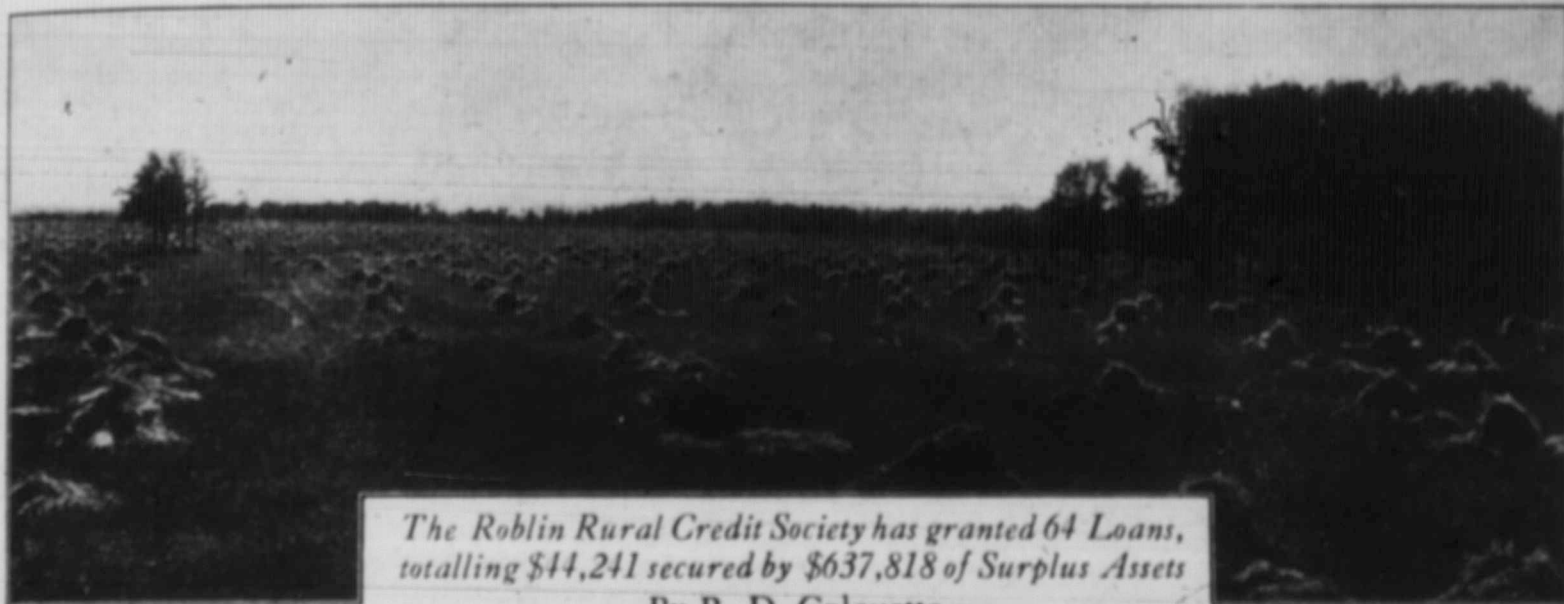


Ready Money For Farmers



The Roblin Rural Credit Society has granted 64 Loans, totalling \$44,241 secured by \$637,818 of Surplus Assets

By R. D. Colquette

DID you ever get up against it in the middle of the breaking season and have to go breaking for your neighbors to get a little ready cash to keep the pot boiling just when the extra acreage you could have broken at home would have meant hundreds of dollars to you the next year? Have you had to stop the outfit and turn the horses out on the grass while you cut scrub, when a few dollars, which you didn't have, would have hired a man to do the work, and you could have kept the outfit hard at it and done twice as much breaking and finished it in proper time? Have you hauled water for the house and stock all summer, losing valuable time each day that should have been devoted to the farm operations, and all because you had to wait until the crop was marketed to get the wherewithal to pay for drilling a well? Do you know what it is to see abundance of feed go to waste on your farm that could have been turned into real money if you had had the means to buy a few stockers to turn into it? Have you had the mortification to see your crop ruined by stock because of the lack of a little ready cash to buy a few bales of wire? Though your surplus assets amounted to perhaps thousands of dollars, you were hampered by a lack of proper credit facilities and held back so that it took you two years to make the progress that you should have made in one. If you have not, you are fortunate. For there are thousands of farmers, all over the West, who have had these or similar experiences.

The farmers around Roblin, Manitoba, have been no exception to the rule. They have a fine country up there, with unlimited possibilities, especially in raising cattle, for they never have a serious drought. Many of them are well established, others are still in the midst of their initial struggle. The credit facilities at their command have probably been neither better nor worse than those of other districts. They have found, however, that they require a more elastic system of credit than that furnished by the banks, notwithstanding the claims of anxiety by the said banks to furnish farmers with the means to carry on. So last winter they formed the Roblin Rural Credit Society and incorporated under the Manitoba Rural Credit Act. Their experience has already amply proven the wisdom of their move.

Organization of the Society

The first active step towards the formation of the Roblin Rural Credit Society was taken when J. E. Sirret, B.S.A., wrote to the department at Winnipeg, and asked for a petition form for getting the necessary names for application for a charter. The 15 names necessary were soon secured and the application made. Mr. Sirret

was appointed organizing secretary by order-in-council, whereupon seven provisional directors were appointed. He went straight ahead, until he had secured 50 names on the petition, each of the subscribers agreeing to take \$100 of stock in the society and paying \$10 in cash, the balance to be paid on call. The provisions of the Act were then carried out with regard to the appointment of a permanent board of directors. The shareholders met and elected three, which are elected annually. The municipality and the government also appointed three representatives each. After the full board was appointed it met and organized, appointing various officers and passing the necessary by-laws, authorizing the officers to do business with the bank, and covering the conduct of meetings, etc. The municipal council had also passed by-laws authorizing the purchase of stock and the appointment of directors. The members of the board are not necessarily shareholders. John Arnott, Reeve of Shell River municipality, was appointed president; T. J. Kelly, vice-president; and J. E. Sirret, B.S.A., secretary-treasurer.

Meanwhile applications for loans were pouring in. At the first meeting of the board over 40 loans totalling over \$32,000 were granted. In fact, it is currently reported that the Central office at Winnipeg, when they learned of this tremendous initial stroke of business, did a little investigating. However, they soon found that the number of loans granted did not indicate in any way that the board had been too lenient, but that they were simply an indication of the manner in which the rural credit idea was taking root of the prosperous and energetic farmers of the district. Meanwhile,

the local branch of the Union Bank of Canada, had granted the society a credit line of \$35,000, which was later extended to \$50,000. I was assured by several of the officers of the society that they had at all times the hearty co-operation of the bank in supplying the money for the loans.

Fifty members are all that were necessary at that time in order to form a credit society under the act. After the complement was secured, not another member was solicited. However, applications for membership continued to pour in, until the members now number 85, about 70 of whom have made applications for loans. Several have joined who never expect to use the credit furnished by the society. "It's a good idea, and I'll take a share, though I never expect to use it," was a common expression. Members are limited to one share each, so that there is no danger of the society ever being manipulated.

The present standing of the society is indicated by the following financial report, made out on August 9:—

	Subscribed	Paid Up
Capital authorized	\$20,000	
Stock subscribed by farmers	\$ 8,500	\$ 850
Stock subscribed by government	2,500	250
Stock subscribed by municipality	3,500	350
Total	\$14,500	\$1,450

Number of shareholders at Incorporation	57
Number as at August 9, 1918	85

Loans Well Secured

There is nothing fast and loose about the way in which the Roblin society

does business. Their object is to supply credit to farmers who know how to use it for purely productive purposes. Every step of the transaction is carefully scrutinized by the board of directors, who are anxious to grant all the credit needed to the farmers, but at the same time, to safeguard the interests of the society. "I never saw men work better in my life than they did on the board," remarked President Arnott, as we were discussing this phase of the question. "At all of the meetings we certainly have got the best there is in our directors." Later, I discussed this same matter with a local business man who has been in the district for some years, and should, therefore, be somewhat familiar with the standing of the men in it. "When the certificates are filed the reports come out in Dun's," he said. "I went over them very carefully, and must say that the directors have safeguarded the interests of the society very well, and I do not think there is a chance of them losing on any of the loans they have put out."

Application for a loan is made on a regular form, on which is stated the amount of money required, the purposes for which it is intended to be used; the date of repayment, and the rate of interest. The application for a loan is accompanied by a complete statement of the applicant's affairs. This includes the number of acres owned and the location; the number of acres broken; encumbrances, if any; a complete valuation of all the assets including farm lands, buildings, implements, livestock, supplies, cash and outstanding accounts. A complete statement of liabilities, including mortgages on farm property, chattel mortgages, lien notes against machinery or implements, amounts due the bank or other parties is also given. Statements as to the amount of fire, hail and life insurance are included, though these do not figure in the amount of assets and liabilities. This statement, made out by the applicant, is carefully scrutinized by the board, and revised if necessary. The excess of assets over liabilities or surplus assets, as they are called, represent, therefore, the farmer's net financial worth. Some interesting facts may be brought out by such statements. A man starting up conservatively for instance, will usually be found to have small assets and also small liabilities, while the plunger will show large assets but also heavy liabilities.

Before a loan is approved it must be passed by a majority of the full board of directors. If only seven of the nine directors are present the votes will have to be five to two in favor of the loan before it is granted. Loans mature on December 31 of each year, but if the money is required for such

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Breaking Land that has been Cleared of Scrub. The Roblin Rural Credit Society is Lending Money for this kind of Development.