

# The Brain Growers' Guide

Winnipeg, Wednesday, May 1st, 1912

## MERGER PUDDING

One of the most popular dishes in high Canadian social and financial circles today is merger pudding. As many of our readers will be interested in this delicacy we will give them the recipe, on the understanding that they will keep it strictly private. The ingredients are easily obtainable. Take \$1,000 in cash. Add incorporation papers for a one million dollar company. Add one handful of factories of any old kind or shape. For each part of cash add four parts of pure water. Stir it until the water is not distinguishable. Add as much tariff legislation as the conscience will permit. Then add the consuming public in sufficient quantities to absorb all moisture. Cook over a slow fire until the consuming public is thoroughly roasted, but be careful to avoid scorching, as this ingredient is inflammable under certain circumstances. The latest fashion is to serve quarterly on gilded dividend trays. Whenever the supply of pudding runs short add pure water and the consuming public and keep on stirring. This recipe is reliable. In fact, it is guaranteed by law. It is backed up by federal and provincial statutes and is much relished by those of our leading citizens who are interested in "building up a well rounded dominion."

## CARRYING THE FARMER

Whenever the question of the tariff is up for discussion the protected manufacturers bring forth the argument that their goodwill towards the farmers is shown by the fact that they "carry the farmers" during hard times. There is a certain amount of truth in this statement but it requires qualification. Many manufacturers and dealers undoubtedly extend considerable credit to farmers. Of course they charge goodly rates of interest on overdue accounts and they also figure the original selling price of their product so as to provide for long credits and certain losses. But if we examine this "carrying" system we find it goes further back. The retail merchant is in the same way "carried" by the wholesaler and the wholesaler by the manufacturer. But each of them have a line of credit at the chartered banks. There is no big manufacturer in Canada who could continue in business for thirty days if he could not obtain credit at the banks or other financial institutions. Thus we see that it is in reality the banks that provide the credit originally, but not directly to the farmer. The banks usually loan money to big manufacturers and wholesalers at six per cent. and frequently they secure their money at 5½ per cent. This credit sometimes passes through several hands and frequently doubles in interest charges by the time it reaches the farmer. If our credit system were such that the farmer could raise money as easily on equally good security as can the manufacturers, the farmers would not require much "philanthropy" from the manufacturers. The system of "carrying the farmer" exists because the banking institutions of the country are designed to support Big Business rather than the small man. But even as it is carried out it is only a business proposition and not of a philanthropic nature in any sense. No farmer is "carried" by the manufacturers unless he has security enough in sight to make the risk light. And again, whose money is it that the banks use to loan to the manufacturers and big business institutions? Chiefly it is the savings of the people which draw three per cent. interest in the savings banks. The banks are ready and willing to take in money from anyone without question, the small and the

large depositor are equally welcome and draw the same rate of interest. But when they come to borrow the small borrower gets a high rate and little money, and the big borrower gets a low rate and much money. Such a system cannot help making the rich man richer and the poor man poorer. There is need of an improvement in our banking system. It should be made to meet more fully the needs of the people. We must get it out of our heads that our banking system is a sacred institution. It is only a man-made institution and should be improved in certain respects to meet the needs of man as fully as possible. When that time comes we will not hear so much emphasis laid upon "carrying the farmer." The farmer can carry himself if he has not too many other unjust loads to carry. We are not painting the farmer as perfect by any means. But admitting all his faults there is no justification for discriminating against him.

## REMARKABLE CONSISTENCY

The following is from the last issue of Industrial Canada, the official organ of the Canadian Manufacturers' association:

### "Made in Canada"

"It is a strange sight to see a Canadian manufacturer throwing up his English hat for the 'Made in Canada' principle. Behold him occasionally in debate, striding on to the platform in American boots, throwing aside his coat of Irish frieze and his French gloves, waving his Scotch-tweed-encased arms, refreshing his dry throat with water from a Belgian glass, and timing his impassioned plea for the support of home industries by a foreign-cased watch. Is this man a consistent economist or a sartorial mosaic? His advocacy of the 'Made in Canada' doctrine is as convincing as a bald-headed barber's testimonial for a hair restorer."

The rabid protectionist manufacturer lets his protectionism go only so far as it will not interfere with his pocket. He would like Canadians to buy his goods at tariff enhanced prices, but when he buys for himself he seeks the best value for his money. This is common sense.

## WHERE THE FARMER SUFFERS

Here is a letter from a farmer in Alberta dated April 6, showing that nature is sometimes unkind but that man is still more unkind in the West:—

"I appreciate The Guide and drop a subscriber in line wherever I find one, and I never tire of talking the advantages of The Guide. As you say, you are championing the farmers' cause. 'I am trying to crop 230 acres each year and summerfallow 200 acres each year, so you know I am busy, but I do all I can to place The Guide. I sometimes wonder how long I can crop this way. 1909 a half crop; 1910 practically total failure, and 1911 crop not sold yet (though above average, I think) I am considered a successful farmer. Sixty acres I cropped got frozen and would about pay for threshing, viz., threshing 13 cents per bushel, delivery in granary 3c, haul to elevator 10c, total 26 cents per bushel, and received 30 cents per bushel at elevator. To work this land it costs \$8.00 per acre or 60x8 equals \$480 in the hole. These are the things that make one weary. 2.30 a.m. 'These are the things that make midnight horrible.' I raised in 1911 some 3,000 bushels good wheat and some 200 bushels pure Red Fife, selling \$1.50 per bushel at granary, but off years took the profits and I am paying 9 per cent. interest at the bank. Can the government aid the farmers by reducing the rate of interest? Each year hoping for the best, and The Guide my tie post for news of events. Success to you."

Is there any reason in the world why this farmer and thousands of others should pay 9 per cent. for money? Our governments are tumbling over themselves to pledge the

credit of the people in order to raise money for railways at 3½ or 4 per cent., or are actually giving millions in cash donations to such railway magnates. In addition our governments pass laws that enable manufacturers to charge more than their products are worth, and allow railways to charge extortionate rates. Then why should a farmer who is doing all in his power to make an honest living be taxed 9 per cent. for money? The governments have been taking care of the corporations long enough. It is time some attention were given to the people. Direct Legislation would assist in such a reform.

## LINCOLN BELIEVED IN FREEDOM

The protected manufacturers who are sending out the statement on the tariff credited to Abraham Lincoln might add the following extract from one of Lincoln's speeches in his debate with Judge Douglas:—

"That is the real issue, that is the issue, which will continue in this country when these poor tongues of Judge Douglas and myself shall be silent. It is the eternal struggle between these two principles—right and wrong—throughout the world. They are the two principles that have stood face to face from the beginning of time. The one is the common right of humanity, the other 'the divine right of kings.' It is the same principle in whatever shape it develops itself. It is the same spirit that says: 'You toil and work and earn bread and I'll eat it.' No matter in what shape it comes, whether from the mouth of a king who bestrides the people of his own nation and lives from the fruit of their labor, or from one race of men as an apology for enslaving another race. It is the same tyrannical principle."

This hardly sounds like the words of a protectionist.

## REAL ESTATE ADVERTISING

There is an immense amount of "gold brick" real estate unloaded on the public as a splendid investment. Many newspapers in the West today owe their entire prosperity to real estate advertisements. Some of these advertisements offer undoubtedly good property but others are pure swindles. Very few journals make any distinction so long as the advertiser pays his bills. We have carried some real estate advertisements in The Guide and will likely carry more. We do not guarantee that all of them offer good investments, but we do all in our power to see that no swindlers ply their trade through our columns. Many subdivisions are now being placed on the market as suburban residential property. There are town lots being sold outside of Winnipeg, Calgary and Edmonton that will not be used for residence in twenty years. Yet the real estate fakirs continue to advertise them and the public continue to buy. The only safe rule in buying real estate is to see the property or to have the advice of some person in whose judgment there is implicit confidence. Anyone who invests money in real estate in the West today merely upon the representation of interested agents need blame no person if it proves a fake. There are honest agents as well as dishonest, but there is no way to catalogue them. There should be legislation to protect the unwary, but where the whole trend of legislation is to protect property there is no time to protect people.

We have as yet no definite word that any of the leading manufacturers of Canada will accompany the "Made-in-Canada" train on its tour through the West. This will detract from the interest of the tour as far as the farmers are concerned. However, the train