AMERICAN BANKING SYSTEM

The article on the American banking system in this issue should be of special interest to all of our readers. The old system in the United States failed to meet the needs of that country and the best minds of the republic set to find the remedy resulting in changes which have steadied interest rates and curbed the power of the Wall Street stock gamblers. There is no doubt in the public mind that changes are needed in the Canadian banking system in order to make it more suitable to the needs of this country. The banks are the sources from which farmers should get the credit necessary to handle their business, and at reasonable rates of interest. At present, owing to the inability of the banks to fill this need, the farmers are forced to do a credit business with implement companies, lumber companies, merchants and all kinds of dealers frequently at ruinous rates of interest. If the farmers could get the necessary credit at the banks, they would be able to do a cash business with these other concerns and thus buy at very much reduced prices, as a credit business is always an expensive one. The banks of Canada are very slow in increasing their capital, as they desire to hold it as much as possible in the hands of the present shareholders. By means of currency issued by the government the amount of money in circulation could be greatly increased and the banks thus be enabled to extend much greater credit to farmers. Even if the money which Canadian banks now have out on "call loans" to the stock gamblers of the United States and Canada were used to relieve the farmers, it would bring about an amazing change in financial conditions. Necessary changes in the banking system of Canada will only be brought about thru an enlightened public opinion and these articles in The Guide are intended to show our readers what other countries are doing in order that they may be able to decide what is best for Canada.

We hope for a generous response to our invitation on page 12, as we know that our readers have ideas that will help us.

ALBERTA'S WILD LAND TAX

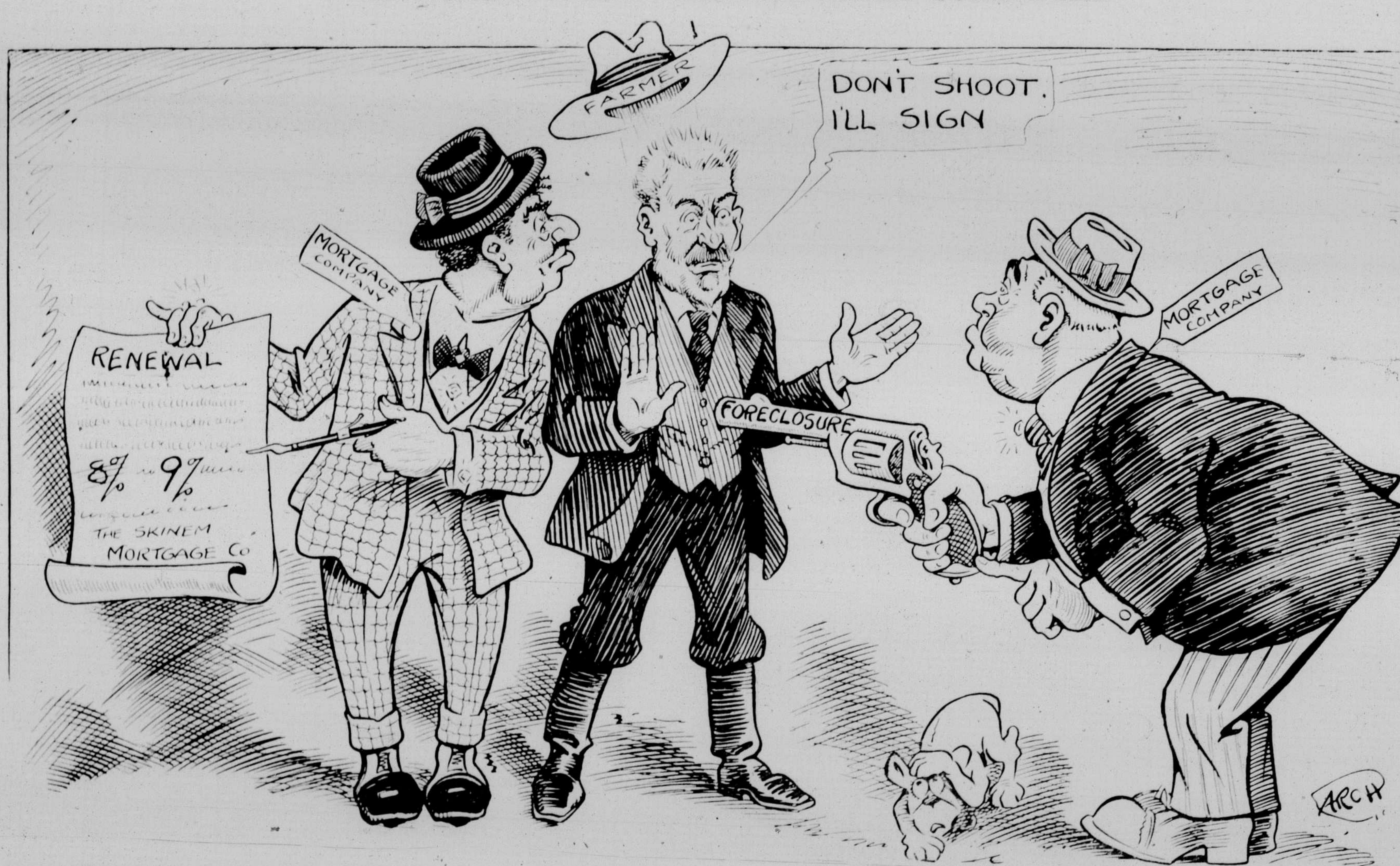
The Alberta legislature, in the session which closed on Thursday last, passed an act which stamps that province as the most progressive in Canada so far as the important question of taxation is concerned. This act is one which imposes a tax of 1 per cent. per annum upon the value of unoccupied and unimproved agricultural land. Unimproved land already pays the same municipal, school and supplementary revenue taxes as that which is under cultivation, and this extra levy will have the effect of removing a little more of the burden of taxation from the back of the working farmer to the broad shoulders of the idle speculator. The speculator, however, will not be forced to pay the tax—he will have a choice between that and bringing his land under cultivation himself or selling it to someone who will do so. In any case the province, and the people of the province, will profit, for the provincial treasury will benefit if the tax is paid and business will benefit if the land is brought under cultivation and the production of wealth increased. Another important effect will be that if a large number of land speculators endeavor to escape the tax by selling or renting their land, it will tend to make land cheaper and enable bona fide farmers to secure land without having to give half their crop for the next ten years to pay the purchase price and the interest upon it. It is estimated that the average valuation of the wild land of Alberta will be approximately \$10 an acre, and that 15,000,000 acres will be affected. The new tax will thus amount to \$16 on the average unimproved quarter section, but valuable land near to towns and railways will pay more and that in remote sections less. If this application of the taxation of land values has the results anticipated, and this we see no reason to doubt, the legislature will perhaps take an early opportunity to increase the rate and thereby increase the benefits. It is little less than a calamity that thru a blunder in phrasing made by the Dominion Parliament thirty years ago, the millions of acres of vacant land held by the C.P.R. in Alberta are exempt from this tax. The privy council has said that it is within the power of the Dominion Parliament to remedy this mistake, and the Alberta government would do well to take this opportunity to urge upon the Ottawa authorities the wisdom of ending the C.P.R. land tax exemption, which was intended when the bargain was made, to have expired ten years ago.

A TEMPERANCE REFERENDUM

Alberta is to take a referendum on prohibition under the Direct Legislation Act, and voting will take place sometime next summer. This application of the Direct Legislation Act, however, does not mean that the act does not need radical amendment in order to make it effective. It was, in fact, only at a great sacrifice of time and money by the temperance people and by the refusal of the legislature to listen to the technical objections raised by the liquor interests, that authority to take a vote of the people are secured. If the temperance people had been permitted to secure the 24,000 signatures to their petitions in the cities and the more thickly settled portions of the province the task would have been comparatively easy, tho the number, 20 per cent. of the voters, was high, but under the act it was necessary to secure the signatures of at least 8 per cent. of the voters in each of 85 per cent. of the constituencies of the province. As a result petitions had to be circulated in almost every corner of the province and to secure 24,000 signatures entailed a cost of \$30,000. And this expensive and arduous campaign, it must be remembered, does not secure prohibition, it merely secures the holding of a referendum at which the majority vote will decide that question.

A large number of subscriptions are expiring during the next few weeks. We wish each subscriber would take a sheet of paper, write his name and address upon it, attach to it a postal note for \$1.00 and mail it to The Guide at once. It is a little thing to the subscriber, but it is a big thing to us.

THE PATRIOTISM OF THE MORTGAGE COMPANIES



ONE WAY IN WHICH FARMERS CONTRIBUTE TO THE PATRIOTIC FUND

Mortgage Gunner—"It may seem a little hard, but our directors have donated liberally to the Patriotic Fund and they must make it up somehow."