The Farmers' War Loan Subscriptions

If they could be reached the farmers would contribute a surprising number of subscriptions ranging from $100 up to $500 or $1,000

By H. M. P. ECKARDT.

According to a recent bulletin of the Census and Statistics Office at Ottawa the value of the factory cheese production of the whole Dominion in 1916 was $35,512,622; and the production of creamery butter reached a value of $26,966,355—the two items in combination accounting for a total value of over $62,000,000. As production has been fully maintained, with prices somewhat higher in 1917, it is likely that the value of this year's output will considerably surpass that of 1916. The farmers in many cases regard their butter and cheese money as an extra; and especially in certain districts of Ontario and Quebec this money has contributed importantly to swell the bank deposits at country branches. These two provinces in 1916 were responsible for 98 per cent of the total Canadian production of factory cheese; and the farmers in the cheese districts being as a rule well established and not unduly subject to mortgage and land payment obligations, it would seem that they could subscribe rather extensively to the forthcoming domestic war loan if their attention is properly directed to the matter. The same remark would apply more or less to all of the prosperous farming districts of the eastern provinces —Ontario in particular. Whether their activity is directed principally to the production of the regular grain crops or of specialties of one kind or another, nearly all of these districts have had a good year and all of them will have a considerable amount of surplus funds which would be available for investment in the war loan.

TO GET RESULTS.

Notices displayed in the post offices, banks, etc., and advertisements in the local papers, would no doubt bring in a certain amount of farmers' subscriptions; but to get the best results the farmers should be personally canvassed by intelligent agents who know how to approach them and how to handle them. The canvassers would have a very attractive proposition to present. Many of these farmers have been accustomed to put their surplus revenues into bank deposits at 3 per cent, deposits in the post office savings bank, or into mortgage and other loans to neighboring farmers at 5 or 5½ per cent. A Dominion bond payable in five, ten or twenty years, salable at any time in the market, yielding interest half yearly at slightly over 5½ per cent, compares favorably with any of the above mentioned items; and, in addition, the farmer buying a Dominion bond would have the satisfaction of knowing that he was lending his money in the most direct manner to the Government for war purposes. It would not be advisable to seek to induce the farmers to generally convert their standing bank deposits into Government bonds—because the banks have loaned a considerable part of these funds to other farmers, and to merchants, manufacturers, etc.; and withdrawal of the deposits would probably disturb the relative loans, to the detriment of our productive capacity. Neither is it desirable that the farmer put into the war bonds funds which he will require for other purposes in the course of a short time—it is better for all concerned that such funds be deposited in the banks. However, he could with advantage, invest that portion of the year's surplus revenue which is to constitute a definite addition to his balance or reserve of liquid capital—the amount which would otherwise go to swell the permanent or standing deposit in the bank; and those farmers in whom the patriotic impulse is well developed will doubtless endeavor to make this amount as large as possible through exercising self-restraint in purchasing such items as victrolas, pianos, etc.

If they could be reached and duly impressed the farmers would contribute a surprising number of subscriptions, ranging from $100 up to $500 or $1,000. It would not injure the economic system of the country if a certain number of them drew upon their permanent deposits to a limited extent for the purpose of making up a subscription of around $500 or $1,000. So far as the interest return is concerned, the farmer would get $25 per year through investing say $480 in a $500 bond, as compared with less than $15 per year if the same money were left on deposit in a bank. The canvassers would need to be prepared to deal with the farmers' unfamiliarity with bonds, and should carefully explain the procedure in connection with the payment of the instalments and the collection of the coupons, also the points about safekeeping of the bonds. It would seem to be advisable to have the applications and all payments handed by the farmer direct to the local bank with which he is accustomed to deal. The average agriculturist, especially if he has slowly accumulated a goodly capital, is apt to be suspicious and careful as regards signing papers for and paying money to strangers; and if the arrangement provides for his giving the signed paper to the bank and making his payments there, he can be fully assured as to the bona fide nature of the transaction.

FOR SAFE KEEPING.

In the United States many of the banks, including some of the largest institutions, advertised their willingness to hold for safe keeping, free of charge, for small investors, such Liberty Bonds as they might subscribe for and take up. It would seem that the Canadian banks might generally follow the same policy in connection with their farmer-customers. This would constitute a public service in that it would promote the circulation of the war bonds and it would have a tendency to solidify and make more intimate the relations of the bank with its desirable customers. It would not involve the bank in much extra work or trouble to keep an envelope with the securities of each subscribing farmer customer, to cut off each maturing coupon and credit it to the owner's savings account. The bank would get its share of the commissions allowed for handling the subscriptions and instalments, also such consideration as has been agreed upon between itself and the Finance Minister for the service of the debt, collection of the coupons, etc. Doubtless in most cases the farmers' savings accounts which were drawn upon for the purpose of taking up war bonds would quickly rise again to respectable propositions. Perhaps the fact that the bank held the farmer's war bonds for safe keeping and collected the interest for him free of charge would have a tendency to cause the balances to rise more rapidly—as the bank might then expect to get some occasional deposits which the farmer would otherwise lodge in a rival bank.

TO BE MODIFIED.

The foregoing remarks refer particularly to the question of war loan subscriptions by farmers in eastern Canada. In some respects they require to be modified or changed before they can be applied to the western agriculturists. For example, many of the farmers in the west are applying such surplus revenue as they may have from year to year to the purpose of paying off mortgages and agreements of sales, also implement notes and other floating liabilities. These instruments bear high rates of interest, and it is important to liquidate the debts as quickly as possible. Again, those farmers who have their funded and floating obligations reduced to small limits have right at hand plenty of opportunities to invest surplus funds at from 7 to 9 per cent and even at higher rates. Thus a 5½ per cent yield on Dominion bonds will not appeal to the westerner with the same force as it appeals to his eastern confrere. It constitutes something of a sacrifice for the westerner to put much of his money into a 5½ per cent investment. In his case it is necessary to draw more heavily on the patriotic sentiment. And yet it is advisable to interest the west extensively in the national war loans. Mr. E. L. Pease, the president of the Bankers' Association, says the western farmers will get value to the amount of $550,000,000 out of this year's spring wheat crop. A considerable amount of these proceeds will, in any case, be turned into the war loan by corporations and capitalists to whom the western farmers pay it; and a propaganda similar to that suggested for eastern Canada might have good success in the prairie provinces. The big farmers out there, especially in parts of Alberta and Saskatchewan, will handle large sums; and many of them could take up $1,000 or $2,000 or more of the war loan bonds without straining themselves at all. Although the yields are light in most of the Manitoba and Saskatchewan districts, a goodly number there could invest also; and not a few observers in the east think it would be quite worth while to make a special bid for the subscriptions of western farmers through making the interest yield on the coming loan more attractive than in the case of its three predecessors.

Canada's Trade Balance

Excess of exports over imports equals $227,266,000 for eight months

Canada has to her credit $227,266,000 trade balance for the eight months of the calendar year which is nearly 37 millions ahead of the record established in the corresponding period a year ago. If comparison is made with the previous cycle of business activity in this country, say around the 1912-13 period, when the eight months figures were showing unfavorable balances of upwards of $200,000,000, the net improvement in the trade position so far this year amounts to about $450,000,000.

The exports of domestic produce and imports entered during the eight months for consumption, excluding the figures relating to coin and bullion, for a period of six years, offer the following striking comparisons:

Eight Mths.	Exports	Imports	Balance
1917........	$943,988,000	$716,721,000	+$227,266,000
1916........	676,511,000	486,057,000	+ 190,454,000
1915........	302,855,000	283,213,000	+ 19,642,000
1914........	221,547,000	347,690,000	— 126,143,000
1913........	228,456,000	457,134,000	— 228,678,000
1912........	199,940,000	406,225,000	— 206,285,000

+Excess of exports. —Excess of imports.

The August return shows a smaller excess of exports over imports than was indicated in a recent despatch from Ottawa, and one considerably lower than July's, but the results of the two mid-summer months combined are the best ever presented in the Canadian trade reports.

As a result of an excess of imports over exports in April, when shipping was badly congested, the balance in favor of Canada was lagging behind that of a year ago. But the difference has been made up, and some thing more, as a result of the phenomenally good figures of July and August.

August figures for six years follow:

Aug.	Exports	Imports	Balance
1917........	$146,387,000	$91,931,000	+ $54,456,000
1916........	96,091,000	72,331,000	+ 23,760,000
1915........	41,094,000	40,832,000	+ 262,000
1914........	31,510,000	44,390,000	— 12,880,000
1913........	34,175,000	57,942,000	— 23,767,000
1912........	29,304,000	57,999,000	— 28,695,000

RETURNS BY MONTHS.

This year's return of exports and imports by months show:

1917	Exports	Imports	Balance
Jan.	$ 99,106,259	$ 72,323,074	+ $26,783,185
Feb.	68,224,383	68,030,469	+ 193,914
Mar.	122,415,313	102,335,886	+ 20,079,427
April. . . .	65,145,449	86,807,809	— 21,662,360
May.	149,057,236	107,596,379	+ 41,460,857
June. . . .	116,285,841	97,575,067	+ 18,770,774
July.	177,366,148	90,181,595	+ 87,184,553
August. . .	146,387,586	91,931,009	+ 54,456,000
Total . . .	$943,988,215	$716,721,288	+$227,266,927

Details of the August returns, with comparisons, are given in the following table:

	Aug. 1917	Aug. 1916	July 1917
Mine. . . .	$ 7,421,675	$ 7,636,581	$ 6,365,244
Fisher. . . .	2,048,215	1,816,651	2,290,327
Forest. . . .	4,700,686	6,209,357	5,491,626
Animals. . .	19,463,416	11,779,483	19,213,497
Agric. . . .	60,146,810	35,207,729	38,744,606
Manuf. . . .	52,236,233	33,197,925	104,649,862
Miscell . . .	370,351	243,302	610,636
Total. . . .	$146,387,586	$96,091,028	$177,366,148

UNFORTUNATES.

We have two classes of unfortunates in this old vale of tears and laughter, those who can't get their minds on their work and those who can't get theirs off it.—Ohio State Journal.