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Agricultural Loans to British Columbia Farmers

Recommendations of Royal Agricultural Commission, Following the Lines of the Government Land Loan System in New Zealand, Should Furnish Great Stimulation to British Columbia's Agricultural Development.

The recommendations of the Royal Commission on Agriculture, which the Government stated was to be laid on the table of the House for one year, have been incorporated into an Act, and probably by the time this issue reaches our readers will have been placed on the Statute book of the Province.

The Act follows closely the legislation in New Zealand, which has been in operation now for seventeen years and has proved a wonderful stimulant for agricultural development, so much so that New Zealand dairy products are now competing with the world markets on terms of entire equality. The direct effect of this agricultural development places the Dominion of New Zealand, which two decades ago was practically undeveloped and a heavy debtor nation, into one that is now self-sustaining and will shortly become a creditor nation, notwithstanding its huge outstanding land loans approximating over \$410,000,000, of which \$334,500,000 are held outside of New Zealand, chiefly Great Britain.

Other land credit systems have been examined and consulted with the necessary adaptation to British Columbia conditions. The Act presents a symposium of this class of legislation in other countries, with the preponderance of influence being borne by New Zealand. It cannot be classed in any sense as an experiment, except in so far as it may need, from time to time, modification and adaptation to the genius of our agricultural classes.

While the full text of the Act is not at hand as we go to press, despatches outline some of its salient features. The Act is divided into eight parts. The constitution of an Agricultural Credit Commission and the detailing of the proposed system of agricultural credit is covered in part one. A commission of seven members, including a superintendent and four appointed directors, with the Deputy Ministers of Finance and of Agriculture, is created. Under this board all loans on lands are to be dealt with.

the Province of British Columbia are to be sold to provide working capital for the Agricultural Credits Department. The first issue proposed will have a limit of fifteen million dollars. Subsequent issues must first be authorized by special Act of Legislature supplementing the power contained in the present Act covering the first issue of fifteen millions.

Provision is made for interest, sinking fund and reserve fund, and further provision is made for temporary investment of any funds of the Agricultural Credit Commission in securities approved by order-in-Council. It is not to be presumed that the entire issue proposed by the Act will be at once sold. Subsection two of section 23 of the Bill provides that the Commission shall, under order-in-Council, sell such amounts of the issue as the Minister may determine.

Loans are to be of three classes: short dated loans of 3 to 10 years, long dated loans of 20 to 36½ years, and single season loans. The conditions on which an application for a loan is to be considered are:—

(a) The value of the security offered, estimated on the basis of agricultural productivity as hereinafter provided;

(b) The desirability of the proposed loan for any of the purposes described in the last preceding section;

(c) In the case of an individual borrower, the ability of the applicant to make a fair living for himself and his family from the farming of his land, when improved as proposed by means of the loan applied for, and after having paid interest and amortization

charges or other payments as required under the mortgage;

(d) In the case of an association, that the association is solvent and has adequate earning powers, and that its records, methods, investments, and management are satisfactory to the Commission;

(e) That the granting of the proposed loan for the specified purpose in the opinion of the Commission will be of economic benefit to the borrower.

In addition to loans on pre-emptions or on purchased lands of the Province, it is proposed to make loans on homesteads or purchases from the Dominion, within the Province of British Columbia, provided the Government of Can-

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Henry Lye.

PRELIMINARY ESTIMATE OF MINERAL
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