

The Mail Bag

A CHEAP MONEY SCHEME

Editor, Guide:—The present money stringency and the general agitation by the board of trade, the press, and the provincial government for cheaper money for the farmer has caused me to write this letter, and in view of the wonderful development and improvement going on all over the Dominion of Canada, we must realize that the industrial, civic, and commercial business has outgrown the money of our country. The bank funds are limited and loaned out, and the public in general are calling for more money to carry on business. Therefore we must have cheaper money to encourage agriculture as well as an increase in the money of the Dominion to carry on the vast commercial business and industrial development that is going on in building up a new country like our Dominion of Canada.

To relieve the money stringency, increase our currency, give the farmer cheaper money and cultivate self reliance and financial independence for the agriculturist is the line of thought I have carried out in formulating what I am going to call "First Mortgage Currency" money at three per cent. for legitimate farmers. This is worthy of your consideration and I ask that your member of parliament give his influence in making it a Dominion Act. When prosperity smiles on our farms the wheels of progress never stop. The following are a few of the clauses I would recommend in the following act:

First Mortgage Currency Act

1. The Dominion government to issue notes in five, ten and twenty dollar series, against first mortgages on farm land, stamped "First Mortgage Currency," guaranteed by the government to be legal tender.

2. This currency to be loaned to bona fide legitimate farmers on first mortgages bearing 5 per cent. for the first and second year and 3 per cent. per annum from thereafter, said freeholder to be a resident on said land and to cultivate same continuously in a good and husbandlike manner.

3. The freeholder to make application for loan and sign mortgages in any Dominion post office, said application and mortgage to be passed on and farm valued by a board at the different cities, where a special commission would be appointed by the government to pass on and approve loans.

4. The government to loan the freeholder any sum from one hundred dollars up to fifty per cent. of the value of his farm for a term of thirty years, with the option to pay off said mortgage at any time after six months without notice or bonus.

5. The government to issue first mortgage currency to the amount of loan. The loan is repaid in any kind of legal currency or coin, and a like amount of first mortgage currency is recalled and destroyed.

6. The expense of negotiating the loan to the freeholder would be a nominal fee as there would be no commission to pay to any agents or brokers for putting through the loans, therefore, leaving only a small fee to be allowed the postmasters for the execution of the papers, etc.

7. The interest charged on loans to go into a sinking fund to cover expenses of organizing and conducting this department. All first mortgage currency burnt, or lost in circulation would be a profit to the sinking fund.

8. The Dominion government could be empowered to borrow up to 10 per cent. of the currency in circulation, this sum to be deposited in sinking fund until such time as the sinking fund had attained such proportions as to render this unnecessary. This would be an additional guarantee of the bona fides of the currency issued.

I would also recommend that a stringent penalty be applied in case of fraud or misrepresentation, either on the part of the parties employed by the commission or the freeholder applying for loan.

The money act to lend farmers money at three per cent. would have

a tendency to open a market for better loans on city property with the trust and loan companies, from the fact that the farmer would pay off the loans drawing eight per cent. and ten per cent. from the trust and loan companies, when he could get money from the government on the three per cent. basis. In this way it would be a benefit to city property owners and create a market for good mortgages on buildings and city property through trust and loan companies at a lower rate of interest than that which at present prevails, and it would leave the field of first mortgages on farm land to the government loans. My reason for calling the money issued under this proposed act "First Mortgage Currency" is that it may not conflict with other currency issued by the government and would be on a parity and along the same lines as that on which the First National Bank currency is issued against a government bond in the United States of America.

This is counted as an agricultural country, so we must encourage agriculture, and an act such as I suggest, a "First Mortgage Currency Act," would have the effect of creating a standard of value for farm lands and would develop the unimproved land and draw settlers from all over the world by the cheap money offered to farmers.

In New Zealand the government borrows money at three per cent. and loans it out to the farmer on first mortgages and other securities at four and a half

per cent. First National Bank notes are legislated legal tender for all debts public and private, except interest on public debt and duty on import. It is good money in Canada and other countries of the world. First National Bank notes of the United States are not redeemable in gold until such time as the bond falls due, the bond is paid and the issue of the First National Bank notes against said bond is retired. The term of the United States bonds run up to forty years. In the case of First Mortgage Currency act it would be necessary to be a Dominion law and legislated legal tender for all debts, public and private, redeemable in gold or its equivalent at the end of thirty years or before, providing the mortgages are paid, or such part of the currency is recalled out of the Sinking Fund. We must admit that any of our good farms can pay three per cent. interest into the government sinking fund. The profits from the sinking fund and the mortgage paid on or before due dates would create a demand by the government for the recall of the first mortgage currency, which would be paid in Dominion bank notes, gold or its equivalent. This would keep first mortgage currency at a parity with the currency of the Dominion.

I have formulated this plan for the benefit of the agriculturist all over the Dominion of Canada and would be glad to have the opinion of others. At any rate, it is generally conceded that we must have some plan for cheaper money for the farmer. If you have any plans, let us hear what they are.

C. I. ALEXANDER.

Saskatoon, Sask.
July 16, 1913.

RAILWAY FIRE-GUARDS

Editor, Guide:—I wish to call your attention, and that of your readers to the amount of grass land out of a settler's 160 acres which a railway company, under the authority of the Railway Commission, is entitled to absolutely destroy by plowing and burning, without any compensation, viz.: 30 acres, or if the line is on a curve or runs diagonally from corner to corner of his land the acreage he is robbed of may be greater. This fact only wants to be printed to show the iniquity of it. Before a company can begin to make its line, it must purchase a right-of-way of at least 99 feet. If it is necessary to plow and burn off the feed on another 500 feet of land, to protect the company from damages from burning up the adjoining country, surely it should be equally necessary for it to buy the land necessary for this purpose and not expect a settler to give it up for nothing, as the railway companies and the Railway Commission seem to expect. In Alberta 300 feet on both sides of the track is the required width of fireguard. As I have been troubled with this question for years, I know what I write about, and my neighbors are suffering too. All are interested, as it may happen to anyone any year, and they also wish the country to be protected from railway fires, but at the expense of the aggressors, not of individual settlers. Further, another very important point. The C.P.R. first of all plowed their guards 200 feet from track. This became infested with Canada thistle and stinkweed, blown from another field. They then abandon these furrows and plow 16 more 300 feet from track; this plowing then becomes infested with noxious weeds, as well as the whole 300 feet up to the track, the native prairie grass having been burned off by the C.P.R. The settler thus not only has his land destroyed for pasturage, but

has it for ever infested with noxious weeds, for which he is liable for prosecution. I put these facts before my fellow farmers and the country and Railway Commission and ask the latter to protect the settler against this injustice. In England all danger of loss by fire and other inconveniences to owner of land is considered and paid for in the price paid for the right-of-way. Here, only the actual value of land taken is paid for, however much a farmer's land may be cut up into useless shapes, his work hindered or his crops endangered by fire.

F. W. GODSAL.
Cowley, Alta., Sept. 15, 1913.

WAGES UNDER PROTECTION

Editor, Guide:—I would take it as a favor if you would allow me a few lines in your paper, in order that I may enlarge on a speech made a short time ago by our friend Mr. Cockshutt, of Brantford, the one man above all others in Canada who is always ready to uphold protection. In the speech referred to, Mr. Cockshutt says in part: "If you divide \$15,000,000 between 7,000 workmen, you will find that they are producing \$2,000 per man, per year." Later on, in the same speech, Mr. Cockshutt says "that the average wage paid is \$525 per man, per year." So the men working in the Brantford factories are working for their wives and families four months in the year and the rest of the time is spent in producing dividends (on, in many cases, watered stock) for Mr. Cockshutt and his friends. Mr. Cockshutt goes on to say that the wage in question equals 7 shillings per day. Now 7 shillings per day is not anything out of the way for a factory hand (working in a machine shop) to earn in England and many of the operators in England earn more than 7 shillings. Considering that living in Canada is about twice as high as it is in England, it seems to me that a man working in a factory in England (under free trade) is better off than a workman in Canada under protection. In conclusion I would say that if Mr. Cockshutt's speech was intended to bolster up protection, it has, as far as I am concerned, had exactly the opposite effect, for according to Mr. Cockshutt's admission a man works one hour for himself and three for his employer, under protection; so it seems to me that any change in our present fiscal system tending to lower the tariff cannot make conditions any worse and the probabilities are that the change would be a beneficial one to the working man and consumers generally.

W. H. LILWALL.
Colonsay, Sask.

IN FAVOR OF HARMONY

Editor, Guide:—Correspondence in criticism of F. W. Green has been finding very ready access to the columns of The Guide, and it is exceedingly doubtful that the best interests of the Association are served thereby. The writer has no desire to defend the views held by Mr. Green on public questions, but wishes to point to the fact that these views were well known to those who re-elected him to office at Saskatoon last February. The letter of Mr. Brothers is not specific criticism but dangerous insinuation, which can serve no good end and is well nigh as inelegant as his suggestion for the exercise of more care in our selection of men for responsible positions. It is quite within the power of the directors at any time to appoint a different secretary. This they have not seen fit to do, and so long as Mr. Green holds the appointment by the will of the directors, this constant, harping criticism can serve only to seriously retard organization work. Let us be loyal to our officers. They are not self-appointed, but appointed by popular vote.

J. B. MUSSELMAN.
Cupar, Sask.



PART OF THE OUTFIT

Custom House Inspector: "Madam, I thought you said you had nothing but clothes in your trunk."
Madam: "I haven't. That's my husband's nightcap."
—Harper's Weekly.

to five per cent., leaving the government a profit of one and a half to two per cent. interest. The profit on this business during 1912 to the New Zealand government was over sixty thousand pounds, after paying all expenses of the commission and board that handled the loan department for the government, and loans were granted the farmer as high as sixty-six and two-thirds per cent. of the valuation of the security offered by the freeholder; therefore, if the New Zealand government had issued money on the strength of securities bearing three per cent. interest, it would have shown a greater profit.

In New South Wales there is incorporated a state savings bank and an act whereby they loan to freeholders on first mortgages at a low rate of interest, granting them the power to borrow the money on bonds and debentures and in some cases issue the currency.

The first national banks of the United States issue currency to the amount of one hundred per cent. against government bonds or debentures.