

Farmers' Financial Directory

THE CANADIAN BANK OF COMMERCE

SIR EDMUND WALKER, O.V.O., LL.D., D.O.L., President
JOHN AIRD, General Manager. H. V. F. JONES, Assistant General Manager
V. C. BROWN, Superintendent of Central Western Branches

CAPITAL \$15,000,000 RESERVE FUND \$13,500,000

FARMERS' BUSINESS

The Canadian Bank of Commerce extends to Farmers every facility for the transaction of their banking business, including the discount and collection of sales notes. Blank sales notes are supplied free of charge on application.

Can You Save 60c. per Week?

For a man between the ages of twenty-three and thirty, about 60c. a week will maintain an Imperial 20 Payment Life Policy for \$1,000.

If, after you have paid but one premium on such a policy you should die, this Company would pay \$1,000 to your wife or other beneficiary. That \$1,000 invested at 6% would yield your heirs an income of \$1.15 a week as long as they live, and still leave the principal intact.

Have you considered what a wonderfully safe investment this is? Think of the men who were worth thousands before the war who do not possess five hundred dollars in real money today. The bottom has fallen out of their real estate and stock holdings and if they were to die their affairs would be in a bad muddle.

One policyholder said recently "the only thing I possess that is worth one hundred cents on the dollar is my life insurance policy and, I regret today that I am not carrying five times as much."

Write for our booklet entitled "Penniless Old Men." You'll find it interesting.

THE IMPERIAL LIFE
Assurance Company of Canada
HEAD OFFICE - TORONTO

Branches and Agents in all important centres

Copyright 1915

Farmers!

We have told you of the prompt and liberal settlements made by our Company. Here is the proof:

Kinley, Sask.,
August 10, 1915
The Saskatoon Mutual Fire
Ins. Co.
Saskatoon, Sask.

Dear Sirs—
I received your cheque for \$1,354.66 O.K. and thank you very much for the same. I appreciate your very quick returns. I must say I did not expect it so soon and I again thank you for your extra promptness.

Yours very truly,
(Signed) Albert Young

Loss Occurred Aug. 2, 1915
Reported Aug. 4, 1915
Adjusted Aug. 5, 1915
Claim Paid Aug. 7, 1915

"Action Speaks Louder than Words"

The Saskatoon Mutual Fire Insurance Co.
Saskatoon
Sask.

IT PAYS TO ADVERTISE
IN THE GUIDE

THE Weyburn Security Bank

Head Office: Weyburn, Sask.

FOURTEEN BRANCHES IN SASKATCHEWAN

A Western Banking Institution for
Western People.

H. O. POWELL : General Manager

J. A. FRAZER President G. ROWAN Vice-President H. E. HEMMONS Treasurer

THE MINIOTA FARMERS MUTUAL FIRE INSURANCE Co.

Head Office: BEULAH, Man.

M. G. DOYLE, Secretary-Manager
Licensed to transact business in Manitoba and Saskatchewan. Full Government Deposit with Saskatchewan Government.
Financially the strongest Farmers' Mutual Insurance Co. in Western Canada, with over \$15,000,000.00 of insurance in force and assessing the lowest rates to policy holders of any company doing business in the West.

AGENTS WANTED
in districts unrepresented. Must be able to deliver the goods. Write for further information.

Farm Finance

A Department for the Discussion of the Financial Problems of the Farmer.

Banking—Insurance—Mortgages—Investments

In this issue of The Guide a new department is being opened which, it is hoped, will be of great interest and service to readers of this paper. This department will deal with questions of finance, from the standpoint of the farmer. Its aim will be to familiarize readers with the methods of business followed by financial institutions of every kind, to show the ways in which they may be used by the farmer to the best advantage and to discuss methods by which the service given may be improved. Banking, mortgages, trust companies, the express business and insurance of all kinds (fire, life, accident, livestock, hail, etc.) will be dealt with and farmers will be invited to ask questions on any subjects on which they desire information. A number of leading men in various departments of the financial world have agreed to co-operate with The Guide in the preparation of articles, and the purpose will be to bring about a mutual understanding between farmers and the financial interests, which will help to establish confidence between them and which will be of advantage to both.

Both Must Learn

Before this desirable condition can be reached misunderstandings on both sides must be cleared away. The farmer must thoroughly understand both his rights and his obligations and the financier must realize the farmers' conditions and their special needs.

In these articles also there will be an endeavor to encourage thrift and to assist the farmer, his family and his hired help to select safe, sound and suitable investments for their savings, when they are in the happy position of having a surplus to dispose of.

This department will probably be much more interesting if readers of The Guide will write to the editor asking questions and suggesting the subjects on which they desire information. Readers are also invited to relate their own experiences and to discuss how the service rendered by banks and other financial institutions may be improved and what changes in the law are necessary to perfect the banking and credit systems of the country and to ensure fair dealing.

BORROWING FROM THE BANK

One of the most frequent financial transactions of the average farmer is the borrowing of money from a bank. Banks exist chiefly for the purpose of receiving deposits and making loans, and the greater part of their profits comes from the difference between the interest which they pay to depositors and that which they charge to borrowers. It is to the interest of the bank, therefore, to lend as much money as possible and the borrower is just as necessary to the success of the bank as the depositor is. It must not be supposed, however, that when the bank receives deposits at 3 per cent. and makes loans at 8 per cent. that it is making a profit of 5 per cent. on the transaction. Out of that margin expenses have to be paid. Rent (or interest on capital invested in bank buildings), light, heat, wages, stationery, taxes, insurance and all kinds of office expenses have to be met, and provision has to be made to cover losses that occasionally occur thru borrowers failing to repay their loans.

Interest Rates

The complaint is frequently made that banks make a practice of charging a higher rate of interest to farmers than to manufacturers and those engaged in some other lines of business. This is no doubt true, and it is a fact that some farmers pay higher rates of interest than others. Perhaps they wonder why. The bankers contend that they have to charge farmers more than they do manufacturers because the risk is greater and the expense of management and collection is higher. The rate of interest which a bank charges depends very largely upon the security which is given for the repayment of the loan and the reputation which the borrower has for meeting his obligations promptly. The funds which

banks have to lend, or the greater part of them, consist of money which is deposited by the public and may be withdrawn at any time. It is, therefore, necessary that they should—in case of emergency—be able to secure the return of the money which they lend within a comparatively short time, and it is the practice to make loans for three months or less, renewing the loan when it becomes due if necessary and desirable. If the manager knows from experience that a customer can be absolutely depended upon to repay a loan, or be on hand to arrange for a renewal on or before the day it becomes due, he will be much more likely to make the loan, and at a reasonable rate of interest, than he would to give the same accommodation to another man who was unbusinesslike and who was quite liable to neglect the matter until the loan was weeks overdue, and not even appear at the bank to make an excuse until notices, letters and finally a threat of proceedings had been sent to him.

Banks, of course, have not an unlimited amount of money to lend and naturally they choose to place it where it can be loaned with the least risk and collected with the least trouble. In order to get credit at reasonable rates, therefore, a farmer must have a good reputation. He must show from his methods of farming and from his way of conducting his affairs that he is to be relied upon.

Why Farmers Borrow

The purpose for which money is borrowed must also be a proper one in order that the farmer may be sure of securing the accommodation that he desires. Chartered banks in Canada are not permitted by law to lend money on the security of real estate and large amounts needed for the purpose of making permanent improvements, should be borrowed for a term of years on mortgage from some other source. The function of the bank is to make loans which are required for a few weeks or months to finance the farm operations. The farmer always has to wait, sometimes for a year or more, before he receives a return for his labor and for his expenditure upon raw materials. He plows in the fall, harrows, seeds and packs in the spring, cuts in summer, and threshes in the fall and receives not a cent for his labor and the labor of his hired help until later in the year when he delivers his wheat at the elevator. Meanwhile he has many expenses to meet, for feed, seed and twine, for hired help and for living expenses. Under these circumstances, when the harvest is reasonably assured, the farmer is fully justified in borrowing a moderate sum from the bank to pay wages, buy twine and meet other necessary expenses. He has increased his wealth, but it is not in a realizable condition and he is merely anticipating the sale of his crop. Again, the farmer has a bunch of young cattle or hogs which are ready for fattening and need feeding for a few weeks to fit them for market. He may have no feed and no cash to spare with which to purchase it, and it is good business for him to borrow money with which to buy feed. Or the reverse might be the case and the farmer have a quantity of hay or low grade grain fit only for feed, but no stock to feed it to. His best course is to buy cattle or hogs and market his crop on the hoof. A loan for such a purpose is a perfectly legitimate and reasonable thing and a reliable man should always be able to borrow from the bank under these circumstances. The principle which should underlie all loans, big and small, long and short, is, that the operation or improvement for which it is borrowed should itself provide for the repayment of the loan, with interest, and also return a profit to the borrower. It is not the business of a bank to lend a man money because he is hard up. Friends make loans of that kind and that often ends the friendship. The business of the bank is to lend a man money so that he can increase his productive capacity and add to the commerce and prosperity of the country.

on Jun
peratur
growth
a vigo
four y
as son

In s
of har
selectio
of Ma
tinct
selecte
when
The g
conside
showin
sweeps
into d
it is t
under
past fi
in the
er."

In t
sheaf
own fa
It is
sheaf
stakes

In
an or
origina
won f
In t
Victor
first sv
I won

In
The ei
I sent
as it
The s
say t
have
ripeness
as lon
frost
frost
cut it
crops
was t

All

THE
CUL
OF 7
AGR

Albert

VICTO

Over \$1

Pres.

Secre

DELO

Here
the L
some
for br
prosen
which
Regin
all of
Holsti
sale;
CH

AME

SE

A SUI
genera
running
for \$15.3
making
ABSOL
The t
dressed,
which i
machin
Ly fro
TORO
JOHN,
dairy h
our has
AMER
BOX 1