



The Grain Growers' Guide

ADDRESSED TO THE FARMERS OF



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CHEAP MONEY FOR FARMERS

One of the greatest needs in Western Canada today is that the farmer should be able to secure cheap money—which he cannot do at the present time. So long as the farmer has to pay 8, 10 and 12 per cent. on loans and on money due implement firms and other dealers, he will be terribly handicapped in his work. The legislation in force at the present time regarding credit, is not very favorable to the farmer. That is, the ordinary farmer. The man who holds large properties can secure money from the banks on his personal security, but the small farmer is not so fortunate. The loan companies, who are allowed to take as security real estate, (which the chartered banks cannot do) charge various rates of interest. Too frequently, they get the farmer in a position where he is compelled to sacrifice his farm to satisfy the demands of the loan company. At the present time 3 per cent. is paid on deposits in Canadian banks, and 4 per cent. by the majority of loan companies. This money, loaned out by banks, if loaned at all to farmers, is usually at 8 per cent. and oftentimes higher, though for commercial enterprises the money is loaned at lower rates. The loan companies charge varying rates for their money, but take good security.

What the farmer needs is a system where he can secure money at 4 or 5 per cent., or at most 6 per cent. by giving good security. There seems no reason why this could not be done. In Eastern Canada and also in various parts of the old world, there is money in billions invested at 2½ and 3 per cent. This money is brought over to Canada by various financial institutions and it is this money that goes to the farmers at that exorbitant rate of interest.

In Denmark, Germany and Hungary a system of co-operative credit banks has been worked out. In Germany, it is known as the Raiffeisen system, which is an association of neighbors united to borrow a sum of money in order to lend it out as cheaply as possible in small amounts to such of themselves as may need loans. A great many of these banks have been organized and are affiliated with a great central bank of which the government holds controlling stock. It is a fact worthy of careful attention that none of these banks have had bad accounts. Every loan has been paid by the borrower. In Ireland the farmer gets his money at 3 per cent. through government aid to co-operative credit societies.

Such a system of banks has been the backbone of agriculture. In these instances, the government had performed its proper function

of protecting and assisting the farmers of the country. If such a system were worked out in Canada, the farmers of the West would be in a position to make greater profits than anywhere else in the world. The farmer could secure money, and pay cash to his local merchant, pay cash for his machinery and pay cash for all that he bought—pending the returns from his harvest. In this way, he would be doing business which would be satisfactory to every man with whom he dealt, and would be a still greater satisfaction to himself. The co-operative credit banks would finance him and he would meet his obligations when he received the returns from his crop. Every farmer can see that this would be a vast improvement on the present system where he is hampered and harassed by the various dealers which the present system compels to finance him. There can be little doubt but that the country merchant and other dealers, who cater to the farmers would be glad to do a cash business.

There is a bill at the present time before the Dominion House which makes provision for co-operative credit societies under the supervision of the department of labor.

It will, of course, be strenuously opposed by existing financial institutions, but the farmers of Canada should give it their support. If such a system as is in operation in France, Denmark and Germany could be put into operation in Canada, it would mean greater prosperity to the farmers of this great dominion than any other single legislation that could be enacted. The government of Canada, by such action, would be paving the way for national prosperity and for a fair deal to the wealth producers of the country such as is not known on this continent.

A FALSE RUMOR

A persistent rumor is being circulated throughout the province that the committee appointed by the Grain Growers' Association to confer with the government as to a system of government ownership of elevators, has recommended that the commission to be appointed to operate the system should receive salaries of \$8,000 for chairman, and \$6,000 for associates. A careful reading of the memorial presented to the government by this committee, will show that there was nothing said about salaries to the commissioners. Moreover, THE GUIDE is in a position to say that the question of salary was not considered by the committee until after those rumors appeared in the press, and that there is absolutely no truth in the statements that seem to be so persistently circulated among the farmers by those who are opposed to publicly owned grain elevators.

The grain growers of Manitoba may rest assured that, as far as the committee they appointed is concerned, the interests of the grain growers will be conserved and the commissioners will receive no larger salary than is consistent with the proper discharge of the onerous duties which will devolve upon them.

FARMERS AND INTERNATIONAL WARFARE

Throughout the world today, there is a growing agitation for disarmament among nations and for settlement of international disputes by arbitration rather than by appeal to arms. Yet, despite this, the nations of the world are spending hundreds of millions of dollars annually in the support of vast standing armies and in the creation of the most scientific fighting engines for their navies. Year by year the agitation for peace continues and year by year the armies and navies grow stronger. Public men throughout the world urge peace and meantime prepare for war. Our clergy utter prayers for the day that implements of warfare may be no more. What is the hope of the future? Will it be more war, or will it be less war?

In Germany today, there is an agitation

among the agricultural classes for a curtailment of the world alarming expenditure upon the army and navy of the fatherland. The German farmers, even though every man is a trained soldier, does not want to fight. He wants peace. But there is an element in Germany which is determined to continue the war-like preparations for the aggrandizement of the German Empire under the guise of self-protection. In England, the expenditure on the navy and army must continue for real self-protection if the integrity of the British Empire is to be assured. In Russia, in Japan, the expenditure continues, and the United States is developing a huge naval fighting equipment. Canada is now also committed to a tremendous naval expenditure. What will the outcome be?

The Hague Tribunal has been proven of some value, but is no real safe-guard to international peace. The nations of the world face each other armed to the teeth and smile and talk peace. When world conditions are considered, the only hope appears to be among the organized farmers. This may be considered an extravagant expression, but all other means apparently have failed and certainly farmers will never encourage warfare. They are prepared to protect their country if need be, but are also more given to the arts of peace than any other peoples. The hope of peace lies with the farmers and when the farmers of the various nations are organized as they should be, although it may be a quarter, or a half century hence, there will be a visible abatement of the expenditures now made for equipping man to take the life of his fellow man in battle. Let us all encourage organization among farmers.

RAILWAYS VERSUS FARMERS

The Dominion Government has expended a vast amount of money in the construction of the National Transcontinental Railway from Winnipeg to Moncton. This railway is to be handed over to the Grand Trunk Pacific Railway for seven years without interest, and for the following forty-three years for the payment of 3 per cent. upon capital investment and an option of a fifty year renewal upon the same terms if both parties agree. Without questioning the wisdom of this enterprise, it is interesting to consider what vast benefits would have accrued to the farmers of Canada had they been able to borrow those same millions from the government upon equally favorable terms, as they would be giving equally good security. Just imagine what a vast amount of good that great sum of upwards of \$65,000,000 would do for Canadian farmers. The interest on the sum at eight per cent. would be \$5,200,000, but at three per cent. would be \$1,950,000. Here would be a straight saving to the farmers of \$3,250,000 which would annually go into the pockets of Canadian farmers. The co-operative system would provide such relief for farmers if the government will support it. Farmers of the west, is it not worth working for? The railway is a good thing for the country, but farmers are useful to a country also, even if they don't receive very much consideration.

It is a fundamental principle of human life that success comes rapidly through co-operation. The system of managing nations, provinces and cities is an exemplification of this; the plan of financiers in banding together to construct railways, and great commercial enterprises is another proof of it, and for a minor example it has been shown that men working together in a trade shop will produce far better results than by working individually in solitude. The commercial world has long since discovered the power of united effort, and the producers of the world's bread have awakened to the realization that individually they are no match for conditions that are a menace to them.

The Organized Farmers are the Heavyweights of any Nation