

# FARM AND DAIRY

AND RURAL HOME  
PUBLISHED EVERY THURSDAY



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## CIRCULATION STATEMENT.

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## OUR GUARANTEE

We guarantee that every advertiser in this issue is reliable. We are able to do this because the advertising columns of Farm and Dairy are as carefully vetting columns. We are able to do this because to protect itself as the advertising medium, and because to protect its readers, we turn away all unscrupulous advertisers. Should any advertiser herein deal dishonestly with you—as one of our paid-in-advance subscribers—we will make good the amount of your loss, provided such transaction occurs within one month from date of its occurrence, and that we find the facts to be as of its occurrence, and that we find the facts to be as of its occurrence, and that we find the facts to be as of its occurrence. It is a condition of this contract that in writing to advertisers you state: "I saw your advertisement in Farm and Dairy."

Refuses shall not ply their trade at the expense of our subscribers, who are our friends, through the medium of these columns; but we shall not attempt to adjust trifling disputes between subscribers and honorable business men who advertise, nor pay the debts of honest bankrupts.

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

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

## The Amortization Plan

EXCEPT in those cases where land has been purchased under an agreement in which it is stipulated that each year a certain amount of the principal is to be paid along with the interest, practically all of the farm mortgages in Canada are permanent in character or are drawn so that they become payable in full at the end of a stated number of years. In practice they are nearly all permanent. When no provision is made for their gradual extinction the tendency is for them to be renewed or transferred at the date of expiry. The creation of a sinking fund, to which annual contributions are made for the liquidation of heavy future liabilities, may be practicable for corporations, but such a plan is not likely to be adopted extensively by individuals. Since the amount of a mortgage usually far exceeds the amount that can be saved from one year's earnings, the almost universal practice is to have it renewed at the date of maturity. There is thus a tendency for all mortgages to become permanent in character, and this is the case with the majority of farmers and banded themselves together for the purpose of consolidating their credit and of borrowing cooperatively they have provided that the money borrowed on the security of their land will be repaid by annual instalments. The amortization plan, by which principal and interest are repaid in equal annual instalments, is the one generally adopted. The great agricultural credit schemes that have proved so successful in European countries follow this plan. In Saskatchewan, where cooperative agricultural credit will be available to the farmers as soon as the conditions of the money

market are such that the scheme which has already been adopted can be put into operation, repayment of mortgages will be made by amortization. The same principle has been adopted in British Columbia, and the land banking system recently established in the United States includes the same provision. Wherever the interests of the borrowers have been made a first consideration the repayment of long-term loans in equal annual instalments is provided for.

Under the amortization plan the farmer has constantly in sight the date on which his land will be free from encumbrance. The motive for saving is therefore continually operative, and he is greatly encouraged in his endeavor to free himself from the obligation that his mortgage entails and from the annual tribute that it imposes. That the result from the community standpoint is that the sum total of the mortgage indebtedness undergoes a process of gradual extinction.

## Paying Off the Mortgage

THREE years ago information regarding the extent to which the farms of Ontario were mortgaged was collected by the Department of Agriculture through the district representatives. It was found that forty-five per cent of the farms were encumbered. Investigations carried on in Saskatchewan about the same time showed that in that province a still greater proportion, in some districts as high as eighty per cent, of the farms were mortgaged. These two provinces may be taken as fairly representative of the east and west. Information regarding the total amount of the mortgage indebtedness of the farmers of the Dominion is not readily available, but it can be safely assumed that the amount is large and constitutes a heavy drain on their annual incomes.

Paying off the mortgage is a big contract. Only those who have had experience of it know what a constant source of anxiety it is. Making the annual interest payments, providing the means for reducing or wiping out the principal, planning and economizing, ever looking forward, sometimes in the face of many discouragements, to the day when the title deed will be clear, such is the unenviable position of the man who, in the cold language of the law, is known as the mortgagor.

When we realize that in an old and settled province like Ontario nearly one-half of our fellow farmers are engaged in a struggle to pay off mortgages, and that in the newer districts a still greater proportion are so engaged, the conviction is borne in upon us that nothing should be left undone to provide the best possible facilities by which they can discharge their mortgage obligations.

## A Farmer's Measure

THE statement is sometimes made that the single tax would bear more heavily on farmers than on those living in towns and cities. Since by it all improvements would be exempted from taxation it may be made to appear that in centres of population, where these improvements are concentrated, such exemption would result in lightening taxation to an unwarrantable extent, and that the burden would therefore be shifted to those outside those centres, that is, to the farmers. This statement is rendered the more plausible because, under single tax, public revenues would be raised by taxation levied upon land values only, and, since the amount of land upon which towns and cities are amount of land upon which towns and cities are built is inconsiderable when compared with that devoted to farming, it is assumed that farmers would be compelled to contribute more than their share to the public treasury.

This misconception of the case is due to the confusion of land with land values. When we consider that in any of our larger cities, such as

Montreal, Toronto and Winnipeg, the value of a single acre may be greater than that of the farm lands of a whole county, it is easily seen that under single tax such centres would not escape their just measure of taxation. As was clearly brought out at the district conventions of the U. F. O., held a few weeks ago, the value of land used by the cities, towns, and villages of Ontario exceeds that of all the land used for farming purposes in the province. Add to the revenue that would be secured by levying a just tax on this land the amount that would be raised by taxing the value of all land held for speculative purposes and of water works, mining properties, public franchises and all such community-created values, and it will be seen that the freeing of improvements from taxation would not discriminate against the farmer.

That, on the contrary, the single tax would materially benefit the farmer is evidenced by the fact that some of the most progressive farmers' movements are definitely committed to it. Several of the state granges on the other side of the line are out-and-out for the single tax. The Grain Growers' Associations of the western provinces favor it, the Manitoba Association sending its president to the recent single tax conference at Niagara Falls with instructions to support a resolution calling for a special tax on land values for the purpose of raising money to pay off the debt incurred by the war. Many of the leading farm papers, both in Canada and the United States, are advocates of this measure of tax reform. The support that it receives from those who have the best interest of the farmer at heart indicates how beneficial it would be to him.

## Proportional Representation

THE following extracts from a letter received by Mr. Ronald Hooper, of Ottawa, Secretary of the Proportional Representation Society of Canada, from Earl Grey, shows clearly the stand that is taken by that British statesman on the question of proportional representation.

"It is a great satisfaction to me to know that a P. R. society has been founded for Canada on such strong ground. You have a splendid list of names; Presidents, Vice-Presidents and Council. It is a list that cannot fail to make an impression upon all those who are sufficiently patriotic to subordinate party and personal to national interests.

"The failure of our present system to secure a true representation of the people, and the success of P. R. in Tasmania, Johannesburg, Belgium and Finland in securing the representation which mirrors faithfully the opinions of the electors ought to carry conviction to the mind of any impartial democrat that a system of P. R., based upon justice, equity and absolute fairness to all classes of electors, should replace the present system which offers no security for the true representation of the people. . . . I sincerely hope that the career of the P. R. Society of Canada may be conspicuous as a marked success in creating a public opinion in favor of a just system of representation which is the first essential of a true democracy."

The best feature of many of the troubles we are prone to worry about is the fact that most of them never come. It was Lowell who said: "Let us be of good cheer, remembering that the misfortunes hardest to bear are those that never come."

There are some that no circumstances or combinations of circumstances can thwart or keep down. Let circumstances seem to thwart or circumvent them in one direction, and almost instantly they are going forward along another direction. Circumstance is kept busy keeping up with them.