

A RATIONAL LAND CREDIT SYSTEM FOR WESTERN
CANADA

By C.W. Peterson.

I have returned from an extended agricultural investigation trip in Europe deeply impressed with the tremendous economic importance of the freest and cheapest possible land credit or "long term" credit, as we call it on this side of the Atlantic. The agriculture of Denmark for instance, is rightly regarded as the richest and most successful in the world. Yet, the total land mortgage indebtedness of the Danish farmers actually exceeds fifty percent of the value of all agricultural properties in that country. This, at first sight, appears paradoxical. But the fact is, that this enormous indebtedness represents a huge working capital which the farmer of that country is employing beneficially and profitably in the conduct and development of his business. In many other agricultural countries the situation is approximately the same. The lesson is obvious. The fullest, freest and most economical borrowing facilities against farm lands, is the very foundation of successful agriculture. As regards "short term" or banking credit and all other forms of casual credit, I am not particularly concerned about that. We shall probably find, that the less we have of it, the better it is for us all.

A DISGRACEFUL SITUATION

When on my return, I proceeded to view the land credit situation in Western Canada, it struck me by way of contrast, as absolutely appalling. Here is a new and undeveloped agricultural country crying aloud for working capital. In spite of the prevailing high interest rates, one mortgage company after the other has withdrawn absolutely until it is today impossible to negotiate a desirable farm loan in the West. This disgraceful and altogether destructive situation has now prevailed for some years and there is no indication of any early change in the attitude of financial concerns in the matter.

I do not feel disposed to cast any blame on the loan companies. Adverse seasons have no doubt exercised an influence. The lion's share of the blame must, however, be placed on those poisonous, ignorant demagogues within the ranks of farm organizations who on the plea of "protecting" the borrower, and in pursuance of the popular game of

**POOR
COPY**

W.L. Mackenzie King Papers
Memoranda & Notes

**PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA**