

this might conveniently be described as the milch-cow theory of banking. That indicates the part he is supposed to play in it.

This then, is the situation. Agriculture is awaking to new possibilities. The situation of our Empire also, in this world crisis constitutes an urgent demand for increased production. To fulfil these possibilities, to meet that urgent demand, the pressing need is for a large increase in the amount of capital available, on suitable conditions, for agricultural enterprise. And finally, the present returns from farming, and our present machinery of finance seem utterly incapable of meeting that need.

Four.—And if this be the situation, what do the facts suggest by way of improvement and remedy? That is surely obvious enough. We need first of all such readjustments in the financial and economic situation as will give better returns to the farmer. All enterprise responds wonderfully to the magic touch of prosperity. Let the farmer have a good experience of it and see agriculture expand. Let the general public cease to delude itself any longer with the expectation that the farmer can be permanently beguiled into employing his capital and labor for inadequate profits. That state of affairs will not continue indefinitely. The sooner this is realized, and the sooner a change is made, the better it will be for all parties concerned. Let it be well noted too that better returns to the farmer need not always mean higher prices to the consumer. Better marketing arrangements, co-operative enterprises, transportation and storage facilities, not operated exclusively in the interests of the Railway companies and the middlemen—these are matters that in the interests of both producer and consumer alike demand immediate attention. If scientific production is a good thing why not scientific distribution too—scientific marketing? And if we wish to relieve agriculture of some of its unfair burdens why should we not insist on scientific—that is economically sound—taxation also? This if it did not actually give the farmer more, might at least leave him more, which after all is the important matter.

But leaving aside for the time being these important and urgent questions, there is one other matter that cannot be taken hold of too promptly and energetically. The situation calls for some re-arrangement or re-adjustment of our financial machinery, or very probably for the addition of some new parts to that machinery such as will make capital more readily available, in much larger quantity, and on more suitable conditions than at present. Yields in agriculture fluctuate considerably from year to year. We may have a gain due to a special spurt, or to unusually favorable conditions that will seem wonderfully promising, but it is useless to look for any substantial and sustained increase in our agricultural production until we have taken some really effective measures to meet the actual needs of the situation. You cannot dig ditches by talk. You cannot produce more merely by whooping about it in the newspapers and on public platforms. There is no use asking the farmers to "make bricks without straw." You cannot enlarge your farming activities and increase your production unless you provide means to supply the capital with which to set to work.

The anomalous and, at first sight, discouraging feature of the situation is, as we have already noticed, that if agriculture is starving for want of capital it seems to be starving itself. The farmers of Ontario have \$100,000,000 in the Savings Banks, and yet farming operations are crippled for want of capital. There is surely something wrong somewhere. There is; and it is not hard to say what it is. Let us remind ourselves again of the distinction to be made between figures that are totalled up in the aggregate, the aggregate savings of all the farmers, and the personal circumstances of the hundreds of thousands of individual farmers that are actually engaged in the work of production. The farmers as a whole may be rich; but all the farmers are not rich. Their circumstances vary between both extremes. Naturally the great bulk of these surplus possessions is in the hands of the older men, the men who have had the time to make the slow accumulations that alone are possible in farming. This money is deposited in the Savings Banks largely because its possessors do not know what else to do with it, because on account of age or for some other reason, they do not find in themselves the strength, or the enterprise, or the ambition or the skill that would give them confidence to employ it in extending operations in their own line. They are looking for something comparatively easy and safe.

On the other hand there is the great body of younger men, ambitious, enterprising, keen for work, anxious to expand, eager to adopt improved methods, but who are hampered by want of capital. They have no surplus capital of their own, and they find it impossible to secure capital at rates and on general conditions that would make the undertaking reasonably hopeful of success. The one class has the capital but is unable to use it. The other class could use the capital but is unable on satisfactory conditions

to get it. What is wrong is that we have made no suitable provision for bringing these two classes together in the relationship of lender and borrower, a relationship that would be not only mutually beneficial to both parties concerned, but would be also in the highest degree advantageous to the general public, would aid greatly in the development of our resources, and add enormously to the wealth and strength of the nation.

To organize a system that would bring these two classes together in this way, giving the borrower cheaper money than at present, and the lender better returns than he now secures as a depositor in a Savings Bank, and on better security too, would no doubt be a task of considerable difficulty. But there is nothing impossible about it. It is a thoroughly practicable scheme. It has been done elsewhere with most eminent success, under conditions not one whit more favorable than exist here. It has been done, for example, in the German Landshaft or land mortgage bond system, described by C. F. Bailey in the excellent article already referred to in the Christmas Number of "The Farmer's Advocate." In other countries also the same end has been attained more or less effectively by other devices. It has been done; that is the point. It is being done to-day. Why should not we do it, adapting from tried systems and modifying and developing according to our special circumstances and requirements? Why not?

Think what it would mean to this country. To the depositors of \$100,000,000, instead of 3 per cent. on their money it would mean  $3\frac{1}{2}$  or 4 per cent. On the other hand try to conceive what 4 per cent. money would mean to hundreds of thousands of our younger farmers in this Province who are only asking for a chance to expand and produce more. Try to conceive the impetus that the whole tremendous business of agriculture would receive, and as a further consequence also, the whole commercial and industrial life of the nation as well. Why should we not put our hand to this thing and carry it through?

It is scarcely conceivable that serious opposition would come from the chartered banks. They, no doubt, would stand to lose some of the deposits in their savings departments. But any injurious effect from that source would be vastly more than offset by the great increase that undoubtedly would take place in their business, due to the expansion of a revived and greatly strengthened agriculture. Everything that helps agriculture is certain to help every other legitimate interest in the land.

This is not the place nor the time to present detailed plans. They can be produced when they are required. What is needed now is to get our people seized of the main idea. We want constructive leadership, not negative criticism. Mistakes have been made, of course; dangers are to be run. That is the way with everything in this world. We do not want reckless experiment. We do want leadership. Sound, cautious, conservative, but at the same time progressive. We want to go on.

For our leadership where are we to look? A new Premier has recently taken over the reins of Government in the Province of Ontario, young, alert, ambitious. If he will make this question his own, if he will make his Government the instrument of establishing in this Province a sound system of rural credit suited to the needs, meeting the demands of these new days—that would indeed constitute a real contribution to the prosperity and happiness of his native land. To the honor of high office, it would add the nobler distinction of true service.

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EDWARD B. HORNE.

## Farming Problems in Great Britain.

Editor "The Farmer's Advocate":

At the moment, English farmers are "up against" several problems, just as are householders and others "up against" the rise in the price of foodstuffs, a subject which the Government has promised to enquire into. The farmer's problems are shortage of labor, consequent upon so many young men having gone to the war, and a shortage also of horses. These will be met, however, with Belgian refugee helpers on the farm; by the assistance of child labor, a special dispensation being sought to allow school boys and girls between twelve and fourteen years of age to do their little bit; and by the use of the Canadian mares which are being retained in the country and not sent to War. Many British-bred mares that had gone to the Front and have heard or been under gun fire have been sought out and brought back and are to be sold cheaply to farmers to breed from. This is the outcome of the cry out against so many valuable mares having been sent out of the country in the first rush of troops abroad.

What has soared in England to well nigh sixty shillings per quarter of 504 pounds. It reached 59s and 58s-6d in London and in one or two places in the country just attained 60s and then fell back again. We over here feel sure that "The Pit" at Chicago has been responsible for

the rise in the price of British wheat and that "the squeeze" has been made by the German elements at work in the United States.

Still it was only as recently as 1877 that English wheat was sold as high as 69s-9d per quarter of 480 pounds. During the Crimean war the average price for the whole of 1854 was 72s-5d and in 1855, 74s-8d, but as much as 83s per 480 pounds was paid during several months of both those years. During the Napoleonic wars, the average price of native English wheat was 123s per 480 pounds. In 1813 it was 109s. At one time in 1812, however, it did reach 176s per quarter.

Since Canada has become a factor in the world's wheat growing countries, Britain's prices have enjoyed a long run of normal years. Wheat in the day of "Lester's Corner" was almost as high as it is to-day but flour was actually 2s to 3s per sack dearer and bread advanced to 8d per the four-pound loaf. Those were peace prices and occurred in a year when United States and Russia were both boasting abundant crops.

Flour at the moment in London, is selling at 46s-6d per 280 pounds and housewives are grumbling. People are blaming the shipping people for the rise allround in the prices of foodstuffs. The shippers say rates have gone up alarmingly. Well, if they have, it would look as if Germany really has got command of the seas even although she is doing very little beyond slaying babies and bombarding Saxon Ruins! But the Government is going to enquire into things. At the early part of the war, the Government fixed the prices of foodstuffs. The thing seems to have been forgotten and the shippers are having "a dip in." Canadian hams are selling at 74s to 78s and long Canadian hams realize 72s to 76s. Canadian cheese sells at 84s to 86s for finest, and 82s for undergrades. These prices may be useful for a comparison.

Perhaps, on serious consideration, there is something in the shippers' cry that dearthness comes because of the great rise in freight prices, particularly from Argentina. A still more serious contributory cause, it is asserted, is the temporary prohibition of exportation of wheat from Russia, India and Australia. Russia formerly exported 30 million quarters of wheat per annum to the United Kingdom and the Continent. In normal times, Australia exported eight million quarters, which was more than we ourselves could grow; but last season's crop in Australia was quite ruined by drought. Thus our sources of supply from without are largely restricted to Canada and the United States.

Throughout the manufacturing districts of England, what wage-earners there are left to do work are being well paid for as much work as they can do, and can therefore as well afford to pay the higher prices for their food as any other class. As a matter of fact, ever since the war began there has been appreciably less unemployment in the industrial districts of mid and northern England than at this time of the year for many years.

Farmers, who breed remounts and other horses as well as grow corn, naturally remind the people who are pleading for minimum prices for wheat and other products of the land that they are still suffering seriously from the sacrifices they recently made in parting with both men and horses; that they are being requested to add every horse they can to the nation's stock; and that War Office buyers, armed with powers of impressment, might start another national levy, fixing their own prices, any time.

As not only wheat but most other classes of grain, as well as meat, potatoes, roots, hay and straw, and most other products for human or animal consumption have gone up and are still ascending, it is admitted that there is a case for enquiry by the Government as to whether they can divert more of the vessels in their possession for importing produce, and thus modify freights. But there is a fear that if, yielding to popular demands, they overstock the market by attempts to relieve the pressure, the minimum prices fixed might be a poor reward for all the sacrifices that English producers are being called upon to make. The increase of the wheat area at the recent sowings is officially estimated at 10 per cent. Farmers who were persuaded to add to their wheat acreage say they adopted the advice of the Board of Agriculture and other advisors partly in the belief that good-paying prices would be assured them for all they could produce.

So, arguing things out from all standpoints, everyone should be happy and should smile and pay up!

South Africa has just taken 61 head of Ayrshires from S.W. Scotland, and a host of milking Shorthorns from all over England. Red cattle in South Africa are also in much demand from the Old Country.

A suitable name for the farm is a great advantage to any farmer but more particularly for the breeder of live stock who wishes to register his animals in the Records of this country. It affords an opportunity to bring honor and fame to his efforts and his home.