

Brawn Not Brain:

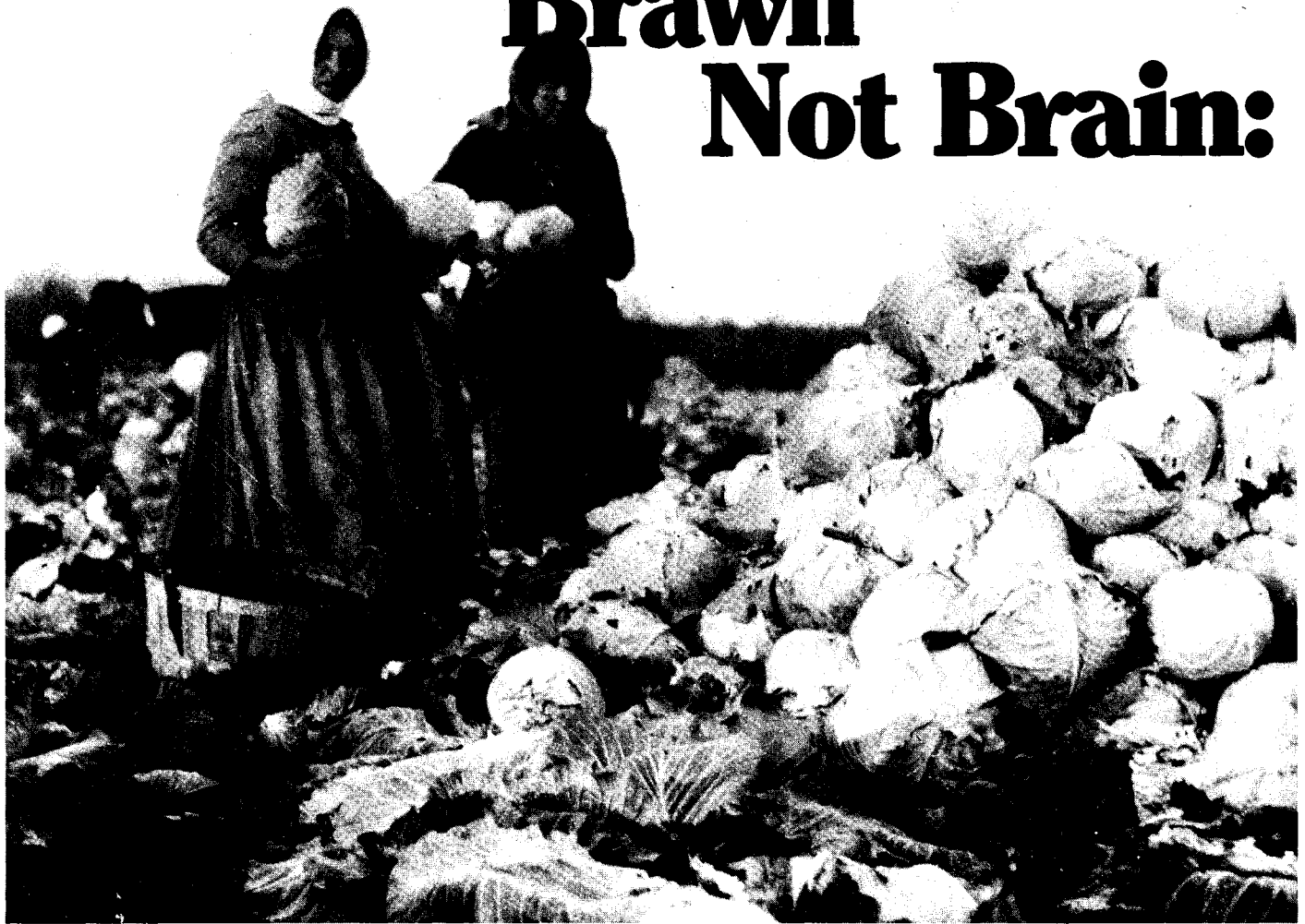


Photo: Courtesy of the Manitoba Archives

Women & Farm Credit in Canada

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Cette étude sur les prêts aux fermiers révèle que bien que les femmes fassent la plupart de la comptabilité de la ferme, elles doivent toujours faire face à la discrimination des prêteurs.

Les institutions de crédit insistent pour que les fermières soient en pleine forme physique, alors que l'agriculture est de plus en plus automatisée. Si le même critère s'appliquait aux hommes, très peu d'entre eux obtiendraient un prêt.

D'autre part, bien que ce soient les femmes des cultivateurs qui s'occupent des finances, elles ne négocient que rarement les transactions de crédit. De plus, alors que la loi fédérale réclame que le prêteur enregistre le

prêt aux fermiers sous le nom des deux époux, une femme ne peut être officiellement partenaire. Pourquoi est-elle alors responsable des dettes de son mari?

A young woman entered a Farm Credit Corporation (FCC) office to discuss her loan application for purchasing a sixty-head dairy farm. She was well prepared with a plan of operation, farming experience and capital but soon left the office — without any money. The FCC officer explained, 'I just looked at her and knew that, when it came down to the tough end of things, she just couldn't do it.' A bank manager, when asked why so few women applied for farm credit, answered that women did not go into farming.

'Farming is too tough a business,' he said, 'and the workload is too much for them.'

Statements such as these reveal the primary obstacle confronting women farmers. Within the financial institutions of Canada, farming is considered a male-only occupation. This sexist notion denies women a right guaranteed to all Canadians under the Canadian Human Rights Act, that of equal access to credit, regardless of sex or marital status.

A study undertaken for the First National Farm Women's Conference (December 1980) investigated the status of women in farm credit within five major Canadian banks (Bank of Montreal, Scotiabank, Toronto Dominion Bank, Canadian Imperial

Bank of Commerce and Royal Bank) and the Farm Credit Corporation, a crown corporation dealing exclusively in farm financing. The lending policies, application forms, promotional pamphlets and advertising of these institutions were examined in addition to conducting interviews with bank managers, agrologists and women who had sought farm credit.

'First for the Man on the Land' — advertising slogans like this one establish farm creditors' image of farmers. Research uncovered no promotional material which portrayed women as farmers. Women, if present at all, were portrayed as mothers and daughters, as passive and dependent. Although studies have established that most farm bookkeeping in Canada is done by women, one bank brochure completely distorts this reality. A husky male is seen singlehandedly executing all farm tasks, including farm accounts.

Financial institutions essentially concur on the criteria for farm credit. An applicant is assessed on capital and ability to repay, character and ability to manage a farm business. Such criteria do not discriminate against women *per se*. Discrimination occurs in the application of these requirements to women; further, the problems single women encounter are different from those of married women.

When faced with a single-woman applicant, most credit officers base her ability to manage a farm business on physical strength rather than on financial or educational capabilities. FCC advisors stated that single women were scrutinized more critically. A woman was questioned regarding her mechanical abilities while a man was not. 'What is taken for granted on a man, is not taken for granted on a woman,' declared one loan officer.

The Farm Credit Corporation assumes that the credit-worthy farmer must be capable of complete self-reliance. In the Corporation's view, self-reliance is determined by brute strength rather than intelligence or agricultural training. However, given the highly mechanized nature of modern farming, this is clearly a false assumption. Ideas



Photo: Courtesy of Winchester Press

such as this are not only discriminatory towards women, but they are injurious to the farming industry as a whole. As explained by a male farmer in the *Canadian Banker & I.C.B. Review*, no individual, male or female, can singlehandedly develop a modern farming operation into a thriving, profitable enterprise.

Indeed, if the criterion of individual physical strength which is now applied to single women was used to assess all male farm-credit applicants, it is unlikely that lenders would find many loan applicants whom they could approve. One of the few female FCC advisors acknowledged the fallacy of measuring

farm-credit eligibility by brawn rather than brain. In her view, there was very little that a male farmer could do which a female could not. Her experience in farm credit had indicated that women simply need employ a little more time, effort and ingenuity.

Farm-credit application forms discriminate against single women on the basis of marital status. The six financial institutions judged applicants on the presence of offspring. Three banks considered the sex of these children important. One asked the ages of sons working on the farm, another demanded the number of boys over sixteen and another re-



Photo: Courtesy of The Ontario Ministry of Agriculture

quired the applicant to differentiate between the number of male and female children. This practice of differentiating between male and female dependents is apparently peculiar to farm credit as personal-loan applications examined during research did not make such a distinction. While it may be true that questions regarding marital status discriminate against both single men and single women, the sexist biases underlying farm-credit requirements ensure the unmarried male a distinct advantage over his female counterpart.

For a married women, participation in farm credit is an important

means of documenting her contribution to the farm and, thus, of attaining economic security. Although recent reform has established equal partnership as the basis of family property law in most provinces, the bitter reality is that upon marriage breakdown, a woman must fight in the courts for her 'just' half share in a farm. If farm property and finances are registered solely in the husband's name and if a woman has no written proof of her monetary and/or non-monetary contributions to the farm, judges remain unconvinced that a woman is entitled to a claim in the farm operation.

Registration of farm loans in both

spouses' names is indisputable proof of a wife's participation in the farm business. Such proof can be equally important in the event of widowhood. A farm wife can appeal an unjust will but again she must be able to document her contributions to the farm.

Farm wives are highly qualified to participate in farm credit. In the majority of Canadian operations, women bear the responsibility for farm finances. The Council on Rural Development Canada determined that 65 per cent of farm wives undertook business bookkeeping; 67 per cent executed all business correspondence. Studies have established that most farm wives participate in important decision-making regarding the farm operations.

Such responsibilities make farm wives important partners in the farming operation. Accordingly, farm wives should be entitled to draw upon the record of a successful family farm when seeking credit. However, the farm-credit practices of the six major lending institutions make this difficult, if at times impossible. The farm wife, who is virtually farm-finance manager, rarely negotiates credit transactions. Banks do not encourage her to do so. Federal legislation governing banks and federal financial institutions does not require lenders to register farm loans in both spouses' names even though most provincial legislation makes a wife liable for her husband's debts.

While the majority of farm-credit officers insist that the wife be aware of monetary transactions, they seek only the husband's signature on agreements. Many loan officers note that the woman usually knows more about the farm's financial situation because of her role as farm business administrator. Credit advisors highly knowledgeable about farming fully appreciate the importance of the woman's many-faceted contributions to the farm as farm labourer, accountant, off-farm wage earner, community worker and homemaker. They considered the wife's enthusiastic support of a loan to be essential to any plan.

'All applications are in the grey

area,' stated one bank manager.
'The wife makes it go one way or the other, black or white.'

But such laudatory statements do not alter the fact that farm women are not accorded equal status to men in farm credit. If only the husband's name is on the loan, only the husband is credited with being a farmer. The Farm Credit Act, which governs operations of the Farm Credit Corporation, most blatantly discriminates against the equal status of farm husbands and wives. This Act allows partnerships to apply for a maximum loan of \$400,000. If, however, the partnership is one of husband and wife, the partnership is considered to be a single applicant and, therefore, eligible for the optimum amount of \$200,000.

Some progress has been made toward attaining a rightful status for women in farm credit. Federal Agriculture Minister Eugene Whelan promised the First National Farm Women's Conference that he would revoke discriminatory aspects of the Farm Credit Act. Deputy Chief Commissioner of the Canadian Human Rights Commission Rita Cadieux pledged Commission action if financial institutions under federal legislation violated women's rights in credit.

The Canadian Banker's Association responded with a promise to change discriminatory farm-credit practices. But if these promises are to become reality, individual farm women must increasingly assert themselves in farm credit. Only through continual pressure at both the personal and institutional levels will the Old MacDonald who had a farm be considered a man or a woman.

Suggested Readings:

Council on Rural Development Canada, *Rural Women's Study—Their Work, Their Needs and Their Role in Rural Development*, 1980.

Women's Division, Saskatchewan Department of Labour, *Farm Women in Our Society*, 1976.

National Farmers' Union, *Farm Women in Our Society*, 1976.

First National Farm Women's Conference research paper, *Equal Partner or 'Just a Wife'*, available through Agriculture Canada.

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