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Succeed."

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EDITORIAL.

If "Whip" can handle colts as well as he does criticism, he is an expert in at least two lines.

Though an admirer of the West, Dr. J. W. Robertson, with his usual Scottish-Canadian sagacity, foreshadows that Eastern Canada will always be the dominant partner in the Dominion concern.

The disastrous floods at Paris, France, were attributed primarily to the stripping of forests from mountain slopes and plains, thus precipitating an unusual rainfall as a sudden torrent through the low-banked rivers. Another warning to Canada.

When a local grocer in a Canadian city uses half a newspaper page to exploit the sale of a fresh lot of oranges, the suggestion naturally arises that the trade in apples, which come to their finest perfection in our own country, would bear more enterprising attention in the home market.

"I told you so," says Mr. Meighen, and he has good right to say so. His advice to Canadian farmers last fall, not to rush their wheat to market, and thereby depress prices, has been worth hundreds of thousands, perhaps millions, of dollars to Canadian producers.

"If a man finds a bee-tree and takes the honey, we do not call him an apiarist. Why then," asks Mr. Rice, "should a man who robs a cow of her calf and takes the milk be called a dairyman? To be a dairyman, one must have a dairy temperament," he adds, "and no dairyman should be content with less than 6,000 pounds of milk a year per cow."

Over five million plants of ragwort (the plant which causes Pictou cattle disease) destroyed by school children working for prizes, is an achievement standing to the credit of the East Pictou, N. S., Women's Council. The educational influence on the pupils is probably more important than the economic benefit from the destruction of the plants.

One advantage from the weighing of each cow's milk night and morning is emphasized by an incident mentioned by S. A. Freeman, in his essay on "A Year with a Dairy Herd." A cow's preference or dislike for individual milkers can be discovered. On looking over the records one morning, it was noticed that four of the cows that had been milked by a new hand were down in their milk. Mr. Freeman, knowing that there was milk there, succeeded in getting 18 pounds more from those four. That man never milked those four cows again.

When the Federal and Provincial Governments have completed their probe into the increased cost of living, it will probably disclose three things: First, an excess of people in cities and towns compared with those on the land, which, therefore, does not produce food fast enough for the mouths that are to fill; second, a complicated and costly system of distributing food products to the people by dealers, big and little; third, that, considering capital invested, intelligence and industry required, the farmer receives no more than a fair return for his products.

Audit the Banks.

Banking is the only great business in Canada we can think of that is not properly audited. To be sure, the local branches of each bank are inspected by a salaried officer, often a man intimately connected with the head of the institution, but the books at the head office are not, as a rule, certainly not by law, subject to any adequate auditing or inspection by an outside expert such as an ordinary commercial firm would employ before submitting its annual statement to the directors' consideration. This lack of independent inspection at the head office is the weak spot of a banking system otherwise one of the finest, most stable and most adaptable in the world. It explains why, since the adoption of inspection, in 1863, the United States, with a banking system much inferior to ours in many respects, has had only five and a half per cent. of failures, while in Canada during the seventeen years, 1893 to 1909, we have had nineteen per cent. of failures.

Banks are wrecked either by or as a result of dishonesty or mismanagement in the head office. It is claimed by those conversant with banking that the beginnings of evil, whether due to speculation or bad judgment, could be detected by a competent inspector at the head office. The trouble leading to the downfall of the Ontario Bank, for instance, could have been nipped in the bud had the directors been aware of what was going on; but the directors, or most of them, being otherwise occupied, not being experts in banking, and taking their responsibilities about as seriously as directors generally do, allowed misappropriation of funds to be practiced and the true condition of affairs to be concealed, blissfully unconscious that there was anything wrong. The result was a crash, mitigated only by the voluntary mutual support rendered by the larger banks. Government inspection, as they have it in the United States, or the system of independent audit obtaining in Great Britain and other countries, would have exposed the beginnings of evil, and averted a catastrophe.

The decennial revision of the Bank Act is to be made during the present session of Parliament, and the movement for Government or independent inspection of banks, which has been discussed in Canada since 1875, and has been recently gathering strength since the notorious failures of the Ontario and Sovereign Banks, has found an effective champion, its first one among Canadian bankers, in H. C. McLeod, who has recently resigned the management of the Bank of Nova Scotia. Mr. McLeod has issued a booklet, now in its fifth edition, setting forth the arguments, pro and con. In it he disposes of certain objections raised. To the argument that bank inspection, to be thorough, would need to comprehend all the branches of a bank at the same time, he replies: "In our investigation of the causes of failure of banks operating branches, we have not found one instance in which failure was due to bad management at the branches. . . . We have no record of fraudulent failure in which the vicious conditions existing could not have been readily detected by an expert at the head office of the bank."

The claim that Government inspection might not detect all forms of possible loss is deservedly swept aside as no valid argument against inspection, as is also the assertion that customers know the relative stability of the banks. Small investors and savings depositors do not know, and are not capable of judging, or in a position to judge, the standing of the banks that solicit their patronage. In this connection, Mr. McLeod points out that a savings depositor is merely a general creditor of the bank. Note-holders are protected by the conditions of the law which make a bank's

notes the first claim on its assets; the Government's claims come next; the savings depositor falls into the last class, that of the ordinary creditor, who is paid only after the note-holder and the Government.

About the only argument against Government or independent inspection of our banks is that it might lull patrons into a sense of unwarranted security. This, however, if carried to its logical conclusion, would oppose any kind of Government supervision in anything. The layman's view will be that half a loaf is better than no bread, and that external inspection would have a wholesome and much-needed effect on the head officers of our great fiduciary institutions.

Good management has nothing to fear from outside inspection, and, while honest differences of opinion must be recognized, the public will be disposed to suspect the standing and practice of those banks whose managers are sensitive about inspection. Is it not strange that, although the pamphlet referred to above has had a circulation approaching 60,000, indicating a widespread interest in the question, we see little mention of it in the newspapers, or even in publications devoted especially to finance?

"A Year with a Dairy Herd."

That the dairy business is one which develops business capacity and the observant and reflective faculties, was abundantly borne out by the quality of the essays received on the subject, "A Year with a Dairy Herd." Any one of them was worthy of a prize if there had been none better, and as there is nothing more instructive than an account of actual experience, such as given in each of these essays, all, or at least most of them will be published. A well-written article by J. N. Chambers, Oxford Co., Ont., unfortunately came in too late to be considered in the disposition of awards.

In the contribution by S. A. Freeman, Oxford Co., Ont., which was awarded first prize, will be found much to stimulate other dairymen to effort in the line of increased milk production. To bring and keep a herd of seventy cows up to the high yearly average of 6,708 pounds of milk per cow, as Mr. Freeman has done, is a feat in dairying that should certainly give hope to those who are trying for something of the kind themselves. The fact that the individual milk average has been increased in four years by 1,664 pounds, shows the possibilities of improvement in even an already excellent herd. It will be noticed that Mr. Freeman attributes his success mainly to accurate knowledge of what his cows were doing.

W. Hargrave, Waterloo Co., Ont., and J. H. Colpitts, Albert Co., N. B., between whom the second prize is divided, both have instructive experiences to relate. Mr. Hargrave's paper is quite a model for a clear and easily-understood record of a year's work. It was decidedly the best-composed and best-written essay received. The returns per cow are not large, partly because of the low price received for butter, but also because of the fact that some were evidently heifers, and milking only a part of the year. Improvement might possibly be made both in the class of cows kept, and in the kind of food supplied. Corn appears to have been utilized but for a short time.

Mr. Colpitts gives an important point of good dairy practice in one sentence: "We aim to fill our cows comfortably every day in the year, and do our best to make that filling as succulent and palatable as possible." He manages to feed turnips, which thrive especially well in the Maritime Provinces, without giving offense to any of the special customers who buy his butter. Mr. Col-