The Grain Growers' Guide

Winnipeg, Wednesday, November 22nd, 1916

GOVERNMENT MORTGAGE SCHEME

That the governments of Manitoba, Saskatchewan and Alberta have a plan to provide six per cent. mortgage money for farmers within the next few months will be mighty good news to the farmers of the Prairie Provinces. If this government mortgage scheme described elsewhere in this issue works out successfully it will bring a very decided benefit to bona fide farmers. At the present time the lowest rate of interest on mortgages is seven per cent., and that is confined to a portion of Manitoba only. The balance of Manitoba and all of Saskatchewan and Alberta are paying eight per cent. as a minimum, while there are plenty of mortgages at nine per cent. with a considerable number at ten per cent. The proposed scheme which the governments have in view will therefore be a money making proposition, varying only in degree, to every farmer who gets a government mortgage. Furthermore, mortgages will all be at a flat rate so that a farmer in a part of the province not thickly settled will pay no higher than the farmer close beside the towns. Another very decided advantage will be the amortization principle by which the principal and interest are paid in small amounts extending over from twenty to forty years. By this means the farmer knows just what his payments will be and will not be worried with renewals, extra solicitor's fees and oftentimes increased rates of interest which some of the mortgage companies are in the habit of imposing upon him. Another very satisfactory feature of the proposed plan is that a farmer may pay off and discharge his mortgage whenever he likes at half yearly periods.

There may be some flaws in the general plan that will be discovered either before or after it is put into operation, but it certainly appears to be the most feasible proposition for better rural credit that has yet been brought forward and will constitute one important step towards taking a heavy burden off the backs of the farmers and placing agriculture on a more prosperous foundation. The maximum of $10,000 for loans is too high at the outset when the amount of money available is limited. It would be better to cut this in half as it is more desirable to encourage the smaller farmers at the beginning then to give any impetus to bonanza farming. Another important matter that should have careful consideration from the governments is the legislative conditions under which the private mortgage companies are operating. The governments are entering into competition with the private companies and undoubtedly will have a very considerable advantage from the standpoint of legislation and the cost of administration. At the outset the governments will be able to handle only a very small portion of the farm mortgage business and the terms which they will offer will undoubtedly make the government mortgages very popular, but it will be a long time before the government can handle the bulk of the business and in fact it is doubtful whether it would be desirable to establish a government monopoly in farm mortgages. For this reason all legislative restrictions should be removed from the private companies in order that they may compete with the government on the best possible terms. If the private companies can compete favorably with the government, the government system will then prove a regulator which will put the mortgage business on a better basis and give farmers the relief they have been looking for. By working together, adopting a uniform system and by securing relief from unjust and unexpected prior claims, the private mortgage companies can undoubtedly very materially reduce their rates of interest. There is plenty of money in the country, the banks are full of it and there are huge quantities stored up in the United States ready for investment. By making farm mortgages in Western Canada an absolutely gilt edged investment it will bring cheap money in this direction.

BRITAIN TO CONTROL FOOD

An announcement of great importance was made in the British House of Commons on Wednesday, November 15, when Hon. Walter Runciman, President of the Board of Trade, stated the government's intention of assuming wide powers to control food supplies. The appointment of a food controller is foreshadowed and it is evident the government realizes that the chief strain resulting from continued hostilities will largely fall on food supplies. Details are not available, but it is stated that pure white flour must not be milled, and millers will only be allowed to produce a straight grade of flour under the State scale of percentages. This means that more of the wheat will be used, there will be less bran, shorts and other by-products, and it is expected by this means to raise the yield of flour about 8½ per cent. Action will be taken, too, to prevent the use of sugar as a luxury, to do away with all excessive profit on home produce, particular mention being made of potatoes, to call for milk contracts in order to limit the price and to pool the engineering resources to expedite ship building. All former restrictions placed on the importation of certain articles of trade together with these new regulations aim at using in the most economical way possible every available cubic foot of shipping space. Comment on this government action is uniformly favorable and one interesting development is the announcement of a notice of motion providing that the manufacture of intoxicating liquor in Great Britain should be prohibited. It is to be hoped that this reform may be accomplished. The Allied nations are straining every nerve to effect economies that will assist in the prosecution of the war to a successful conclusion. A day or two before the government's announcement was made in Great Britain a decree was passed in France designed to stop waste and compel savings in the use of coal, light and provisions. This example of strict economy among the nations might well be followed not only by our governments, both Dominion and Provincial, but further, it should extend to every Canadian home.

SAM HUGHES' DISMISSAL

The biggest political sensation of the day is the dismissal from office of Gen. Sir Sam Hughes, Minister of Militia, by Premier Borden. The correspondence between Sir Sam and the Premier which has been published in full, discloses something of what has been going on behind the scenes since the war broke out. There has been a great deal of friction in the cabinet due to Sir Sam's administration of the War Department. Sir Sam possesses an extraordinary amount of energy and has no respect whatever for red tape and departmental routine. As the correspondence shows Premier Borden remonstrated with Sir Sam a number of times and finally protested against him running the War Department as tho it was separate entirely from the rest of the government. Sir Sam's rather hot and sarcastic letter in reply was too much for the Premier and he dismissed Sir Sam forthwith. Sir Sam has been the big figure in Canada since the war began, and this fact has naturally roused considerable jealousy on the part of some of his colleagues which has finally resulted in his dismissal. There has been a lot of criticism levelled against our Minister of War on the administration of his department. His personal character, however, has not yet been stained by the investigations made. His chief weakness is his love of talk and the lack of control which he exercises over his tongue. He doesn't believe in the old proverb that "silence is golden." If Sir Sam is responsible for the appointment of all those honorary and political colonels thruout Canada, and that alone is enough to justify his dismissal. Someone is responsible for even more serious blunders. If reports from the front are to be believed the "Ross" rifle with which our soldiers were originally equipped was the cause of many of our men throwing their lives away on the firing line. Some day this question will be sifted and the responsibility will be placed. He was a good friend to the enemy who put inferior rifles into the hands of our soldiers.

PROTECTION COMPETITION

A few months ago we offered a prize of $25.00 for the best letter received showing that the protective tariff is a benefit to the farmers living in the Prairie Provinces. Altho we offered this prize very prominently and repeated it several times the reply has been very small. However, we have about a dozen letters arguing in favor of the protective tariff. We are comparing these letters and will publish shortly what we consider the very best and strongest argument that has been presented in support of the protective tariff.

STUDY THE GRAIN ACT

A very large number of farmers are not yet familiar with provisions of the Canada Grain Act. Just recently we had a query from a farmer asking what action can be taken against an elevator operator for not giving what he believes the proper grade and dockage. The Grain Act provides for such cases. Whenever there is a dispute over the grade and dockage of grain delivered to an elevator, the Act provides that a sample of at least three quarts shall be drawn from the various loads as delivered and forwarded to the chief inspector at Winnipeg who shall fix the grade and dockage and his judgment is final. Both the elevator man and the farmer must accept the judgment of the chief inspector and the payment must be made on that basis. Every farmer who has a copy of the Grain Act should read it and should know it thoroughly. Every man who hasn't a copy should get busy and send a letter to the Department of Trade and Commerce, Ottawa, and ask for one. They are absolutely free.

HUDSON'S BAY LAND SALES

The Hudson's Bay Company's returns on land sales for the three months to September 30, it is announced, were 40,300 acres for $622,060, or $15.40 per acre, as compared with 10,900 acres for $155,000, or $14.20 per acre last year. The receipts from town lots were $287,130 as against $139,180. The sale of part of the enormous tracts of land held by this company in Western Canada goes far each year to swell its handsome dividends. Only one year since 1907 has this company paid less than 20 per cent. dividends and usually its dividends ran around 40 per cent. With a capital of $4,860,000 the company has hidden assets not shown in its ordinary balance sheet of more than $30,000,000, being the assessed values of lands in Canada and deferred payments on lands already sold. The original donation of one-twentieth of the