

THE CANADIAN THRESHERMAN AND FARMER

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Financing the Farmer

1917

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THE laws that govern sound financing are like all natural laws—wonderfully simple. They are also not unlike certain complex and seemingly impossible characters we collide with now and again in forming the circle of acquaintance. Their reputation and their looks belie their real character. Physically, they offer a front to the world like those frozen promontories of the Labrador Coast, but underneath there's some splendid stuff we'd like to get at. Coiling around their kindly hearts there are fine warm gulf-stream currents that only await discovery. "To know them is to love them," and the merest understanding of their simple natures reveals a positive gold mine of human service that belongs to the whole family of mankind. For the simple rudiments of commonsense accounting and what it means in human felicity, see Wilkins Micawber on the subject of "Income and Expenditure."

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The matter of farm credits is engaging the earnest thought of many good intentions in these days and there seems every reason

to believe that before long something far better than what has obtained will forge the connecting link between the "Scots wha hae and the Scots wha hinnie". To finance with any hope of success, we must have something to finance with, or a line of credit that we can obtain as a right and not as an obligation that carries with it a load of apprehension and worry that often sends the strongest men to a premature grave. Possibly the greatest obstacle to high-class immigration into Western Canada has been the financial peculiarities of the country—more particularly as they affect the farmer, for between the farmer and the city business man there exists a wide spread in the minds of banks and financial corporations in appraising the "stability" of these two types of borrowers.

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It is more than probable that the farmer (speaking generally) has earned the disadvantage he has labored under, by the small stock he has taken in keeping some system of accounts from which at any time he can state with certainty just where he stands. If a canvass were made—even among some of our older and highly esteemed agriculturists—it would be amazing to find how few of them could, from any single record or system of written records set before a stranger who had the right to know, anything like a clear statement of his assets and liabilities. This is bad enough in the case of a single man in the full flood of life who has only himself and his creditors to think of. When it happens to be a husband and father who might be cut off from his little circle at any moment, the position is not far short of criminal.

Then again, many good men, provident men who are also excellent farmers, have but a very crude idea of the real nature of some of the securities they hold and would seek to offer as a hostage against some necessary loan. They very properly have their own appreciation of these as convertible property, but the banks and loan companies also have their way of valuing these as permanent securities and as often as not this way of reckoning is largely at variance with the farmer's view of things. There is a common feeling that the banks and the loan companies are a very autocratic combine of the worst type—out to exploit the poor farmer and merchantman in the cold-blooded business of earning big dividends for wealthy investors. They forget that a very large proportion of the shareholders in these banks and loan companies are comparatively poor farmers and citizens like themselves, who have entrusted these institutions with their hard-earned savings. Why? Because first and last of all they believe them to be safe, and even if the dividend is a meagre one, they prefer it to taking chances on a wild risk.

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Now just to do something in the way of educating good men who have not looked all round this phase of the borrowing and lending business as well as the matter of financing and accounting generally, a series of articles have been arranged for which will appear regularly in this magazine beginning with the present issue (see page 43). These are written by one who has been trained in the business from boyhood and has had a wide experience in both hemispheres. Not only will he thoroughly cover the ground of conditions as they exist in Western Canada, but through this paper he will respond to any inquiry or criticism to the best of his ability. Correspondence is cordially invited, and as the purpose is to help our subscribers, the hope is expressed that full advantage will be taken of these articles as they appear and of this invitation to "tell us your troubles."

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Not only is it due to our old settlers; the men and women who have anchored and can't leave their job of farming even if they would, but to those from distant parts and from entirely different conditions, whom we are inviting to cast in their lot with us, is it due that all misconception of banking and other financial procedure in Canada should be eliminated as far as that can be accomplished by the publishing of information in which there is no ambiguity of language. The financial problem is and will be, the key-stone of our immigration success. The "possibilities" of Canada have been widely advertised—sound financing is imperative to their development.

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