

of cases in which all of the suggestions were being worked out.

First it might be worth while to analyze the questions—to group them and consider their relation one to another—and in the first place he might call attention to the implied need of capital or credit in beginning the farming business. It is all very well to find fault with young men for not farming, but under present conditions a young man needs considerable capital (see questions i and f). There is the cost of land, of implements (a growing cost under modern conditions), etc. If a young man is to indulge in the natural work for a good establishment, he must furnish it at once with live stock. Even grade cattle are expensive at the present time; grade cows of good quality cost from \$150 to \$200 apiece. A modern farm is not equipped with less than 10 dairy cows, so it takes from \$1,500 to \$2,000 for that item alone.

Further, one of the complaints against country life, by those who live in the country or visit in it, is the lack of convenience in the country house. To remedy that costs money. These things that are furnished as a matter of course, in the town or city have to be supplied by private capital in the country house; it is partly because of the cost that rural homes are not equipped with comforts and labor-saving devices. To start out with even a fairly well-equipped house costs money.

Take all these things together and it is little wonder that they present themselves to the farmer as a rather formidable proposition.

Now for possible help in the situation: (1) Touching a bank for the farmers. The farmers of Manitoba, Saskatchewan and Alberta have for 20 years, since the organization of the farmers' movement, kept up a quarrel in regard to the banking system. The Canadian banking system is unfavorable to the farming interests. Why?

There is a different system in the United States. It is our system of chartered banks with head and branch offices against which the farmers complain. In every country place is a small local branch. The manager there is authorized to loan up to \$500 for 3 months; any larger loan must be submitted to the head office. A farmer applies, say, for a loan of \$1,000. The local manager would give the loan if he could because he knows the man; but the application has to be submitted to the head office at Montreal or elsewhere. The moral quality of the risk is lost sight of there. The manager and others consider wholly the financial aspect. On the other hand these managers are financially interested in big concerns which are also making applications for loans to the same bank. Which is likely to get his loan—the big concern asking \$100,000, or the farmer who asks \$1,000? The farmers know. Our system is safer for the depositor than the more liberal system in the United States, where any man can start a bank in a local town and accept deposits. It is possible that the man may be a rogue but not necessarily. If he is an honest man he is going to loan to local people only; he has not to remit to some big center. In Canada the local savings are not held to be loaned there, but are sent to headquarters to be used there. The farmers of the West have studied this and have a big quarrel with the banks in regard to small loans.

At this point there was some discussion regarding the influence of the recommendation of the local banker. Pres. Reynolds said that personally he had had no difficulty in getting loans because he was willing to give and had given a full statement of his assets and liabilities. The local bankers find it hard to get such a statement from the average farmer. The traditional farmer is essentially unbusinesslike as well as intensely individualistic. He resents close inquiry into his financial matters, whereas the city man takes the statement with him. It is likely that the farmer does not know exactly how he stands. Also some of them are notoriously lax regarding the day upon which a note falls due. They think any day that week will do forgetting that the inspector may come along and find the note overdue. In this the farmer is merely following the policy of Nature—two or three days sooner or later do not matter. The

banker may extend his credit, but he expects the farmer to come in before the note is due and make arrangements. Of course the Canadian Savings Banks (chartered) are the safest possible; the small banks sometimes break. The co-operative banking system in Quebec is excellent. In Manitoba a system has been established whereby the farmer can get money through the Government; by the "long term" arrangement, one can borrow for over a period of years for making improvements or buying land, or one can borrow through the rural credits societies for a short term. A number of farmers form a society and guarantee the loans of individual borrowers, and the banker hands out the money. Formerly the farmer went to the board, and if the board approved the loan the municipality and the Government were both behind him; the bank loaned the money and the local board furnished a moral guarantee. But last winter the banks declared they could no longer loan at the 6 per cent. interest. The Government was in a quandary. They had fixed the Act and stated the interest. The Government then established savings societies and in the places where these are established the savings banks are being operated under the Government and money, got from depositors at 4 per cent., is being loaned out to the farmers.

In reply to a question as to whether he would advise a young farmer to go ahead and borrow all the money he needs, Pres. Reynolds said that it depends on circumstances. If a young man borrows \$20,000 and hasn't a cent. of his own to begin with he is certainly giving hostages to fortune. But there the question rests. He may begin with incomplete equipment and proceed to improve. In that case the home is likely to suffer. If the home is attended to first the earning equipment suffers. If we had followed the feudal system—by which all the land belonged to the state—the young farmer would not be so handicapped. However that is impracticable now. A successful Western farmer had remarked to the speaker recently that, in view of the cost, the best arrangement would be that the land should be owned by the Government or capitalists so the farmer would not have to invest in land but only in rolling stock. But there are difficulties there again. If the capitalist wanted to make wealth for himself everything would be wrong. "But if we could have benevolent capitalists" remarked Pres. Reynolds,—"I rather think we shall come to that some day."

A question here thrown in as to whether there are not places to-day in which a perpetual lease is granted, brought the rejoinder that "any such case is Paradoxical until the serpent of private gain enters into it." In the matter of improvements, in Germany and also in England, there are regulations regarding both building and land improvements. If a leasing farmer is dispossessed of his farm he can claim the full value of the increased fertility due to his hand. In Germany, for instance, a farmer holding land belonging to the Kaiser made a claim for the increased value of the land, and there was no question as to the validity of the claim; though it was against the Emperor himself it was paid. Any sort of improvement—buildings, drains, etc.—can be reimbursed.

A man can be dispossessed if he does not keep up to his contract; he can be even here, with our very loose system. Look at our worse than crude—criminal—system of leasing land in Canada, especially in the West! All that is considered is the immediate profit, to get "this year" as much as possible out of the land. Next year both owner and tenant may have altogether different interests. Mining the land has been going on, with no thought of improving it or keeping up its fertility.

After a short discussion regarding whether young men should not be taken into partnership with the father as soon as possible, and so made ready, by thrift and practice, to start for themselves, President Reynolds remarked that one can yet get land in Ontario for less than the value of the buildings on it. Some of the land, of course, is only fit to reforest.

As the time was far spent, the speaker touched very briefly on some of the other topics—the question of the country town in relation to the country (No. 1); the question of eliminating the middleman,

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