

RURAL CREDIT IN CANADA.

About nine years ago a movement was started in the United States for the improvement of credit facilities in rural districts. This became a national issue in 1912. In 1913 two commissions from the United States visited various countries in Europe and studied the conditions of rural credit prevailing therein. One of these commissions, called the "American Commission of Agricultural Co-operation", was assembled under the auspices of the Southern Commercial Congress, and was composed of delegates from different states, as well as of representatives of various associations; and upon this commission were also seven delegates representing the four Canadian provinces of Nova Scotia, Ontario, Saskatchewan and Alberta. The purpose of this commission was the investigation in European countries of co-operative agricultural finance, production, distribution and rural life. In addition to this commission, the United States Congress appointed a commission to "co-operate with the American Commission, to investigate and study in European countries co-operative land mortgage banks, co-operative rural credit unions and similar organizations and institutions devoting their attention to the promotion of agriculture and the betterment of rural conditions." The two commissions carried out this work in Europe from May to July, 1913, and after their return presented reports which formed the basis of parliamentary discussions leading to legislation both in the United States and in Canada¹.

In the United States, legislation took shape in the Federal Farm Loan Act of 1916. In Canada the Legislative Assemblies of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia passed measures in 1917 empowering the provincial governments to provide money for loans to farmers. The following is a brief description of the provincial laws of Canada that are now operative in respect of rural credit facilities.

Nova Scotia.—The Act for the Encouragement of Settlement on Farm Lands (chapter 10 of 1912) provides that, if any loan company advances to a farmer, on a mortgage of farm land or buildings, an amount not exceeding 80 p.c. of the value of said property, the Lieutenant Governor in Council may, after having the property inspected, authorize a guarantee to be made of an amount not exceeding the difference between 40 p.c. of the value of the property and the total amount of the loan, together with interest on the same. Repayments of the principal of the loan are to be applied firstly to the reduction of the guarantee or advance which may have been made by the government. The Lieutenant Governor in Council is empowered to guarantee the bonds of any loan company to the extent of the advances made by it under the Act.

The amount guaranteed by the government up to September 30, 1918, has been reduced to \$47,796.00. Chapter 11 of the Statutes

¹ See *Agricultural Co-operation and Rural Credit in Europe*, U.S. Senate, 63rd Congress, 1st Session, 4to., Washington, 1913. *Report of the Agricultural Credit Commission of the Province of Saskatchewan*, 8vo., Regina, 1913. *Report of the Alberta Commissioners on the American Commission for the Study of Agricultural Credit*, 8vo., Edmonton, 1914.