Alberta

This Section of The Guide is conducted officially for the United Farmers of Alberta by P. P. Woodbridge, Secretary, Calgary, Alberta, to whom all communications for this page should sent.

FARM CREDITS

In my first paper on cheaper and easier money for farmers, I said we needed two kinds of loans—short term loans for current business, which should run from six months to three years, and long term loans, to pay for land and permanent improvements, such as buildings, drainage, etc., which might run from 10 to 75 years. In this paper I intend to deal only with long term loans, which evidently cannot be obtained by any change in our banking system, but will require special credit institutions. Such special institutions have been organized in many countries, and I would like to urge our members to study the report of the Alberta Commission on Agricultural Credit, published by the department of agriculture in Edmonton. These institutions assume many different forms, but certain general principles underlie them all and have been approved by experience. They may broadly be divided into two classes:

1. Associations of lenders, mostly joint stock companies, who are in the business to make profits.

2. Associations of borrowers, who act simply in the interest of the borrowers and make no profit.

We are chiefly interested, I think, in the latter. All of them are mortgage companies, the security for the loans is the land. The loans run for 10 to 75 years. They are repayable by so-called annuities or amortization, that is by yearly or half-yearly instalments, which include interest, capital and business expenses. Under certain conditions the borrower can repay the loan before it is due.

The advantages of the borrower are: He gets his money at the lowest interest possible in the money market; his loan is definitely assured to him for a long number of years; he repays it on easy terms with little expense. He has a fair chance of repaying the loan out of the revenue produced by the land and the improvements. Of course many of the first loans obtained under such a new arrangement would have to go to lift existing mortgages. But the advantage even then is clear. A $1,000 mortgage under existing mortgage conditions, taking the interest at 8 per cent., would mean that during the first five years the borrower must be prepared to pay $400 interest and the $1,000 capital, $1,400 altogether, and expenses besides. On the long term amortization system, taking a loan for 25 years, the annual instalment might amount to 7 per cent., including interest, expenses and capital, the borrower would have to pay during the first five years $350 altogether; and would be safe from disturbance for twenty years more.

You may ask, if this is an association of borrowers, where does the money come from to lend? Debentures are issued on the security of the mortgages, and these are sold in the money market, just like government or municipal debentures. Generally these debentures have no due date, have not to be repaid at any definite time, but are called in by the credit association, on the principle that the amount owing on debentures must be the same as the amount outstanding on mortgages. The interest adjusts itself according to the security of these debentures, and to the value of money in the money market.

The only way to get the cheapest money is to give the highest security. If a debenture rested simply on an individual mortgage, the security would be the same as now, and the interest could not be lower. Many various arrangements have been made to increase the security. The most successful arrangement seems to have been the collective liability, limited or unlimited, of the borrowers. The mortgages are pooled, either entirely or to a limited extent. Herrick, in his book on Rural Credits, says: "The collective liability of groups of borrowers has proved satisfactory and popular wherever employed. . . . The only co-operative association in which collective liability is practicable for long term real estate credit is an association composed entirely of borrowers; in every country in which this has been introduced it has proved its superiority for getting long time loans for farmers at low interest rates and on easy terms." There are many other ways in which increased security for debentures has been sought, such as guarantee funds, reserve funds and government guarantees. Loans must be granted only for productive, not for speculative, purposes. Experience has shown that large institutions, centralized in big cities, generally fail to reach the farmers, who most need money. As the writers say, there must be "proximity to the borrowers." The most successful arrangement appears to be comparatively small groups of borrowers federated in a central office for the purpose of disposing of the debentures.

As some of our members are interested in the New Zealand system, I hope in my next paper to give an account of the newest New Zealand legislation on this matter.

JAMES SPEAKMAN.

BEWARE OF IMITATORS

A circular has just reached me headed, "The Profit Sharing Plan. Save your hard earned dollars. The Co-operative Union. New system of trading. Join with us today. Down with the trusts."

This is followed by several paragraphs in a similar strain, and then appears a list of fourteen grocery articles with two prices opposite each, one labelled "The Old Way," the second being labelled "The Union Way." Then follows more explanations, etc., with information to the effect that "we sell to members only," winding up with a statement that in order to introduce the new money saving system the union has decided to offer a fully paid up yearly membership certificate for the sum of $2, entitling the purchaser to full benefits of the union for one year, and an invitation is extended to send in your application to the local manager at once. The name of the local manager is filled in with a rubber stamp or similar contrivance.

I do not know to what extent these circulars have been sent out, but our members would do well to go slow and investigate before sending any money to any concern operating in such a manner. I am rather inclined to think that this co-operative union is our old friend, the Co-operative Union of Windsor, who advertised in the public press offering spare time occupation to local agents at $15 weekly. The name was evidently chosen to cause confusion, as many people will undoubtedly take it for an affiliated society, if not the same society as the Co-operative Union of Canada, which is the real thing, and which has been referred to in these columns before. I understand that the assistance of the Post Office Department has been asked for, with the idea of prohibiting this concern from using the mails under the present title.

A statement which appeared in the public press some time ago will give some idea of the nature of the business that the Co-operative Union of Windsor was carrying on at that time. The article sets forth that P. A. Campbell, who was the local agent of the Co-operative Union of Windsor at Ottawa, has been arrested, charged with obtaining money under false pretences. Other charges were also made in the same connection, which would appear that this was an attempt to sell groceries by mail, and from the clippings it would appear that some paid their money but the groceries did not come along.

AGRICULTURAL EXHIBITS

A very interesting notice appeared in the Calgary Herald recently, in which the name of the Balfour Union, No. 222, U.F.A., appeared as the winner of a shield given by the Stavely Agricultural Society for an exhibit of agricultural products.

In replying to congratulations extended by the Central Office, the secretary of this union sent in the information that one side of the new 30 by 30 addition to the agricultural society's building was devoted to the exhibits of the four local unions of the U.F.A. taking part in the competition. The display consisted of exhibits of grain, both in bundle and threshed in sacks, with a good display of the other things. The shield has to be won three times before it can be finally claimed as the property of the union.

This is perhaps the first occasion that a U.F.A. district association has systematized their work for the improvement of agricultural methods thru organization so effectively, and is, I think, well worthy of notice.

WHERE'S THE BULL?

At the request of H. J. Duffy, of Lomond, the following report is inserted:

As a branch or outcome of the Lomond Local, No. 562, at the instance, and under the auspices of the Livestock Commissioner, Department of Agriculture, Ottawa, the "Lomond Pure Stock Association" was formed, for the purpose of obtaining the services of pure-bred sires from the department, as offered in their booklet, sent free on application. After some preliminary correspondence, and after the inspector for the department had visited the local and promised the secretary to recommend the immediate shipment of a Durham bull—this was early in May of this year—the said secretary received a communication from the commissioner under date of May 26, 1915, stating that he was now able to advise that arrangements were being made to supply our association with a bull this spring. From that day to this no further word has been forthcoming, altho one or other of our members has asked for the bull at every train—twice a week—since, getting nothing but a big horse laugh from the train crew. Can it be that the said crew knows our paternal government better than the mere farmers do?

The unfortunate association is now defunct, the members at the final meeting held last night deciding that their dollar apiece would do them more good invested in a share of stock in the newly formed Associated Farmers Limited, a purely co-operative association we have formed primarily for the purpose of operating a wagon scale in the coming village of Lomond, altho we hope and intend to branch out into further business as our opportunities and ability allow, or the necessity arises.

With regard to the latter association the provincial government has given us, at the reiterated wish of our U.F.A. executive, a good Co-operative Associations Act to work under, and it is now up to the farmers of this locality to support the board of trustees appointed at the general meeting held on the 7th inst., and to remember that co-operation means working together, and only by working together and boosting instead of knocking—which latter is far easier apparently—can we make a success of this association. The capital is to be raised by five dollar shares, 20 per cent. down and balance at the call of the trustees. Farmers of Lomond rally round and help yourselves. We are told that "the Lord helps him who helps himself." If you want lumber, fence posts, fruit or any other article that we can profitably co-operate in purchasing, preferably by carlots, leave your orders with or inquire of the secretary, H. J. Dufty, Lomond. Stuart Galbraith, Armada, is our chairman of the board, and A. Anderburg, J. Burton, G. Mullen, J. Haight and E. Dawson are the other trustees. "A square deal to everyone including ourselves" will be our motto. We don't aim to harm any other legitimate business, but to protect ourselves.

TWINE CHEAP

Thos. Cairns, secretary of Wildmere Local, No. 698, reports that a regular meeting of that union was held on August 7, seventeen members being present. Several of the members who expected to cut their grain the following week purchased their twine locally, as it was found that the prices quoted by the local dealer were as good as could be secured anywhere. The union had arranged a picnic for July 23, but same did not come off on account of the weather being wet. However, they held a dance that night instead, which was a big success.

OFFICIAL CIRCULAR No. 11

Ladies and Gentlemen:—Now that the grain shipping season is about here, we would like to ask our locals who do not ship grain from points where the Alberta Co-operative Elevator Company have elevators, to ship their grain to The Grain Growers' Grain Company, full information concerning which can be received from the office of the company in Calgary.

For several years past The Grain Growers' Grain Company has given cash grants to the United Farmers of Alberta, which has enabled us to much more effectively carry on our organization than we could otherwise have done. The fruit of this is seen in a larger and stronger organization. For this reason, and also because it is in your own interest, your Central Office think The Grain Growers' Grain Company is entitled to the support of the United Farmers of Alberta, and we would accordingly ask all our farmers and members who have not got a grain local of the Alberta Co-operative Elevator Company, to give The Grain Growers' Grain Company the preference in the handling of their grain.

Many other companies are using agencies and every other means in their power in order to draw support away from the farmers' companies, and every one of our members should bear in mind this fact, that when he gives his grain to an outside company he is by that act helping them against those who are working in his interests.

The Grain Growers' Grain Company has its shareholders in all of the three western provinces. It was the first farmers' company to enter into the business of handling grain for farmers, and fought the fight alone when practically every business interest was against it. Thru its assistance the farmers of Western Canada were able to secure a journal of their own in The Grain Growers' Guide. During the last seven or eight years it has given to The Guide, the Manitoba and Saskatchewan Grain Growers' Associations and the United Farmers of Alberta over $75,000 in actual cash grants, to enable them to better carry on their work.

If you are not holding a meeting of your local in the near future, we would appreciate it if you would personally bring this to the notice of as many of your members as possible.

Yours fraternally,

JAMES SPEAKMAN,
President.

OTTAWA AND PROPORTIONAL REPRESENTATION

The municipal committee of the Ottawa board of trade after full investigation and discussion has unanimously pronounced in favor of the adoption of proportional representation in the election of the mayor and board of control of the city. The committee includes many influential citizens, Dr. Jas. W. Robertson and P. M. Draper being the mover and seconder of the resolution adopted.