

The Grain Growers' Guide

Winnipeg, Wednesday, October 1st, 1913

THE GUIDE REFERENDUM

Readers of The Guide will remember that a year ago we gave them an opportunity of expressing their opinions on eight of the leading public questions of the day through the medium of a referendum. The success of that referendum was such that we have decided to again ask our readers to declare their views, this time upon eleven questions of great national importance. Full particulars of the referendum will be found on page seven of this issue, and we trust all our readers, both men and women, will carefully study these questions and conditions, so that they may be ready to decide which way to cast their vote and to mark their ballot when it is published on December 3. Last year a large majority was given for woman suffrage, and therefore on this occasion women readers as well as men will be asked to take part in the referendum. Separate ballots will be printed, one for the women and the other for the men, so that from every home to which The Guide goes, we may get two votes. The question upon which readers of The Guide will be asked to pronounce will include some of those voted upon last year—Direct Legislation, Free Trade with Great Britain, Taxation of Land Values, Woman Suffrage and Public Ownership, and in addition questions will be submitted on Co-operation, Free Trade for Canada, the nomination of independent candidates for Parliament, and on Canada's duty in the matter of naval armament and peace. We want our readers not only to vote upon these questions but to discuss them in our columns, so that the decision may be based upon information and intelligent argument. Letters from those opposed to the policy of The Guide will be just as welcome as those which support our views, and the advocates of both sides of every question will be given an opportunity to lay their case before our readers. The importance of this referendum cannot be over estimated. Politicians and the press everywhere are watching the farmers of the West, and this is a great opportunity to show to the world where the men who are making Western Canada stand on the great national issues of the day.

THE FINANCIAL SITUATION

The Canadian Bankers' Association held its annual meeting in Winnipeg last week, but its sessions were not open to the public. It was transacting business of a character that the public are not allowed to know about. The report handed out to the newspapers states that the bankers expressed deep solicitude for the welfare of the western farmers and were anxious to loan them money on the security of their grain, which is permitted by an amendment made to the Bank Act at the last session of Parliament. We are anxious to secure as much information as possible on the financial conditions throughout the West. We want to know whether the bankers are loaning money to farmers at reasonable rates of interest and whether they are loaning any money upon the security of grain in farmers' granaries. We are also anxious to know what treatment the mortgage companies are accorded the farmers generally. Many of the mortgage companies in Winnipeg are exacting the very last pound of flesh from those who are in their grasp and have raised the rate of interest from 1½ to 2½ and 3 per cent., even though they pay no more for their own money than they did previously. We have reports to the effect that the farmers are paying, more often than usual, as high as 10 per cent. on mortgage loans this year, and

that in some cases the loan companies are insisting that the mortgage be put on for at least 10 years. With this end in view we would like our readers to assist by supplying the following information:

1. Are you able to borrow money from your local bank upon good security to meet your absolute needs?
2. What rate of interest are the banks charging upon your loans?
3. Do you know of any instances where the banks have loaned money upon the security of grain in the farmer's granary? If so, relate the circumstances and the rate of interest charged.
4. Send us cancelled bank notes, for 1913 only, showing rates of interest charged.
5. What rate of interest are the mortgage companies charging this year, and what terms are they insisting upon?

We trust that our readers will assist us in giving this information freely and fully. It is no disgrace to borrow money from a bank nor to have a mortgage upon your farm, so that we hope that no one will feel any undue modesty in sending us this information. We will not divulge any names where it is so requested, and our readers may feel perfectly safe in giving us any information in their possession. It is a most important matter and it is essential that the facts of the situation should be made public. In addition to answering these questions send any other important information in a letter accompanying them. Address all correspondence on this subject to the Financial Editor, Grain Growers' Guide, Winnipeg. All documents forwarded will be returned when we have used them. We trust that in the course of the next three or four weeks we will receive an immense number of letters from all three provinces giving us information upon this subject. Be sure to give the name of bank and the name of the loan company you are dealing with.

JUSTICE IN TAXATION

The exemption of improvements from taxation by rural municipalities and school districts has been part of the provincial law in the three Prairie Provinces for so long that it is now regarded as a matter of course. Under the system in vogue in the East and in the States to the south a farmer is taxed for improving his land, for building barns and houses and for having stock and implements. The Western method is unquestionably superior, for it makes the speculator who is holding land idle for a rise in price, pay precisely the same taxes for local purposes as the farmer who is cultivating his land, giving employment to labor, adding to the wealth of the world and setting in motion the wheels of commerce and industry. This is just, because the construction of roads and bridges, the provision of schools and the other public services performed by the municipalities and school districts add to the value of the speculator's land to precisely the same extent that they do to the land of the farmer. Why should not the same principle be applied to the raising of provincial and federal revenues? All public expenditures, if they are of benefit to the farmer, also bring to the speculator equal advantages in the increase in the value of his land. The Dominion Government, for instance, is building a railway to Hudson Bay. If that railway accomplishes its object and reduces the cost of carrying grain and other products to the British market, thereby raising the price of the wheat to the Canadian farmer, the value of all land suitable for farming tributary to the Hudson Bay Railway, whether in use or not, will be immediately increased in value. If the road is the success which is hoped for, the increase in value

will be much more than sufficient to pay the cost of the road, and under a fair system the land benefited would be taxed for that purpose. The cost of the road, however, is not being raised in that way. It is being raised by taxes upon the necessities of life imported to this country in exchange for Canadian exports of wheat and other commodities. Many of those who benefit by the increase in land values caused by federal and provincial expenditures do not contribute one cent to the fund from which those expenditures come. Millions of acres of western land are owned by people living outside the country, who obviously pay nothing to the federal treasury, while those owners who do live in the country pay only the same taxes as those who have no land and who reap no profit from the increase in land values. The farmer need have no fear of the taxation of land values. It will increase the taxes on his land, it is true, but it will relieve him of all taxes upon implements, building materials, furniture, clothing and food, while the profits that are now going to the speculator will be taxed into the public treasury to pay for the public works and to be used for the benefit of the community which caused the increase in value.

AN UNFORTUNATE OCCURRENCE

In the Toronto News of August 1 we find the following editorial article:

"In a challenge to the manufacturing industries of Canada, the Grain Growers' Guide declares itself to be 'The Official Organ of the Grain Growers' Associations of Manitoba and Saskatchewan and of the United Farmers of Alberta, numbering about 50,000 farmers.'"

"In a recent letter to the press, over his own name, Mr. F. W. Green, a leader in one of the Grain Growers' associations, has plainly repudiated the organship of The Guide. Mr. Green says that The Guide is a private concern, owned and operated by a private company, and the Saskatchewan Grain Growers' association 'has not and never has had anything whatever to do with the conduct or tone of the editorial columns of The Guide, either on the naval, reciprocity, free trade, sample market, elevator or any other question.' Mr. Green concludes: 'No one has any right to charge the Associations with views expressed in the editorial columns of the Grain Growers' Guide.'"

The same article has appeared in the North Battleford Optimist, Rosthern Enterprise, Sydney (N.S.) Post, New Glasgow (N.S.) News, Grenfell (Sask.) Sun, Elgin (Man.) Banner, Estevan (Sask.) Progress, Sedgewick (Alta.) Sentinel, Gladstone (Man.) Age, the Regina Province and many other papers from Halifax to the Rocky Mountains. It is being industriously circulated by the Eastern protectionist press bureau. We cannot think that Mr. Green intended his words to be put to such a base use, and to find himself advertised by the Canadian Manufacturers' Association as one of the enemies of The Guide. The circulation of this article cannot injure The Guide because the farmers of the West know too well the fight The Guide has made to be led astray by anything the Manufacturers' Association may do. But by misrepresenting Mr. Green as the enemy of the official organ of the Association of which he is the secretary and managing director, the Manufacturers will place him in a false light. It is most unfortunate that Mr. Green should have put himself in a position where the Manufacturers regard him in the nature of an ally and as the enemy of The Guide and the organized farmers, as any lack of harmony in our organization is a weakness.

A Free Trader is one who does something to forward the cause of Free Trade.