

continuing to pay what they are now paying for interest. And this would be abundantly worth while.

Debt Per Acre.

"From the above estimate it can be clearly perceived that the average indebtedness of our farmers is, perhaps, \$1,500. The average farm of the province consists of about 295 acres. Thus the indebtedness of the farmers is slightly in excess of five dollars per acre of land under occupation at the present time. The average farm has gathered about its assets in the shape of buildings, stock, implements and grain."

Of Systems Abroad.

Of the systems abroad the report says:—

1. There is in all European countries a frank and universal recognition of the supreme importance of agriculture as an industry, as shown by:

(a) Government co-operation in: 1. Education; 2. Facilitating credit; 3. Promoting co-operative institutions for production and distribution of products; 4. Supervision of processes; 5. Application of scientific knowledge.

(b) Sympathetic attitude of urban communities toward agriculture.

(c) Active participation in agricultural affairs on the part of public spirited citizens and national leaders.

2. Co-operation in everything that affects agriculture has advanced beyond the theoretical into the practical stage.

Benefits of Co-operation.

3. Co-operation has conferred enormous benefits upon the rural communities of Europe by: (a) Stimulating production; (b) Increasing the area under production; (c) Improving the price of products; (d) Opening up markets; (e) Cheapening the cost of farm necessities; (f) Reducing the expenses of transportation; (g) Finishing the products of the soil on the farm; (h) Use of live stock in the utilization of roughages of the farm and the return to the soil of natural manures; (i) Putting farming on a business basis; (j) Stimulating scientific agriculture; (k) Preventing frauds and deceptions in the purchase of raw materials; (l) Improving breeds of animals and plants. 1. By community breeding and cow testing associations, 2. Seed selection and distribution.

4. By organization farmers have been able to provide a security which has attracted loans at favorable rates.

5. Agricultural security has been based upon (a) Mortgage upon the amortization scheme covering a considerable period of time and at reasonable rates; (b) Personal credit associated with (1) Collateral, (2) Endorsements.

Attraction of Local Deposits.

6. By attracting local deposits to co-operative credit associations the resources of local communities have been made available in the first instance for local purposes.

7. The securities based upon land credit have been in the main less susceptible to the fluctuations of the money market than other securities.

8. Though in various places the nominal rate of interest is as low as 3 per cent., 3½ per cent., and 4 per cent., yet the market value of bonds is such that the present borrower is forced to pay an actual rate considerably in excess of this.

9. A system of registration of land titles similar to the Torrens system is of basic importance in securing agricultural credit.

10. Every effort is made to dispose of the bonds locally.

11. The face value of the bonds outstanding in no case exceeds the net value of the mortgages held and frequently withdrawal rights are inserted in the bonds.

For Better Agricultural Credit.

The commission analyses the possible methods by which better agricultural credit may be secured in Saskatchewan. These ways are three in number, viz., through institutions strictly co-operative and partly governmental.

Whichever method were employed the commission lays down three principles that should govern, and then proceeds to a discussion of the pros and cons of the three plans. The principles are:

1. That loans be provided to farmers only upon unquestioned security and for approved agricultural productive or improvement purposes only.

2. That provision be made for repayment upon the amortization plan.

3. That the aim should be to render a service to the borrower and not to secure a profit to the institution.

Before passing to an outline of the solution of the question in the light of existing conditions the report enumerates and discusses the economic problems of Saskatchewan. They are stated to be as follows:

Some Economic Problems.

1. The dependence of our economic life upon outsiders.

2. Our location in relation to the export market for our principal farm products.

3. The lack of cohesiveness in our rural life.

4. The primitiveness of market arrangements for products other than grain and dairy products.

5. The absence of concerted action in the sale of products other than these.

6. The lack of even collective action in the purchase of farm supplies.

7. Too exclusive devotion to grain growing.

8. The tendency towards extravagance, especially in the purchase of implements, land and expensive sources of power.

9. Relatively high rates of interest and short terms for mortgage and personal loans.

10. The large amount of credit associated with the purchase of agricultural implements and farm supplies.

11. The attractions in the past of real estate speculation in urban communities.

12. The lack of social atmosphere in rural districts.

13. The enforced idleness during winter months in localities where only grain is grown.

As the Years Pass By.

"For much of this we have no remedy. We cannot alter the facts of geography nor amend those handicaps which arise from physical conditions. It is not possible to bring this province nearer to the Great Lakes, though much may be gained from the route to Hudson Bay, and something from the Panama Canal. The tariff as such is a matter for the whole Dominion. We cannot so long as we remain comparatively undeveloped build up those great reserves of funds which come from thrift, and which make cheap credit possible. But there is something that can be achieved. By concerted action and intelligent marketing we can eliminate at least some transportation charges, and we can outline a rural policy that will broaden and deepen as the years pass by."

Advantages of Co-operation.

The chief advantages of co-operation as applied to agriculture may be briefly summarized:

1. Economies due to handling goods on a large scale, both in buying and selling.

2. The elimination of multitudes of non-productive middlemen.

3. Protection against adulteration and inferior articles and imple-

ments.

4. A more intelligent study of market conditions and arrangements.

5. Co-operation develops responsibility in private and public life, makes for education in good citizenship and trains men to act with prudence.

6. Co-operation produces a more cohesive rural social life.

Fostering Local Financial Institutions.

The commission states that the following features are characteristic of financial institutions which at present exist within the province:

1. With two or three unimportant exceptions, they are not controlled within the province.

2. Being associations or lenders whose primary object is to secure profits, their interests in the final analysis are different from those of the borrowers.

3. The extremely low rate of interest allowed on deposits does not afford an inducement for people to save or to invest.

4. The great bulk of the funds used within the province is derived from sources outside the province.

5. The same institutions do not furnish mortgage and personal credit.

Features to be Sought.

The following features should be characteristic of those financial institutions, says the report, the primary object of which is public service:

1. They should seek to serve both borrowers and lenders alike. Associations of borrowers grouped together to furnish the most ample security, and who stand collectively liable, would have as their first duty to keep the lenders safe, and as their primary object to secure credit cheaply.

2. Profits should be reduced to a minimum, only sufficient to cover expenses of administration and to build up the necessary reserve fund.

3. They should allow sufficient interest on deposits to encourage thrift and to induce people to invest safely.

4. Though for a considerable time in the future the great bulk of the funds used within the province must be derived from sources outside the province, they should constantly aim to place the financial resources of our districts and our province, however meagre to begin with, primarily at the services of these districts and this province.

5. Though different institutions furnish mortgage and personal credit they should operate harmoniously and sympathetically.

MISCELLANEOUS INSURANCE IN CANADA

Insurance business other than fire or life was carried on in Canada during 1912 by fifty-eight companies: 20 Canadian, 13 British and 25 United States. Nineteen of these companies likewise transacted fire insurance. In addition to these fifty-eight companies, there were five fraternal orders or societies which carried on sickness insurance, and also life insurance.

Of the twenty Canadian companies which carried on business other than fire or life, seventeen transacted miscellaneous classes of business only. Of these, eleven transacted sickness insurance; ten, accident insurance; five, plate glass insurance; seven, guarantee insurance; two, automobile insurance; three, steam boiler insurance; three, burglary insurance; one, weather insurance; one, live stock insurance, and one, title insurance.

At the end of the year the assets of these combined companies amounted to \$6,406,521.42.

Their total liabilities amounted to \$1,617,246.59, made up as follows:—

Unsettled losses, \$374,458.03; reserve of unearned premiums, \$1,088,010.98; sundry, \$153,877.58; total, \$1,617,246.59.

CANADA PAYING PROMPTLY

"When I addressed you last year I laid stress upon the satisfactory nature of the company's loans, and I am able to say that, notwithstanding the money stringency that has prevailed in Canada during the past year the payments of interest and instalments of principal have been generally met with punctuality," said Mr. J. G. Colmer, C.M.G., chairman to the sixth annual general meeting of the Western Canada Investment Company, of London, held in London, England, recently.

Under the provisions of South Vancouver's new fire prevention and inspection by-law the fire chief and the police chief are authorized to take such measures as are necessary to prevent the spread of fires when a serious conflagration menaces the municipality and to exercise care and caution in the prevention of fires. The fire chief is authorized to operate an inspection bureau for investigating premises where an outbreak of fire is likely, and to advise the owners or lessees of those premises of the precautionary measures needed.