

# FARM AND DAIRY

AND RURAL HOME  
PUBLISHED EVERY THURSDAY



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**The Rural Publishing Company, Ltd.**  
PETERBORO, ONT.

"Read not to contradict and in conflict, nor to believe and take for granted, but to weigh and consider."—Bacon.

## The Nor'West Farmer

WE wish to extend our sympathy to the Nor' West Farmer in the loss it has sustained in the destruction by fire of the building and plant of the Stovel Company, Publishers, of Winnipeg, in which it was edited and printed. The Nor' West Farmer, of which Mr. C. D. Stovel is managing director, is one of the outstanding agricultural papers of the west. Its wide circulation and the firm position it holds in the estimation of western farmers insures its speedy recovery from the calamity with which it has been overtaken.

## Condensery Scheme Exposed

THAT the farmer should exercise the greatest caution in investing his money in schemes which the glib tongues of promoters can make so alluring, has received additional emphasis by the attempt to float a company, the object of which was, according to the prospectus, to establish a milk condensery at Brampton, Ont. To the average man, who, of course, does not pretend to have an expert knowledge of stocks and bonds, the affair looked plausible. "To dairy farmers a condensery, which would supply an additional market for their milk, naturally appeared strongly. To the paper issued by the company, the sounding title, "Seven Per Cent. First Mortgage Gold Bonds," was given. A premium of sixty dollars of common stock was given with each \$100 bond. To make the bond appear more substantial still, arrangements had been made with a trust company, which agreed that upon the deposit of twenty-three dollars when the bond was purchased they would guarantee its payment at par at the end of thirty years. Bonds could also be paid for in milk, delivered at the condensery when built. The impression was given that the Department of Agriculture approved of the formation of the company.

To the uninitiated, the scheme was attractive.

Submitted to the scrutiny of an expert, however, it was found that it lacked practically everything that characterizes a sound business proposition. Saturday Night, in exposing the scheme, pointed out that the first prospectus of the company violated the Ontario Companies Act, in not giving the proper statutory information. Not having tangible assets, the company was not entitled to issue bonds. The trust company was playing safe in guaranteeing the so-called bonds, 1: the twenty-three dollars at the end of thirty years at ordinary rates of interest, would amount to \$100. The milk bonds were not subject to the guarantee. To the statement that the Department of Agriculture in any way favored the formation of the company, the Minister, in a letter to the press, has given an unqualified denial.

The publicity given to the scheme and the prompt action of the local district representative, seems to have thwarted the plans of the promoters and to have resulted in the farmers who invested having received their money back. It is stated, however, that these same promoters have been successful in disposing of \$50,000 worth of stock in another condensery. They will likely stay in the business as long as it can be made to pay. But that will not be long if dairy farmers profit by what has come to light in connection with the Brampton company. In the meantime why is there not a law in the other provinces, as there is in Manitoba, that requires a company to satisfy the Attorney-General's Department as to its reliability before it can offer its stock to the public?

## Canada's Railway Problem

THE necessity of a loan of \$12,000,000 to the C.N.R. and another of \$8,000,000 to the G.T.P. in order to preserve the solvency of these two railway companies for another year, has had the effect of again turning the attention of the people of Canada to the question of the nationalization of railways. The tabling of the correspondence in the House of Commons, showing that the G.T.P. has been formally offered to the Dominion Government, has stimulated interest in the question. The country is faced with the alternative of letting the railways go into the hands of receivers, or meeting the annual deficits of the companies until population has overtaken railway construction, or of taking over the roads and operating them at a loss for an equal period of time. To the first of these alternatives it is objected that should the railways pass through a receivership the nation's credit would be seriously damaged at a time when circumstances require that it be kept in as good a condition as possible. To the second it is acknowledged that the people are becoming disgusted with the spectacle of seeing the millionaire promoters of the roads walking off annually with all they can carry of the people's money. The question of nationalization, therefore, promises in the near future to be a question of public policy on which the people will have to decide.

Although it is an easy matter to overestimate the damage that would result if the railways involved were to go into the receiver's hands, and although the burden of meeting annual deficits would not be lessened if the people took over the roads, there are other reasons why the roads should be nationalized. Railways are public service utilities, paid for and maintained by the earnings of the people, against which they are the greatest single charge. They should be operated, not with the object of making profits, but of furnishing efficient and economical service. Wisely distributed, they would pay their way and not be burdensome. If they are operated at a loss it is because their lines have been extended beyond the needs of the people. Annual deficits, made up by annual draughts on the public treasury, although a very strong argument against

leaving the building of railways in the hands of titled Empire wreckers, is no argument against nationalization. Taking over the roads will not atone for our errors in the past, but it should enable us to evade a repetition of such errors. Canada has accumulated railway experience rapidly during the last ten years, and by now should be able to publicly administer her railways with at least approximate efficiency. The success we have achieved in the administration of our postal service furnishes reason to believe that our railways may in time, be made equally efficient.

## The Things That Are Caesar's

IN theory, the income tax is superficially plausible; in practice it is unworkable. That it is unworkable is fully borne out by the findings of Basil N. Manly, of the United States Commission of Industrial Relations. In his able analysis of the income tax situation, Mr. Manly shows that last year in that country, the income tax was dodged to the extent of \$930,000,000, which exceeds by \$111,000,000 the total amount raised by the tariff during the same time. In the case of one Standard Oil magnate, he shows that the income tax due was \$341,000, whereas the amount actually paid was only \$58,035.

The discrepancy between the amount collectable and the amount collected may be put down by some as due to the bad administration of the law. It may be held that in Canada the tax collector is not so easily evaded. Such a position, however, is untenable. Canadians are as efficient tax-dodgers as their Yankee cousins. The discrepancy is primarily due to the impossibility of collecting the income tax with any pretence of uniform justice. The income of the man who draws a straight salary is easily assessed, but how is the income of the doctor, lawyer, civil engineer, and others, whose incomes are in the form of fees, or of the business man, whose income is in the form of interest or profits, to be even approximated. To say it is a reflection on the part of our fellow citizens to suggest that they would defraud the country of its dues may be polite, but it does not show a clear insight into the human character as recent public disclosures have revealed. One of the most prominent men of his day in Canadian public and financial life endeavored, by the disposition of his property, to defraud the government of over half a million dollars of succession duties. If men will falsify their wills, they will also falsify their income statements. The experience of the United States has shown that the income tax is a failure, its chief characteristic being that it puts a premium upon dishonesty and a check upon industry. The less we hear of such means of raising revenues in Canada the better.

Farmers who have sons or daughters will do well to subscribe for plenty of farm papers. What are a few cents a week compared with the value received if they read about agricultural matters? Before us lies Farm and Dairy for March 23, in which several boys outline the methods which brought them success in the Acro Profit Competition. Such practical articles as these cannot help but stimulate other boys to try their hand at some of the experiments.—The Canadian Statesman, Downmanville.

It is absolutely useless to expect a solution of the rural problem from any source outside of the farmers themselves. We need never expect our merchants and manufacturers and lumber magnates and bank presidents and politicians to bury their selfish interests and advocate measures that will help the farming community, even on the broadest national grounds, if their own interests are to be affected in the slightest degree.—E. C. Drury.