

The Brain Growers' Guide

Winnipeg, Wednesday, April 26, 1916

TO SAVE CO-OPERATIVE PROFITS

For the next few weeks farmers in this country will be busy putting in their seed. It will require no special encouragement nor advice from any quarter to ensure the maximum acreage consistent with wisdom to be placed under crop. The prices of grain ruling at present and the prospect of good prices for the next harvest will be all the inducement required. But even at best the acreage will be very considerably reduced and it would be unreasonable to expect as large a yield. While the farmers are riding around their fields it is a good opportunity to spend some time in thought over the future. With a crop like that of last year and the price at which the greater portion of it was sold, wheat raising was profitable, but had such crop been produced in normal times the price would probably have dropped to about 60 cents a bushel at which there would have been no margin of profit left. This war will be over we hope in a year or two at the most and wheat prices will go down. To meet this situation the cost of production and the cost of living must be brought down at the same time. The farmer will be the first to suffer and the last to benefit from conditions that will prevail after the war. Co-operative organization has developed very rapidly thruout the West and it must be pushed with the utmost vigor in order that farmers may buy and sell to the best advantage. But the cost of everything the farmer has to buy has increased enormously and after the war these prices will not fall back to normal nearly as quickly as will the price of wheat. The industrial, manufacturing and transportation interests will be more firmly entrenched in power after the war than before. They will have a firmer grip on our governments. The point for the farmers to remember is that tho a great deal can be accomplished by co-operative organization, the benefits which will accrue from this work can be largely or entirely turned over to special interests by legislation. If the farmers expect to retain for themselves the benefits which they are justly entitled to thru their co-operative efforts they must make sure that these benefits are not turned over to other people by laws enacted for the benefit of special privilege. Co-operative organization will accomplish great good but it should be accompanied by political organization in order that the farmers may be recognized and fairly treated by our law-making bodies. At present there are a great many more or less bona fide farmers in our legislatures and also at Ottawa but they have very little voice in the making of our laws. What the farmers should do is to get down to a definite program of what they want and then see that the men elected will stand for these principles when they have a voice in the making of the laws. Free Trade is one of the greatest necessities for the development of this Western country and the opportunity to carry on this work thru the medium of The Free Trade League of Canada is already before us. Farmers who want relief from their burden of unjust indirect taxation should give every support to the Free Trade League.

DIRECT LEGISLATION

Despite the fact that the Liberal party in Manitoba in 1910 endorsed the principle of Direct Legislation and each succeeding year endeavored to have the principle endorsed by the legislature there is still no Direct Legislation Act in Manitoba. It is quite true that a Direct Legislation bill was prepared by the government and passed all the stages of the legislature at the recent session, but instead of putting it into force the legislature (by the

advice of the government) left the bill to be brought into force by order-in-council, or in other words, at the discretion of the government. The intention of the government apparently is to ascertain thru the courts whether the Act is constitutional before it is put into force. If such a course is adopted and the bill is eventually sent to the privy council it will quite possibly be declared unconstitutional, because aside from the law on the subject the privy council has a great respect for established customs. There seems no good reason why the bill should not be put into force at once and allow those who are opposed to it to take the responsibility and bear the expense of proving it to be unconstitutional. This is the course adopted by the governments of all the provinces on practically all other legislation. After the bill is once in effect it will be open to any persons to initiate petitions, and should the requisite signatures be secured it will then be up to the opponents to take action in challenging the constitutionality of the Act. If such action were taken, however, the government, if really sympathetic to the principle of Direct Legislation could legalize such a petition and the referendum it would call for by the simple method of putting thru another Act calling for a referendum upon that specific question. As it stands at present there are many people who question the good faith of the government on this plank in their platform. If the bill is put thru the various tortuous processes of the courts and finally declared unconstitutional the government might claim that its pledge was fulfilled, but no fair-minded person could accept such a claim.

After the unparalleled record of graft and corruption thru which Manitoba has passed it would seem that a government desirous of giving a clean administration and establishing real democracy would be even more anxious than the people to give effect to the principle of Direct Legislation. It would save the government from a great deal of embarrassment and would be a guarantee to the people against any repetition of the graft and corruption of the past decade. It is an extraordinary thing that the governments in the three Prairie Provinces each of which is pledged to the principle of Direct Legislation should decline to provide the necessary and satisfactory legislation. In Alberta the Direct Legislation bill was enacted but was largely nullified by the heavy task imposed to secure the necessary petitions. In Saskatchewan the bill was passed and then deliberately killed by putting it to a referendum "joked" for the express purpose of killing it. Now in Manitoba the best bill of all has been enacted but is hung up apparently with the intention of putting it into the courts where it will possibly be killed. Let us have the Manitoba bill proclaimed and if its constitutionality is challenged it can easily be amended at the next session.

CREDIT FOR LIVESTOCK INDUSTRY

In this issue we publish the story of the development of the Livestock Association at Elfros, Sask., which should be of great interest to every section of the West where the livestock industry is developing. The chief handicap to the livestock industry in the past has been the lack of sufficient cheap and long term credit which is an absolute essential to the production of livestock especially in a grain growing country. By a careful study of the Elfros association it will be seen that the principle of co-operative credit is at the foundation of the organization. The farmers of that district have pooled their credit and thus standing by each other they have been able to give the bank absolutely sound security which is the chief element entering into credit.

The Elfros organization is still young and is probably not yet out of the experimental stage, but sufficient progress has been made to show that it contains the elements of success. Money is being borrowed on absolute security over a sufficient term of years and at a comparatively low rate of interest. The farmers have been enabled to purchase livestock which they would have been unable to secure without such credit. The Elfros association is organized under the Joint Stock Companies' Act, but if it is found desirable no doubt special legislation could be secured for the establishment of co-operative livestock credit associations which could deal advantageously with the local branches of the chartered banks thruout the West. The banks, or at least some of them, are fully alive to the desirability of giving better service to the farming community. If co-operative credit organizations can be established and the banks can give the credit required it will save the expense and confusion which might occur thru the establishment of a supplementary banking system. If such arrangements cannot be made however, it is absolutely essential that something supplementary to the present banking system be established.

A consideration of the work at Elfros also indicates the possibility that short time credit of satisfactory amounts and at reasonably low rates of interest might be secured from the chartered banks thru co-operative credit associations for other purposes than the purchase of livestock. This is a subject which was up for discussion at the joint conference between the business men and the farmers a few weeks ago. It is to be further discussed and in detail at a conference between the leaders of the organized farmers and the Western Bankers' Association in the near future. It may be that a system will be developed by which the farmers can get all their credit thru the bank and do all their other business for cash. Such a system will eliminate tremendous waste, overlapping and loss, and would save Western Canada vast sums yearly.

FOSTER ON PATRONAGE

There are few men in Canadian public life who know more about the political history of the Dominion than Sir George E. Foster, the minister of trade and commerce. Sir George has been in Parliament for 30 years and was minister of marine and fisheries and afterwards finance minister in the Conservative government prior to 1896. He therefore knows what he is talking about when he speaks of the evils of patronage, as he did some days ago when taking part in the budget debate. Sir George Foster followed A. K. Maclean, who in his criticism of the government made an attack on the patronage system and also condemned the government for expending money upon improvements to rivers and harbors which he considered to be unnecessary and which were made chiefly to give employment to supporters of the party in power. Referring to Mr. Maclean's remarks, Sir George said:—

"The same remark applies to the question of patronage. I said I was disposed to be perfectly frank on both of these points. There are expenditures now—there have been expenditures from Confederation up—which have been put into the Estimates, passed and carried out in the country, that were neither useful nor expedient. There is no doubt about that; it has been done under all governments, it probably is being done under this government. My opinion is that until a different method is pursued with respect to our expenditures upon public works, in their authorization, we shall be open to these troubles and to that criticism. My view is that every application for a public work, or a public improvement, should go before a competent board of engineers and business men, should be reported upon by them for the information of the government, and that every applica-