

MANUFACTURER DISCUSSES BANKS AND BANKING

Says They Deserve Credit for Way They Have Handled Situation—Bank Stocks

Since the commencement of the financial stringency, a good deal of criticism has been levelled against the Canadian banks for their alleged failure to provide the funds necessary for the business of the country. From a wide acquaintance of men engaged in commercial pursuits and in large industrial undertakings, Mr. R. S. Gourlay, president of the Canadian Manufacturers' Association, is convinced that not only are these criticisms in the main uncalled for, but that, on the contrary, the banks are deserving of much credit for the successful manner in which they have handled a difficult situation. "To say that they have refused to provide money for speculative ventures, or for the financing of new enterprises, is to acknowledge that they have chosen rather to reserve their resources," continues Mr. Gourlay, "so as to be the better able to take care of legitimate business. And this, I believe, they have done, and done well, for, with one or two exceptions, where special considerations may have necessitated a curtailment of credit, I have yet to hear of a good business, manufacturing or otherwise, that has not been provided with what money it actually needed."

Inability to Increase Credit.

"All of us are perhaps more or less prone to depend upon the banks for money that should go into our businesses as paid-up capital, and those who may have felt disposed to complain because of their inability to increase their line of credit, should remember that the alternative course is often the more logical one."

"From now till the first of January our banks will require to provide in the aggregate a sum sufficient to purchase a grain crop in the west valued at \$200,000,000. For the general welfare of the country it is imperative that the farmers be paid in cash in order that liabilities may be liquidated as between them and the retailers, the retailers and the jobbers, the jobbers and the manufacturers. In my humble opinion it speaks volumes for the banking system of Canada that so large a sum will be provided for so useful, so necessary a purpose, with so little disruption to other business."

Banks Need More Capital.

"Far from criticizing our banks, I feel that our attitude should rather be to accord them a larger measure of financial support than we have been accustomed to give them in the past. The return on bank stocks at present quotations does not mark them out as attractive when compared with other channels of investment, nor have they grown in popular favor since the shareholders in certain institutions, now defunct, were called upon under the double liability clause of the bank act. Yet in a growing country like Canada banks as well as factories need more capital, and I am hopeful that the new act, with its wise provision for an independent audit, will have the effect of inspiring fresh confidence in those that remain, and so pave the way for their expansion and continued prosperity."

BANK OF ENGLAND STATEMENT

The weekly statement of the Bank of England shows the following changes:—

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| Total reserve, decrease | £1,289,000 |
| Circulation, decrease | 37,000 |
| Bullion, decrease | 1,325,852 |
| Other securities, increase | 1,306,000 |
| Other deposits, decrease | 662,000 |
| Public deposits, increase | 609,000 |
| Notes reserve, decrease | 1,253,000 |
| Government securities unchanged. | |

The proportion of the bank's reserve to liability this week is 58.34 per cent.; last week it was 60.75 per cent.
Rate of discount, 4½ per cent.

WHAT BANK STATEMENT SHOWS.

The bank statement for August, says a despatch from Ottawa, will indicate fairly healthy business conditions throughout the country. Deposits will show an increase of five millions over the July figures, and other features will be satisfactory from a business standpoint.

IGNORANCE CAUSED LAPSE OF MANY LIFE INSURANCE POLICIES

Speakers at Underwriters' Convention Demand Better Publicity of Life Insurance Benefits

"Advertising in life insurance is the only antiquated feature of our business," said Mr. H. H. Ward, of Portland, at the National Association of Life Underwriters' convention at Atlantic City. This view was shared by other speakers, who indulged in strong criticism of the life insurance corporations of America, with aggregate assets of \$4,404,000,000, for making no concerted effort to promote public confidence and discourage suspicion, through publicity. "If the actuarial departments of the companies were conducted on the same basis they would soon go into bankruptcy."

Want a Vigorous Campaign.

Mr. Warren M. Horner, of Minneapolis, presented a report from a special committee, urging the necessity of a vigorous campaign in support of the education and conservation movement, and expressed regret that little progress had been made during the past year.

"Big business houses of the country are spending hundreds of thousands of dollars to teach better farming methods, but next to nothing is being done to educate the public to the importance of life insurance," stated Mr. Jules Gerardin, of Chicago. "Seven million policies, representing twelve billions of protection for families are now in force, but 359,000 policies, the value of which was \$642,000,000, were permitted to lapse during the past year, thus depriving thousands of widows and orphans of protection through ignorance or misunderstanding."

Attitude of Daily Press.

He added that there was need of a systematic campaign of publicity, supported generously, not by the agents, upon whom the expense of publicity now falls chiefly, but by the companies, many of which are doing little to promote the conservation movement.

The speaker said that the attitude of the companies toward the daily newspapers and publicity was largely accountable for the fact that during a coincident meeting of distillers and insurance men in a big city the distillers, whom he characterized as "manufacturers of widows and orphans," were given a page with pictures while the insurance convention was barely mentioned. He pleaded for intelligent institutional advertising.

WHEAT AND WESTERN CONDITIONS.

Monetary Times Office,

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Satisfactory conditions are prevailing all over the west for threshing, and work in this connection is ahead of last year. The grain is now pouring into the country elevators and the inspections passing Winnipeg run to about one thousand cars a day. The railways seem to be in good condition for handling the crop and the Canadian Pacific Railway has announced that it started the season with 40,000 cars, 1,171 engines to handle the grain of the company's western line. This is an increase over last year of 5,000 cars and 100 engines.

Crop estimates vary from around 175,000,000 bushels of wheat to as high as 220,000,000 bushels. It is thought, however, by conservative men, that the yield of wheat will be in the neighborhood of 200,000,000 bushels. Mr. Thompson, president of Thompson Sons and Company, who has been in the grain business in Winnipeg for many years, places the wheat output at about 200,000,000 bushels. Mr. Frank O. Fowler, secretary of the North West Grain Dealers' Association, figures the yield at 176,920,000 bushels.

There is improvement reported from all over the west in regard to collections, the harvesting of the crop is beginning to make its effects felt.

A representative of *The Monetary Times* went over the Grand Trunk Pacific line from Winnipeg to Saskatoon and found conditions everywhere improving. At Rivers, Manitoba, a good average crop has been reaped and the town is progressing in a substantial manner. Several new buildings are going up and merchants and the business men generally, are very optimistic about the future. At Melville, Saskatchewan, the crop has been the best in five years and the present conditions are good. Melville is one of the progressive towns in the west and has gone ahead rapidly. This year the Merchants Bank have erected a new building, a town hall has been built, a college, a new church, a theatre, a three-story business block and a large number of residences. The president of the board of trade at Melville reports that business conditions are favorable and the outlook for the coming year bright.