forces that will make for the permanent prosperity of agriculture in this country. Let farming decline and manufacturing and commerce will inevitably languish and suffer economic reverse. It is a matter of vital importance, then, that the products of the farm shall bring fair prices at the close of the war. In our judgment food prices will remain high, though certainly not on war levels, for two or three years after the close of hostilities. It will take more than a year to restore fertility to the denuded fields of Prussia, Poland and North-eastern France. Russia is the big grain-producing country of Europe, and Canada's future chief competitor in wheat production, and sale in the neutral markets in Europe. Food prices, therefore, will rule high for a considerable period after the war, until the world's hunger at least, shall have been appeased. If we take into consideration economic dislocations of one sort and another, the necessity for rebuilding towns and public works in the areas devastated by war, as well as the flood of paper money and the huge issues of war bonds that have overspread Europe — the latter themselves forming the basis at banks for increased credit and purchasing power — it is easy to understand that prices not only of agricultural produce, but of the raw materials required for the essential industries will remain at high price levels for years after the war. Such must be, since the billions of paper money and the tens of billions of war bonds cannot be liquidated quickly at the conclusion of hostilities. In a word, we may say that the world is experiencing, and will continue to experience, a period of price inflation.

Nevertheless, it must not be supposed that agriculture will necessarily benefit as a result of high prices, at least not permanently. There are those living who recall the extraordinary prices paid for raw materials, hides, wool and cotton, iron and steel,

and agricultural produce during the American Civil War. When the armies in the field were disbanded tens of thousands of men hurried to the Western plains to prove up homesteads which were as yet free. They naturally supposed that high prices would continue, and that the safest investment they could possibly make of their labor and enterprise would be in farming. High prices ruled also in manufacturing, but industry collapsed in the world-wide panic of 1883. Those who had gone to the land appeared to have made a sound choice of occupation; but beginning with that year there was a steady decline in all farm products, which continued until 1896. Some of the best corn ever grown sold at 8c per bushel in Kansas and Nebraska, and other products fell in almost equal proportion. These low prices naturally re-acted upon farming in the Atlantic States and elsewhere, with the result that there was a steady movement from farm to factory — a movement that increased in volume and to so great an extent that it alarmed the leaders of the nation. But it was a movement that was inevitable under the circumstances; for, aside from the appreciation in the value of gold and the steady fall in gold prices, agricultural production and supply went far ahead of demand. It is no cause for surprise to the student of history that Bryan was able to fascinate the American West with his panacea for all economic ills — the coining of cheap silver money and the artificial increasing of prices by the use of the silver standard.

It would be well, therefore, for Canadian farmers to bear these facts in mind, under present conditions. Everywhere on the prairies wheat acreage is being extended to the neglect of other phases of farming. As long as wheat finds a world market there is not the same danger of an over-supply as in the case of other products, such as potatoes and perishable crops. Nevertheless, the price of wheat is due to fall at the close of the war, while the price of living in general will remain high. The far-seeing farmer will begin to lay plans to meet the new situation. He would not be far wrong in taking a leaf from the book of the stock speculator — who is accustomed to sell in a rising market and to buy when prices are falling. War conditions alter general facts, but it is safe to say that this principle will bring the best results at the conclusion of hostilities. Shrewd farmers have made it a practice to sell, for example, their old stock in a rising market, and keep their young animals, to be augmented by new purchases in the inevitable decline of prices. A close study of agricultural conditions will show that these cycles of prices occur in agriculture as well as in commercial life. Up to the present Canadian farmers have not known how to meet price changes. It would appear, then, to be the part of wisdom to increase stock-holding everywhere in this country and to place less reliance, especially in the West, upon the single wheat crop. Experience in the Southern States has shown how dangerous it is to the agricultural class to depend upon the cotton crop solely, a crop which is susceptible to wide price fluctuations. Of course, the lure of exceptionally high prices will always draw producers and speculators into a particular field. Again and again it has been demonstrated how dangerous such action can be. A final illustration of this fact may be given. Very high prices, relatively to other crops, ruled in the apple markets during the years 1860-1870, and many young orchards were set out, both in Eastern Canada and in the Eastern United States. It takes twenty years to make the full effects of such planting felt, but felt they were in the demoralization of the apple markets in 1885-1895. Many orchards were cut down in New York State and elsewhere, because farmers had not grasped the simple truth that exceptionally high prices lure large numbers of producers into that particular kind of business with inevitable decline of values when supply overtakes and exceeds the demand.

Another factor of vital significance to the farmers of Canada and the United States is the question of transportation. Canadian farmers produce, in large measure, for a world market and not for home consumption, as in the pioneer days of the past. Cheap, bulky commodities must be marketed close to consumers, while finished or durable products such as beef, bacon, cheese, butter, eggs, wheat and so forth, can be transported long distances. In truth,

it pays better on the whole to ship grains from the West to the East in the form of beef, butter and cheese than to carry the feeds themselves for use on Eastern farms. That is why pork and beef are more economically produced in Illinois, Iowa and Nebraska than in New York or the New England States. Most people imagine that the centre of the corn belt is also the centre of hog production — that hogs and corn always are produced together. As a matter of fact, although Illinois grows much more corn than Iowa, the latter State produces twice as many hogs — due to the small difference in price in corn, as between the two States, the grain being cheaper in Iowa than in Illinois. Cheap feeds are the deciding factor in hog production as well as in the stock industry, the better pasturage and the longer season of the East being more than counter-balance by the cheaper feeds in the West. The cheap lands of the prairie provinces should make it possible to build up and develop a great stock industry; and the fact that Saskatchewan is now the second province in the Dominion with respect to the number of head of stock, demonstrates that Western farmers are learning this lesson. While transportation is of the greatest importance, therefore, in the diversifying of farming — and in the development of types of farming, cost of production on the farm is of even greater significance.

We may conclude, then, by drawing attention to costs as the vital factor in making for successful farming. There are stock raisers and dairymen in Ontario and the Maritime Provinces who are making a profit, it is true, but not making the profits to which they are entitled simply because they have no clear conception of costs, and the relation between cost of production on the farm and selling prices. Merely because hay may be raised at \$5.00 per ton is no argument for feeding it to steers which will yield a profit of three or four dollars on the ton, if the same hay can be sold on the market to yield a profit of \$15.00. In every branch of farming it is essential for permanent success to keep these facts in mind — that farm products which are used again for finishing purposes must be reckoned at their selling value and not at their original cost in time and money to the farmer. If this fact is ignored, otherwise successful farmers will be pushed to the wall by the importation of products raised under more favorable conditions. The manufacturers have in recent years made a careful analysis of cost of production; it is now the turn of the farming community to adopt similar measures if success is to be achieved in the war after the war.

HIS SACRIFICE.

That bright-eyed lad—your own, or your dearest friend's, or the neighbor's along the street—who marched away with high head and the glow from the fire of patriotism within lighting up his face—where is he to-night?

Silent and still he lies, among the glorious dead who sleep beneath the soil of France and Flanders—side by side, rank upon rank—as they stood in the day of battle.

The soldier lad is gone. He is one of the thirty thousand Canadians who already constitute the army of our immortal dead. Never again shall you hear his cheery voice or look upon his manly form. When the sons of the Dominion return to the homeland which by their valor abroad they are saving from the horrors and devastation of war, his place will be vacant. He has paid the price of liberty—the ultimate price.

That was his sacrifice. What of yours? He gave up his young manhood and his hope of a useful and happy life, and the romance that was coming into it. What have you done to prove worthy of his love, or his friendship, or his admiration?

Have you sacrificed anything at all to the promotion of the cause for which he sacrificed all? Does "the jingle of the guinea" in your pocket sound louder than the prompting of patriotism? Are you looking for seven per cent from some investment that will divert money from the national war chest? Are you unwilling to sacrifice even one per cent on the altar of freedom?

Some men are, but surely not you, who have known with what unflinching courage that bright-eyed lad—your own, your dearest friend's, your neighbor's—went forward to the wooden cross at the journey's end.

In deep humility, because it is all that you can do, and falls so far short of his sacrifice, bear your part in raising the money needed to carry on the struggle to the only end that freedom-loving men can contemplate—the destruction forever of war as an instrument of autocracy in the subjugation of mankind.—Toronto Globe.