

7. The Board recognizes the difficulty of maintaining the interest of the members of the local associations once they have obtained their loans. The fifth annual report, for the year ended November 30, 1921, contains the following:-

"Borrowing farmers having secured their loans, as a rule, take little if any interest in the affairs of the association and a quorum of stockholders at an annual meeting is an exception to the general rule. This lack of co-operation is not difficult of explanation, for the reason that these organizations differ essentially from other farmers' co-operative organizations. In co-operative buying organizations the farmer has his recurring needs in contemplation and this continuing need results in his continued interest and attention, and the same is true in co-operative elevators, cheese factories, creameries, and other like enterprises, while in the farm-loan system he secures his loan for a long period of time, has no further need of the association, and as a rule ceases to take an active interest.

Numerous instances have arisen where after the organizers of an association have obtained their loans the association ceases to function to the detriment of others in the community. This arises from two sources -- selfishness and indifference. For example, a dozen farmers, each with a good farm and abundant security and confidence in each other, organize an association. After having obtained their loans, as to which they feel no uncertainty, they selfishly decline to enlarge their responsibility and let other neighbors in. In the other case, for the same reason they decline or neglect the duties of association directors and members of loan committee and the association ceases to function as a loaning organization.

Many complaints have reached the board from desiring borrowers that they could not receive consideration for one or the other of the reasons stated above. In other cases borrowers have been unable to procure the benefits of the system because a sufficient number could not be assembled in a given neighborhood to organize a farm-loan association."

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