

for the bank should he have a crop failure, and it therefore became necessary to re-stake him. Moreover, the possession of some stock is an insurance against crop failure from frost, rust, hail, etc., since in the event of such kinds of disaster he can salvage his crops by feeding the damaged grain. The history of bank losses reveals very few bad debts with men raising some stock, and it is a fact that the most prosperous districts in the West are those where stock-raising prevails. Consequently William Brown would be ranked by a bank as a first-rate credit risk—better even than Thomas Jones, though the latter would be better able to pay his debts promptly—and he would have no difficulty in obtaining all the credit that he could use profitably in developing a well-balanced farming operation.

I wish to dwell on this last statement in the hope that it will arrest the attention of some farmers in livestock districts who have not gone into stock but would like to do so. The possession of even the beginnings of a holding of stock—be it sheep or hogs—greatly enhances the credit of a farmer with his bank, a fact that every country bank manager in districts suited to stock should lose no opportunity to bring home to his farmer borrowers.

The foregoing illustrations relate only to quarter-section men. A half-section man would require a credit twice as large, and he should have no difficulty in obtaining it provided his liabilities were not proportionately heavier. This would mean, in the case of John Smith above mentioned, that with a half-section he would need to possess a somewhat larger equipment, an equity of about \$2,000 in the additional quarter-section, and altogether \$2,500 or so more capital.

While the average grain grower is not as good a risk for bank credit as the average mixed farmer, a first class grain grower can obtain banking credit almost as readily as a first class stockman. In any of the purely grain growing districts of the West the man who always maintains an approved proportion of his land in summerfallow, does his cultivation promptly and well, uses only the best of seed, and exercises an intelligent thrift, can always command all the banking credit he really needs—assuming that his financial position is not less favorable than that shown in the foregoing illustrations.

Loans to Buy Livestock

The banks have been accused of retarding the development of the western livestock industry by their unwillingness to give credit to farmers to buy stock. How this belief ever came to have wide acceptance is beyond my understanding. The farmer, owning livestock, or even wishing to own stock, has always been viewed with special appreciation by banks as far back as I can remember. In nineteen cases out of twenty a farmer's desire to buy stock is evidence of more than average industry, and creates a strong presumption in favor of his being a desirable credit risk. To my knowledge some of the banks have for several years been systematically canvassing good grain farmer customers in stock districts in an effort to get them started in livestock; and while the conversion of grain growers to mixed farmers has been