RURAL CREDIT SOCIETIES' CONVENTION

Banking System Is Praised, But Regarded as Inadequate—Unit Banking System, Suggested in Saskatchewan and Alberta, Condemned

(Special to *The Monetary Times.*)

RURAL credit societies of Manitoba held their first annual convention in Winnipeg, January 13th, 14th and 15th. Geo. W. Prout, M.L.A., who was largely responsible for the passing of the Rural Credits Act in 1917, and who has taken an active part in extending the movement, organized the convention. Only one society was organized in 1917. In 1918 there were 10, and before the end of 1919 there were 38 active societies, although 60 had been chartered. Each society has nine directors, and these were well represented at the meeting. In addition, there were some invited guests, the total attendance being about 400.

On Tuesday afternoon the convention opened with an address of welcome from Hon. Edward Brown, provincial treasurer, in which he praised the rural credit system highly, condemned the unit banking system which has been proposed in Saskatchewan and Alberta, and gave his assurance that the provincial government would always stand by the farmers, whatever should be the relationship between the rural credit societies and the banks. This relationship is, fortunately, very satisfactory at present.

Farmers Neglected by Banks

With respect to the Act itself, Mr. Brown said that, like all sound legislation, it was inspired by the need that existed. It might be asked why, considering the fine banking system in Canada, it was necessary to organize rural credit societies for the purpose of lending money to farmers. He was second to no one in his admiration for the Canadian banking system, which was probably the finest in the world, but, while it has worked out in a very successful way so far as the commercial life of Canada was concerned, it never was conceived for the purposes of farmers or agricultural districts. Having explained this statement, Mr. Brown said this was why it was necessary to supplement the banking system by adopting a rural credit society system to give financial assistance to farmers.

"Manitoba is receiving publicity at every farmers' meeting and convention in the United States because of her rural credits law," Dr. G. F. Warren, professor of farm management in Cornell University, said. "It is recognized as the most successful legislation of its kind ever enacted." The subject of Dr. Warren's address was, "Important Factors for Success in Farming."

Helps Agricultural Development

Nearly 2,500,000 acres of fertile land within two hours by railway from Winnipeg is undeveloped because of the lack of a suitable system in the past, George W. Prout, M.L.A., told the convention on January 14th. Ten thousand farmers, who would have been able to produce 50,000,000 bushels of wheat, could have been settled in the territory if there had been a rural credits system such as is in force in the province to-day, Mr. Prout argued. "If we set our minds on the development of the Winnipeg district only, it would just mean an addition to our annual wealth of $100,000,000," he said. The subject of Mr. Prout's address was, "The Growth, Service and Possibilities of Rural Credit Societies to the Farmer, to the Banker and to the Community."

Many Subjects Discussed

Other addresses were:—

"The Place of Live Stock in Well-balanced Agriculture," by G. H. Hutton, B.S.A., Superintendent of Agriculture and Animal Industry, Department of Natural Resources, Canadian Pacific Railway, Calgary; president Western Canada Live Stock Union.

"The Rural Credits Act in Operation," by E. A. Weir, B.S.A., agricultural director, and Chas. H. Gifford, secretary Rural Credit Societies.

"Personal Experiences of Board in Dealing with Practical Credit Problems," by directors and secretaries.

"The Protection Afforded Borrowers and Lenders Under the Rural Credits Act; Legal Aspects of the Act," by R. F. McWilliams, B.A., LL.B.

"The Problem of Profitable Crop Production," by John Bracken, B.S.A., professor of field husbandry, University of Saskatchewan, Saskatoon.

"Prices of Farm Products and Probable Future Prices," by G. F. Warren, Ph.D.

"How Life Insurance Strengthens a Farmer's Credit," by C. C. Ferguson, general manager, Great West Life Insurance Company, Winnipeg.

"What the Rural Credits Act Has Accomplished in Manitoba," by directors and secretaries of societies.

"The Value of Farm Records and Accounts," by A. H. Benton, B.S.A., M.S., professor of farm management and rural economics, Manitoba Agricultural College.

"Live Stock, Markets and Marketing," by D. M. Johnson, B.S.A., supervisor of stock yards for Canada.

"The Importance of the Community Spirit in Rural Development."

FAILURES AND BANK CLEARINGS

A comparison of bank clearings with commercial failures shows in an interesting way that an expansion in business, accompanied by rising prices, as reflected by increased clearings, is accompanied by a reduction in a number of failures. The clearings for the Dominion for the past nine years are given below, together with the number of commercial failures, as compiled by R. G. Dun and Co., and it will be noticed that in 1914 and 1915, the only two years in which the clearings decreased, there was an unusually large number of failures:—

Year.	Bank clearings.	Commercial failures.
1910	$ 6,154,701,015	2,524
1911	7,391,368,207	2,644
1912	9,155,881,412	2,714
1913	9,275,139,154	3,438
1914	8,087,728,595	5,796
1915	7,805,888,010	5,322
1916	10,509,496,068	3,370
1917	12,564,633,205	2,194
1918	13,776,332,726	1,746

IMPERIAL LIFE ASSURANCE CO.

The annual report of the Imperial Life Assurance Co. was presented at the meeting held on January 14. New assurances issued and revived during the year ended December 31, 1919, amounted to $25,892,034, establishing a new high record, and exceeding the previous best record, that of 1918, by no less than $10,898,517, and a gain during the year ,after deducting all terminations, of $19,892,576, which is equal to 78 per cent. of the new business written. The total assurances in force now are $92,634,158, as compared with $72,741,000 the previous year. Thus the total business in force increased by 27 per cent. Cash income from premiums and interest was $4,171,609, an increase of $649,221 over the previous year. Assets increased by $1,535,080 to $16,983,112. The average interest yield on investments was reported at the high figure of 6.35 per cent.

President G. A. Morrow, addressing the shareholders, said the crux of the present situation in Canada lies in the crying world need for every commodity Canada can produce. There is an almost insatiable demand for our goods. Europe is starving, and we cannot begin to find enough grain, minerals and timber to satisfy her. Vice-president E. T. Malone, K.C., said the favorable mortality during the last eight months of the year had been phenomenal in that it had been sufficient to cut down the abnormally heavy mortality of the first four months to a total amount of claims of only 50 per cent. of those which might be expected.