

The Mail Bag

THE CHEAPER MONEY QUESTION

Editor, Guide:—We have heard a lot on the subject of cheaper money lately, and except for the evidence submitted by witnesses who appeared before the Banking Committee at Ottawa, very little has been said on the question, except from the standpoint of the borrower who knows that the shoe pinches somewhere, and believes that a remedy should be forthcoming.

The writer recently received a letter from one of the larger loan companies, dealing with this matter, and the following extracts will be of interest at the present time.

"It seems to us that it is time that the authorities awoke to the fact that the best way to get lower interest rates is to see that lenders are not put to continual expense in order to collect their just claims. We say 'just' because we feel that we have been particularly lenient in all cases where any leniency was justified, and several instances have come to our notice where borrowers have taken advantage of our attitude. Wherever we find such cases we feel that we are entitled to summary action on the part of the authorities.

"We note in the current Alberta papers agitation on the part of the Farmers' Union to get lower interest rates, either through a government guarantee of bonds or otherwise; we sympathize with the efforts of the farmers to get better accommodations, but a little study on their part of the situation will reveal the fact that interest rates are governed not by arbitrary conditions, but by the conditions affecting the security. The chief reasons why the interest rate remains at the present figure are:

"1st.—The large demand for money, which proves that it pays the borrower to borrow at the interest rate which he is paying;

"2nd.—The large expense of doing business, because of the present inadequate transportation facilities, and the difficulty of getting help;

"3rd.—The complacent attitude of the farmer regarding his debts. We have never had experience in any farm loan field so aggravating, and know from the records of States like Oklahoma, Kansas and other States, that borrowers in these jurisdictions are much more prompt; even in a State like Georgia in the South, where the people are proverbially slow, our connection there reported to us the other day that there were no interest items six weeks overdue on a volume of business of over a million and a half of small loans. This record compared with our own is not flattering, either to our methods of doing business or to the borrowing constituency.

"We feel that this is due to the lack of insistence on the part of loaning organizations on prompt attention to obligations, and not to intrinsic defects in the character of the borrower. This explanation does not relieve the business of its heavy cost.

"To remedy these defects is the surest way for the farmer to get cheaper money, as evidenced by the fact that in States like Iowa and Illinois, where farming is thoroughly established and farmers are prompt business men, they can borrow at 5 per cent. flat, or with very slight commissions of from one to two per cent.—All this without any government aid whatsoever. And we venture to say that when Alberta is as good a loaning field as Illinois from every standpoint, money will be just as cheap in Alberta as in Illinois.

"You will understand that we are not depreciating Alberta security as compared with Illinois security, but simply the business conditions surrounding the doing of business in Alberta as compared with those in Illinois."

The points brought up in this letter are important ones, and it will be as well for us to look closely into all sides of the case. While it may be that the loan company has exaggerated, still the letter is worthy of consideration and discussion.

E. J. FREAM.

Calgary, Alta.

NOT WORTH THE MONEY

Editor, Guide:—The article "Cost of Producing Wheat," by Mr. F. W. Green, surely calls for comment. In the first place, will Mr. Green tell us how he arrives at the value of farm lands? I would like to draw his attention to Vol. 3, No. 1, of "Publications of the International Agricultural Institute," where he will find the following quotation from "The Value of Landed Property":—"For a long time past the distinction has been made between a so-called 'common value' of landed property and a so-called 'value based on net revenue.' The first is defined as the value that a property has for any one, and the second as the value which is arrived at by capitalizing the net returns. The latter is the only price that the farmer will pay when he intends making his living out of the

year. Unlike him, I was unable to sleep after realizing that on my \$50.00 per acre farm, I was losing seven cents on every bushel of wheat grown; and rest only came to me when I decided to rate my land at \$30.00 per acre, thereby making a profit of two cents on every bushel of wheat I raised. Another thing asking for criticism is this 8 per cent. interest. As secretary of the Saskatchewan Grain Growers' association, Mr. Green will be pressing the government for cheap money, and yet here he is demanding a clear 8 per cent.; more than shareholders of land or mortgage companies get.

As to "What will be the position of him who shall purchase this land on crop payments?" I would say it should be a minor position in a lunatic asylum. In conclusion, if Mr. Green proves anything it is that western farms are over-capitalized.

W. W. LINDLEY.

AMERICAN SETTLERS' LOYALTY

Editor, Guide:—A few weeks ago we organized a Grain Growers' association in our little burg, with a membership of twenty-two, electing the writer president and Geo. Ready secretary, with a promise of at least double the membership as soon as the roads are passable for some far-off settlers. The Guide is always a welcome visitor, and I consider it a very valuable paper, one that every farmer should take. To be a member of the Grain Growers' association means money in pocket to every man that becomes one. I read The Guide from the first page to the last with much interest and enjoy the same, yet there is an article occasionally that makes my Welsh-Yankee blood boil over. I refer to the onslaught made by R. B. Bennett in the House of Commons on the American settler, reported in your issue of March 12, just because they did not vote in accordance with his views politically. The Good Book says it is impossible for a camel to pass through the eye of a needle. This R. B. Bennett is so narrow that he undoubtedly could make the "pass" easily. I am an American by birth, but a Canadian by adoption and I venture to say that I am as loyal to my government (yes and more so) as Mr. R. B. B. I do everything I can (so far as my ability goes) to build up Canada. He, by his narrow-minded statement that American

settlers in Western Canada are disloyal, and that Canada was in danger on account of their presence here, is not by any means building up Canada.

In Western Canada the Americans and all British subjects are working hand in hand to build up a country that has not its equal in any land under the sun, and we Americans are proud that we are here and are here to stay. We have just as much protection here as we had under the Stars and Stripes. We feel sorry for Mr. R. B. B. and suggest that he buy an air pump and pump into that narrow-chested mind of his the facts about the American settler, not in a political way, but in a loyal way, and when he has expanded sufficiently and opened his eyes widely (his mind's eye) he will surely "go away back and sit down." And he will then conclude that Canada, yes Western Canada, is built up of the best people of all nations. Yours truly, THOS. DAVIS.



RIGHT HON. A. J. BALFOUR

The former leader of the Unionists in Great Britain, who is still the most influential member of his party

property without losing by it." If this be so, then this land valued at \$70.00 is worth \$30.00 per acre or less.

Some of Mr. Green's figuring certainly staggers one. For instance, it is to be presumed that land valued at \$70.00 per acre will have a house costing \$3,000.00 on a section of land. Now, as the farmer is living in this house he should not expect interest on the money invested in it. The same applies to the barn, which stables the horses and cattle earning the interest on the capital.

Then again, all the work shown as done only results in yields of 28 and 30 bushels per acre; and yet Messrs. Maharg and Hopkins raise 40 and 30 bushel crops. What I wish to know is, what more work do they put on the land than the other fellow?

According to Mr. Green's own figures, he has \$40.00 invested in every acre of his land which does not bring him in one cent return, and yet he is satisfied because he is earning \$2,400.00 per

BEWARE OF LAND SHARKS

Editor, Guide:—I want to tell your readers a few things in regard to the grafting that is going on in the western towns. A short time ago I was up in Edmonton, and it is a shame the way lots of women and men get stung by the real estate sharks and land speculators. A man cannot go to any hotel in Edmonton without being dogged by this kind of people. You will find from six to twenty of them at each hotel, and you can go there any day and find it just the same. If anyone thinks this kind of people will make a country they will be badly left. There are all kinds of sharks in Edmonton. They all want to sell you a corner lot at two thousand dollars up near the North Pole, just across the bay. So, dear readers, if you have any friends coming west it will pay you to put them next. There is lots of good land close to railroads and schools and churches without going near the North Pole and paying two thousand dollars for a lot.

When you hit the West these sharks and grafters want to sell you anything under the sun, but most of their talk is hot air. They also have parks for sale near Grande Prairie, with apple trees, but be careful you don't get the snow apples in place of the real apples. I am speaking of just what I have seen with my own eyes, for I don't believe anything I read in the papers outside of the Grain Growers' Guide. The Guide is about the only paper that a man can get any truth from. For the most of the papers in the West are in with the sharks and grafters.

GUS. KUNISH.

Bruce, Alta.

HOME MAKERS

Editor, Guide:—I want to thank you for the part you are taking in the good work of the U.F.A. as well as that of the G.G.Assns. of our two sister provinces. I am more pleased with the part you play, because your talk is not all hard dollars and cents. While we all realize that the price we receive for our farm produce has a deal to do with the making of our homes and improving of conditions in our districts and the province, yet we must not forget that conditions can be much improved by giving some thought and work along some other lines. The men of the U.F.A. have been working hard for the past eight years trying to solve many of the problems in respect to marketing, and now we are, I think, about to switch onto the right track, that of co-operation, and when the farmers of Alberta learn to co-operate in selling and buying and voting, then—and not till then—will we come into our own. I was more than delighted to see the spirit of co-operation exhibited at the Calgary Convention. Why, we are now to lead our province in votes for women. Yes, the women of the farm shall have the opportunity of helping by their votes and advice to obtain what we have been working for for many long years. I think that the best work of the convention was that providing for our wives and mothers of the farm being delegates to our next convention. I have always claimed that the women of the farm should be given a voice in our Association matters. Could we expect them to take a great interest in the Association, when they had no voice or vote? I have heard and read a lot of nonsense about women not being well enough posted to vote on matters intelligently, but I have always found that the same men expected a great deal more in the shape of intelligence from their wives and mothers than they looked for in any other or

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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.

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