

The actual fact is that some of the banks have been begging farmers to take credit for livestock. During the past year on the initiative of the banks, an arrangement was entered into with the Dominion livestock commissioner whereby the banks conducted an organized campaign to interest their farmer customers in the purchase of feeders. The result has been extremely gratifying, and the statistics of the Winnipeg stock yards tell the story.

Bankers Can Assist Clients.

Not only have our banks always looked with high favor on loans to buy feeder stock, but, as already indicated, they stand prepared to do what the United States livestock loan companies do not do, namely, make long-term loans for breeding stock. A livestock loan company would therefore be as a fifth wheel to a coach. How could such an organization lend money over the thousands of square miles in the prairie provinces without duplicating at great cost the machinery which our banks already possess?

It is said against our country bank managers that they are not livestock experts, but it might as well be argued that a bank manager must be an expert in steel in order to lend to a steel manufacturing company, as that because a country manager is not a stock expert he is therefore not qualified to lend a few hundred dollars for livestock buying to a farmer customer whose affairs are well known to him. As a matter of fact, however, the average western country bank manager has good general information in livestock matters, and practically every such manager is in touch with the government livestock departments and is able and willing to obtain for his farmer customers any information which they may seek.

Advances Against Grain.

Until quite recent years the aim of almost all farmers in the West was to market their grain at the earliest possible date after harvest, and to get the year's indebtedness settled up. In these circumstances little or no objection was ever raised to the principle of a clean-up of bank borrowings by the end of the year or shortly thereafter. Now, however, that Canada has attained the position of the world's fourth largest wheat producer, and the marketing of its surplus has become an important factor in

the world's markets, it is obvious that western farmers—and incidentally Canada as a whole—would profit largely if farmers' deliveries could be regulated so as to be spread more evenly over the period between harvest and harvest. Recognizing this fact, it is now the policy of the banks as far as possible to finance their farmer customers so as to facilitate a gradual marketing of the grain.

Each Case on Merits.

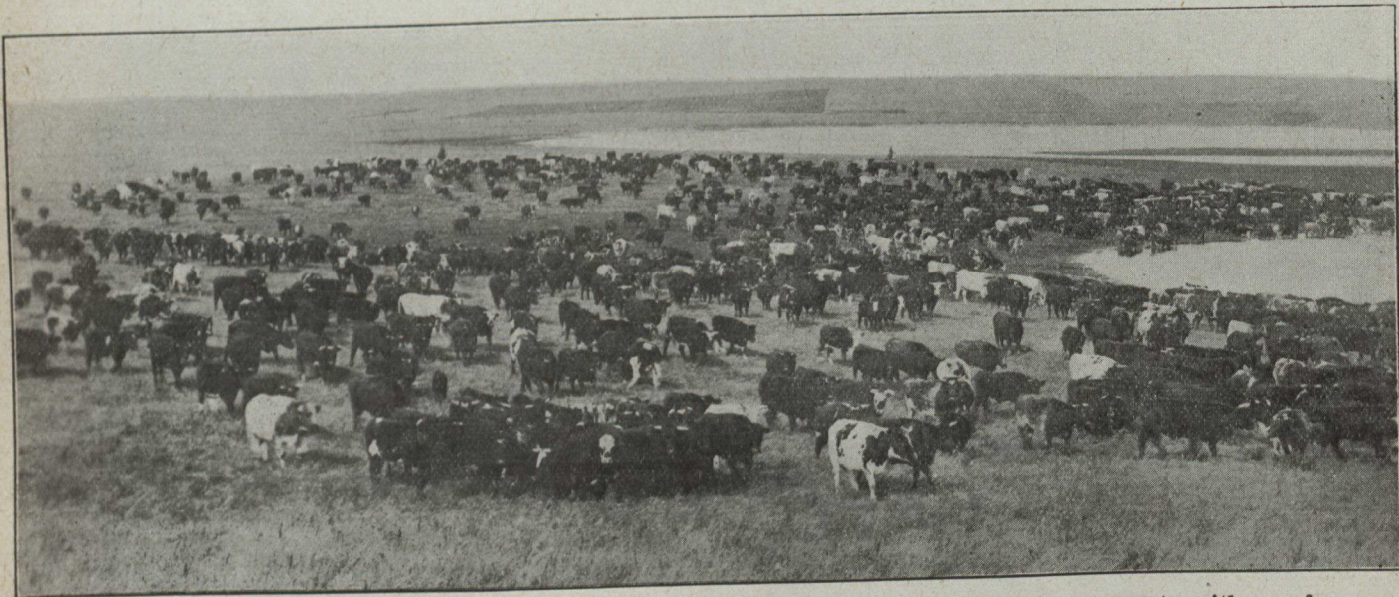
Each case, however, must be dealt with on its own merits. For example, a farmer whose financial position is a difficult one and who is in danger of being harassed by outside creditors, could scarcely expect that his banker would permit him to delay delivering his grain to the elevator. Once delivery has been made, however, and elevator receipts, given to the bank as security, he would be entitled to the same consideration as the man who is not harassed by creditors and whom the bank is willing to carry against the security of grain in his own granary.

In extending credit to farmers in the West the banks meet two difficulties, namely, the exemption laws and the excessive land liabilities under which many farmers labor.

The intention of the exemption laws is a good one, i.e., to obviate the possibility of a farmer who has the capacity for success being forced by a rapacious creditor to sacrifice his land or a part of his necessary equipment to pay debts which he could pay in time from the earnings of his farm. Nevertheless, the fact remains that the exemptions act necessarily operates to curtail the credit of farmers with the banks.

Banks Have to be Careful.

An indolent and incompetent farmer is doomed to certain failure, and when a bank makes the mistake of lending to such a man on a quarter-section, and it subsequently turns out that he is dishonest as well as incompetent, a loss is practically assured because of the exemption laws. It is not in the general interest that such a man should be kept on the land, and his farming assets ought to be available to pay his debts, but an act designed to afford reasonable protection to honest and deserving men renders it possible for many rogues to cheat their creditors. This fact necessitates banks being extraordinarily careful in giving credit to farmers who possess nothing but exemptions.



Here is a typical Alberta cattle scene—Canadian bankers are making every effort to co-operate with our farmers to finance and develop the livestock industry.