

The Mail Bag

CREDIT SYSTEM FOR FARMERS

Editor, Guide:—It cannot but be gratifying to the little knot of men who for several years agitated for a state system of agricultural finance to note the present healthy state of this movement. But many writers have the idea that the farmers want to borrow long term money for the purpose of improving their farms. Now this is quite true, but it is not the only branch of finance in which we are interested. There are two distinct undertakings to be comprised in a proper scheme of agricultural finance, (1) Providing the farmers with ample current credit; (2) Making long term loans at low interest for land improvement and purchase. These are two very different businesses and will have to be handled by separate government institutions. Both should ultimately be taken over by the provincial governments, but I submit that the business of making long term loans is of very secondary importance at present. I submit that except from the viewpoint of financing land purchase it is of no present importance. Farm improvements in Western Canada today are about as dubious an investment as one can make. One farmer I know hasn't put a dollar of the real stuff into his holdings for many years and doesn't mean to in as many more. He isn't going to put any real money into anything the profits of which depend on the whims and fancies of the people swarming in Eastern cities over a thousand miles away. This man's Manitoba farm gave a handsome profit last year in spite of the fact that nearly half the profits were wiped out on September 21. But suppose the Eastern interests had seen fit, say to pass a law abolishing the "car order book." This would have wiped out every cent of profit from the farming business at Shoal Lake last year. This man keeps accounts to the last cent and talks by the book. But the worse the Federal government grows the more profit will accrue to the farmer from the possession of a permanent credit line with one of the suggested provincial agricultural banks. The farmer could sell his grain at his leisure. The above mentioned agriculturist has held lots of grain for months on the strength of a small bank credit at 8 per cent., and never failed to make a profit after allowing for storage, shrinkage, wastage, and interest. Then the farmer who has a government credit line can buy what he needs in the very cheapest market. I once bought a bill of goods in Winnipeg and had the scientific curiosity to ascertain what they would have cost at Shoal Lake on credit. The Winnipeg price, including freight and commission, was a few cents below \$12, and the local price, after allowing Shoal Lake the benefit of every doubt, would have been over \$18. Every bargain going is an opportunity to the farmer who has credit to use. Unless some better system can be devised the Saskatchewan government had better adopt the plan of "Torrens Title debentures" as a base for its agricultural finance. This development of the Torrens system was described in outline in The Guide of December 14, 1910. Now supposing some farmer wished to obtain a credit line from the future Saskatchewan Agricultural Bank. He would first get a Torrens Title to his land at the same time receiving a debenture, absolutely guaranteed by the "insurance fund" as to title and practically guaranteed as to value. The farmer would deposit his debenture or debentures at Regina with either a government trustee, or a trust company, or his own lawyer or bank. Having obtained the provincial bank's assent to his application for a credit line, when-

ever the farmer wanted money he would simply send his note to the provincial Agricultural Bank together with an order to his trustee to deposit the "debenture" with the P. A. Bank as security. The P. A. Bank would then deposit the amount of the loan to the farmer's credit with whatever chartered bank or private banker the said farmer did business with. There can be no criticism of Dominion chartered banks as banks of deposit, except that the business hours are a little awkward for the farmer. The foregoing plan may seem ultra conservative, but suppose the P. A. Bank lent up to half the face value of a debenture issued against a quarter section valued at \$15 per acre. This would provide a credit line of \$500, and small as it seems, it would suffice to put out of business half the grafters now preying on the farmer. A business man, whether in the farming business or any other, cares little who owns money so long as he can use it when he wants to at low interest. A permanent credit line at 4 per cent. or 5 per cent. would be nearly as useful to the business farmer as a legacy to the same amount.

An adequate agricultural credit system will not only increase the prices of commodities sold by the farmer, but will have a tendency to reduce the prices of same to the consumer. The money supply is perfectly rigid. A dol-



Another use for a Tractor—Filling the Silo

lar more lent to a farmer means a dollar less lent to a middleman.
JOSEPH R. TUCKER.
Kuroki, Sask.

THE MOTOR CONTEST

Editor, Guide:—I understand that an advertisement has been submitted to some of the farmers' papers by the Pioneer Tractor Co., in which they claim to have had an official test of their engine at the Winnipeg Motor contest, and give figures which they claim were obtained in this test.

I wish to state that it was distinctly understood at the time that the test was entirely unofficial, and the figures obtained were solely for their own information, and it was on the understanding that they should not be published that the test was made. These figures were never submitted to the judges, neither were any records retained by the officials in charge of the contest, so that we have nothing to show whether the claims they now make are correct or otherwise.

As to the telegram, a copy of which they reproduce, the words "an official" should read "unofficial"; this being an error in transcribing the original message.

I leave it to you to use your judgment as to whether under the circumstances you consider that you should publish the advertisement if submitted to you.

A. C. FRITH,
Engineer in Charge.

Winnipeg, Aug. 6, 1912.
NOTE.—We published a large adver-

tisement by the Pioneer Tractor Co. in our last issue. It was already on the press when this letter was received or this letter would have been published in the same issue. There appears to be a considerable misunderstanding over this matter. We do not consider that the controversy in any way bears upon the merits of the tractor in question. It is only a matter of the standing of the tractor in the tests made. In order to give our readers both sides of the question we publish the above letter.—Editor.

SHEAVES FOR THE OLD COUNTRY HARVEST FESTIVAL SERVICES

Editor, Guide:—The ready response with which my suggestion for the above was met last year prompts me to again approach Old Countrymen in the West through your columns and ask their support. Disassociating our minds of any idea of advertisement, these little sheaves of wheat or oats sent to our Old Country parish churches or chapels for their Harvest Thanksgiving services, go quite a long way in strengthening the bonds of unity, keep old memories alive and are particularly acceptable to the clergy and their congregations in the Old Land. My own sheaf (just a miniature one, hand-picked with the stems a foot long and with the one word Canada on a small card) met with a unique experience last year. Arriving at its

land, and can honestly back up Mr. Robertson, but I am not a high protectionist. I think they should be reduced to 10 per cent. at most. Now, I could name hundreds of men who are very well off in this part of the country—Manitoba. I farm a section, and I have often said if a man has the brains of a monkey he could make a good living off 160 acres.

JAMES MILLIKEN.

Lock Farm, Man.

REPLY TO MR. ROBERTSON

Editor, Guide:—In reply to Mr. Robertson's letter in your issue of July 31, I beg to suggest that the writer has completely ignored several well known facts in connection with the subject of free trade in England, or else he is not aware of them. In that case he ought to cease being a teacher and become a student. In the first place he maintains that many Western farmers are prosperous under protection and that many Old Country farmers are the opposite under free trade. Now, Mr. Robertson ought to know that there is absolutely no comparison between Western Canada and England. Saskatchewan alone is larger than the United Kingdom, and is essentially a farming country, whereas England is a manufacturing country, and it must also be remembered that in Saskatchewan whilst there are a good many large landowners, far more than there ought to be, still there are a goodly number of what we might call workingmen farmers, who own their land or hope to do so some day, a thing that is practically unknown in England. Before sailing for Canada some fifteen months ago, I attended a lecture given by Mr. Obed Smith, head of the Canadian Immigration Department at London, Eng., and as an inducement for farm laborers to come to Canada he said: "It will pay you to go to Western Canada, for there you can buy a farm for what you would pay in rent in three years here (England) for a farm not near so good." Now, such an ardent protectionist as Mr. Robertson will not dare to maintain that this state of affairs is due to either free trade or protection; if he does, he will once more reveal his ignorance on this most important subject. English farmers are largely a failure, not because of free trade, but because of the unjust land system under which they live. Western farmers are prosperous not because of protection, but in spite of it. There are many points in Mr. Robertson's letter which go to show that he is anything but an authority on the subject, the most glaring is when he says that he does not pay anything like \$200 a year in tariff taxes. Surely our friend has not given this matter serious thought. Let some Western farmer give him a little information on the point.

SYDNEY H. CLIFFE.

Editor Wilcox Herald, Sask.

AN INVITATION

We want letters from men who can show how much the tariff costs them and would prefer to pay their taxes direct by the method of Taxation of Land Values. Please give as many facts and figures as you can and the reasons for your opinions.

We also want letters from any man who can show that the tariff is a benefit to him as a farmer. Let us know what the benefit is.

By getting both sides of the question we can decide more easily.

THE GRAIN GROWERS' GUIDE.

COY BUT CAUTIOUS

Pat was a bashful lover; and Biddy was coy, but not too coy.
"Biddy," Pat began timidly, "did yer iver think of marryin'?"
"Sure, now, th' subject has niver interred me thoughts," demurely replied Biddy.
"It's sorry Oi am," said Pat, turning away.
"Wan minute, Pat!" called Biddy, softly. "Ye've set me a-thinkin'."

NOTICE TO CORRESPONDENTS

This Department of The Guide is maintained especially for the purpose of providing a discussion ground for the readers where they may freely exchange views and derive from each other the benefits of experience and helpful suggestions. Every letter must be signed by the name of the writer, though not necessarily for publication. The views of our correspondents are not of necessity those of The Guide.

OH, T

—The inexperienced safe with a weigh thought pouring them are, chaff and that a faithful them, keep wh with the breat rest away.—Di

THE

Side by side has been grow different from man of ancient is from the w of David Cop

This new ma a drudge or something unne ness he scheme he can talk it they plan how a new rug for perhaps they organ or a pia in this house where each one and the profits large or small.

Many of the anxious for the than the wom willingly open into every fiel

I fancy I he this splendid proves the rule but I don't ag vinced that in there are tho men and t ready to join matter is bro to their atte

So in this ser Question I ha degenerate int most conserv merely produc training and a their prejudice

Suppose yo south bedroom and a deep v that after a wife and baby that the only small one on which had j sense of justi that it woul rooms but it to like it.

The men h these years. them and fo blame them advantage. have amiably few men wa scrubbing a severely alon doing, and appealed to. In the fac very praisew to be willin privilege in t FRA

CHILDR

Dear Miss the Sunshine page. I thi good by th ideals you I have a and a little them not to which are be

A child s everything children. I ed on their communicat I am eno please send to teach the ing you eve

I agree about natu