

on his life as is the case with a business man. The farmer-banker who goes a step further and makes a moderate amount of life insurance a condition of credit will be a benefactor to the farming community.

Advice Respecting Investments

Farmers are often easy victims of peddlers of shares in get-rich-quick companies. Instances of farmers being ruined or losing heavily by subscribing for a large amount of worthless company shares on easy payments, are almost as numerous as similar experiences by farmers who go beyond their depth in the purchase of a threshing outfit or tractor engine.

Farmers should consult their banker before committing themselves to important investments, whether in company shares, land, threshing outfits or anything else. Even if they do not accept the bank manager's advice, it could do no harm to hear it.

Where a bank manager is not himself in a position to advise as to the value of company shares, he can easily obtain full information by writing to his head office, and this is a kind of service that banks will gladly render.

Farmers Should Take All Floating Credit From Bank

Too easy credit in the period of agricultural prosperity prior to 1912 is responsible for the present financial troubles of many western farmers. Too much land bought on deferred payments, too much credit for horses and implements, too much store credit—instead of careful buying as they went. All this has operated to the farmers' serious disadvantage in two distinct directions.

In the first place, the necessity for large crop returns was an incentive to the cropping of big acreages indifferently cultivated—gambling with the weather man, instead of playing safe with an acreage limited to what could be well prepared.

In the second place, the assumption of excessive liabilities established retail distribution almost wholly on a credit basis, and a credit basis in a newly settled country means that all prices have to be loaded with a generous allowance for bad debts and interest.

Now, when financial difficulties overtook our farmers in the period of indifferent crops and low prices, one of the burdens of which they complained most was the rate of interest on their mortgage and bank indebtedness, and for the most part they were unconscious of the fact that their credit for implements, horses and store supplies was costing them all the way from 15 to 40 per cent.

Until a farmer gets into a position where he can obtain all his credit from the bank and pay cash for all his equipment and supplies, his prosperity will be very limited. Over a great portion of the western provinces the crops and prices of the past two years have enabled most farmers to attain a position where they should not need to take any credit except from their bankers; and the banks, the merchants and the farmers should co-operate to permanently establish retail trade on a cash basis and secure for the farmer the benefit of real cash prices.