

country, and was one of the reasons why this Dominion, after spending years of effort and millions of dollars, could only boast of a population of 7,000,000 souls. He would put at least a portion of the deposits beyond the control of the great banks. He spoke of a pamphlet, issued two years ago by the Canadian Bank of Commerce, which said that in the prairie provinces there had been loaned to farmers \$75,000,000. Taking it for granted that there was a similar amount loaned to the same people over the rest of the Dominion, the total was yet far below the amount outstanding in call loans outside of the state. The \$150,000,000 loaned to farmers represented only one-tenth portion of the total deposits of the people of the Dominion. He contended that that was not a fair division; that the farmer, the great producer, was entitled to at least 40 to 50 per cent. of the total deposits, and at a low rate of interest.

Continuing, he likened the Canadian banking system to a flintlock gun on the shoulder of a Royal Northwest Mounted policeman. He declared that it was a generation behind any other system in the world, while the New Zealand system was a generation ahead of all others. Canada's trouble lay largely in the fact that when this banking system was brought from England all of the machinery was not brought with it. In the Old Country it was possible for the small producer to get a line of credit, but here it had been made a law that no agricultural product could be taken as security against a loan until it had passed into the hands of a trader. In 1912, an amendment was made which permitted loans being made against thrashed grain that had been raised by the farmer on his own land.

Comparison with Kansas

He compared that amendment with an incident in Kansas in 1914, when the grain markets of the world were demoralized and the price of wheat was low. Under the Canadian system the western farmers were compelled to thrash and dump their product on the market at an inopportune time. Twenty-five per cent. of the farmers held one-quarter of their wheat. In Kansas, the small state banks, capitalized from \$10,000 up to \$100,000, advised the farmers to stack their grains, and loaned money against it. If it were thrashed there would not be storage space and it must go at the low rate. The result was that it was worked off gradually when the price had advanced fifty cents per bushel. The farmers received \$22,500,000 more than if they had been forced to sell. If they had paid the banks \$2,500,000 of this, which was really a high figure, they would still be \$20,000,000 ahead of the game. In the case of the frosts of last June, the wheat straw was worth at least what it cost to put it up, yet thousands of acres of roughage was cut with a mowing machine, or left to stand and burned in the fall. Small state banks could have financed the proposition and saved the country many thousands of dollars in feed and the farmers at least their living for the winter.

Small Credits Wanted

Turning to the small credit system, he declared it was for the lack of it that the cities of Edmonton, Calgary and other towns in Alberta were sold out for taxes. It was because the contiguous territory was not developed, nor never would be until a system was devised whereby the homesteader never had to get in the bread line. At the start of the war, when the banks and big supply houses cut down, or off altogether, the credits of the retailers, they did so on the advice of the bankers.

Building stopped at once and the number of unemployed grew to amazing proportions. The farmer was affected and the homesteader was forced to come to the city to look for work. With a system of state banks, owned by the community itself, such a condition would be impossible. The agricultural industry would be stabilized and selfish devices overcome. The farmer could be financed over the trying times.

The Bank of Montreal has opened a branch at Lestock, Sask.

NORTH AMERICAN LIFE

The North American Life Assurance Co., in its annual report for the year ended December 31st, 1918, records the largest year's business in its history. Losses also were unusually high, but the year as a whole was a satisfactory one. The following figures compare the results with the previous year:—

	1917.	1918.
Premiums less reassurances..	\$2,194,634	\$2,437,466
Income on investments	937,837	1,005,446
Claims paid	551,180	647,598
Expenses (office)	289,161	318,645
Field expenses	404,366	443,158

The total assets are now \$18,185,610, an increase of about \$500,000. Mortgage holdings have decreased slightly, but holdings on bonds, debentures and stocks are now over \$10,000,000. Policy loans also fell off slightly.

At the annual meeting held on Thursday, January 30th, the president, Mr. L. Goldman, gave some interesting figures regarding the company's death claims. "The total out-go for the year," he said, "is some \$200,000 in excess of the previous year, due mainly to payment of death losses, dividends to policies, etc. In connection with our death losses, amounting to \$874,037, it may be interesting to know that our total claims for the year 1918 were some \$300,000 in excess of the previous year, making the actual mortality experience of the year 115 per cent. of the expected. The excess mortality for the year was largely due to two causes, the epidemic of 'flu,' which cost us \$234,800, being 26.9 per cent. of the total, and war, \$177,178, being 20.3 per cent. of the total claims. It may be of interest to you to learn that since the war started the total war claims for this company up to the end of last year amounted to \$467,234. That the 'flu' took off the younger lives is evidenced by the fact that on the 154 claims for the amount mentioned above, the average age was only 28. On 37 policies for \$72,500, average age, 28, only one premium had been paid. On 36 policies for \$44,985.58, average age 29, two premiums had been paid. Three premiums on 13 policies for \$3,979.80, average age 29. Four premiums on three policies for \$3,979.80, average age 24. Five premiums on four policies for \$6,500, average age 32. Six premiums on nine policies for \$13,000, average age 29. Seven premiums on six policies for \$7,996.90, average age 27. Eight premiums on four policies for \$4,000, average age 25. Nine premiums on six policies for \$5,997.70, average age 27. Ten premiums on two policies for \$2,000, average age 37. Eleven premiums and over on 28 policies for \$48,400.91, average age 25."

The vice-president, Mr. W. K. George, referred especially to the company's operations. "The main functions of the directors of a life insurance company," he said, "is general supervision and familiarity with the plans and operations of the company, but mainly with the investment and disposition of its funds. Investments to be made by the company are presented to us at the regular meetings of the directors. In addition, two directors examine each quarter, the securities held by the company, and as these directors are changed quarterly it naturally follows that each director has an opportunity to know that the securities of the company are actually held, and as stated in this report. At the end of the year these securities, including the mortgages, are again checked over by directors, the professional auditors of the company, and subsequently by representatives from the insurance department at Ottawa. Thus assurance is made doubly sure as to the investments of the company."

BANK OF TORONTO DIVIDEND INCREASED

The Bank of Toronto has increased its dividend rate from eleven to twelve per cent. Up to 1911 the rate was ten per cent. In that year it was raised to eleven per cent., and from 1912 to 1914 inclusive, the rate was eleven per cent., plus one per cent. Since 1915, however, the extra one per cent. has been dropped until the present increase to a twelve per cent. basis.