

active support from the borrowing farmers who are apt to focus their attention on the nine percent interest rate, which is not conducive to sympathetic co-operation. The loan companies have not been constructive in their campaign. They have not come forward with any clear cut proposals that would eliminate existing evils. The fact of the matter is, that our present system of land credit is fundamentally wrong and should be scrapped, root and branch. And we might as well make up our minds, that such won't be done through the kindly intervention of any fairy godmother.

#### THE FARMERS' REQUIREMENTS

It is not difficult to state in simple form the reasonable requirements of Western farmers in respect to what they would regard as a satisfactory land credit plan. It can be boiled down to the following proposition:

- (1) Agricultural mortgage loans extending over a period up to 50 years.
- (2) Loaning to be based on 50 to 60 percent of the value of the land pledged and 20 to 30 percent of the improvements.
- (3) An amortization plan under which annual payments will in time extinguish the principal.
- (4) Total annual payment of any borrower not to exceed 7 percent of the total amount borrowed. This payment to cover interest, refunding of principal, reserve fund and administration cost.
- (5) The whole system to be entirely divorced from government interference or guarantees of any sort, each borrower to have a voice in the management of the organization somewhat on the plan adopted by the great mutualized life insurance companies.

#### A PERFECTLY FEASIBLE DEMAND

At first sight, this might strike the reader as an ambitious program, but those pessimistically inclined might just bear in mind, that the farmers of the Dakotas, Montana and Wyoming, where the land and general agricultural conditions are if anything decidedly inferior to what they are in our prairie provinces, are today able to borrow on their land under rather more favorable conditions than those enumerated above. What can be done there can be done on this side

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