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FINANCING THE FARMER

Through the medium of the Manitoba Rural Credits Act. The true story of a pronounced success in Shell River Municipality.

THE men of the Middle Ages were just as eager in the pursuit of gold as the high-fliers of the twentieth century. They fooled themselves for a time, as we do, with certain will-o-the-wisp ideas for getting it without digging. They followed the practice of alchemy, for instance, which, as a then recognized department of natural science, had for its objective the transmutation of the baser metals into pure gold.

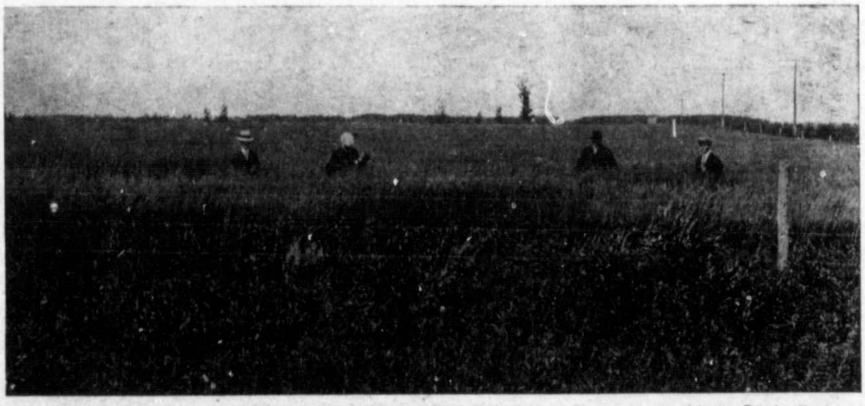
But if the alchemist is one of the dead door-knobs of the long night of ignorance, we have still with us those who think very highly of "the unearned increment" and never miss an opportunity to secure it. Money and how to get it in one form or another is the perennial problem of our race, and rightly appreciated, it is a problem worthy of the best that is in human nature, for it is only by the right use of money that good men can adequately discharge the burden of their souls.

What tragedies—and comedies—have been written around the simple need or desire for the use of a little ready money on occasion, coupled with the physical impossibility of raising the loan. Practically every man who will read this has had his own "hard experience" of the kind, and if he is a farmer, he will probably say that whatever the difficulties that have dogged the footsteps of the average man, they are as nothing to the restrictions that have hamstrung the Canadian farmer in his relationship to the banking act of his own beloved country.

From our own observation and knowledge of its working details, we would say that he is about right, and that until recent date there were few greater anomalies in our legislative blue books than the Canadian banking act, as it applies to the farmer.

It would serve no useful purpose to recapitulate what the country has suffered and how its progress in agricultural development has been hindered by the want of free capital or satisfactory credit facilities. Everyone has his own mental photograph of the man (it may be himself) with everything necessary to complete success, in heart, brains and energy, but can make little or no headway because of the fact that he has got to spend a half or more of his working hours in running around trying to raise a few hundred dollars in hard cash or its equivalent.

Now there apparently has come an end to this sort of thing, and it is due to the legislative assembly of the Province of Manitoba to say that to it belongs the credit of having brought it about—without bloodshed, bitterness, or even so much noise as would disturb a sleeping terrier. Further, that it was initiated and finally placed on the statute book is due to the "heart brains and indomitable energy" of one member of that body of business farmers, of whom more later.



A Shell River wheat field, the owner of which is a member of the local Rural Credit Society. The two men on right are Premier Norris and J. E. Sirrett, secy. of the Society. Photo by courtesy of Farmer's Advocate.

Readers of this magazine had already become familiar with the "Manitoba Farm Loans Association," through which, what are known as "long term" or "mortgage" loans are at the disposal of farmers, granted under mutually satisfactory conditions up to 50 per cent of the farmer's equity in land, etc. This scheme met a long-felt want, but it only served to accentuate the need for something else of the kind, viz., a "short term" assistance covering something like the period of one crop season, renewable if necessary.

"The Rural Credit Societies Act," it seemed, met the case, and after passing through the usual incubating period of discussion—always kept at a healthy equable temperature—it finally became law and is in fact the necessary corollary to the "Manitoba Farm Loans Act."

Provisions of the Act

The Manitoba Rural Credits Act provides for loans within a municipality or district in which fifty men agree to form a society, each of whom is required to subscribe $100 to the capital stock paying in not less than 10 per cent of same. To this fund, the municipality may subscribe not more than one-half of the total amount of capital stock subscribed for by individual shareholders, while the provincial government subscribes in the same proportion and on the same basis as the municipality.

The board of directors shall consist of nine members, three of whom are elected by the individual subscribers, three by the municipality and three by the government, one of the latter being a graduate of an agricultural college, whose services are at the society's call in an advisory capacity.

According to the act, the purpose of the society, and the conditions on which a loan may be secured, are set forth in the following manner:

(a) To procure short term loans for members, for paying the cost of farming operations of all