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BANKS AND FARMERS.

The conference recently held at Winnipeg between the Western sub-section of the Canadian Bankers' Association and representatives of agricultural organisations throughout the three prairie provinces is interesting both by reason of the results achieved and of the possibilities which it opens up. In the past there has sometimes been a tendency on the part of those who speak for Western farmers to adopt a line of acid criticism of the banks that was unfair and could only be excused on the ground of a defective knowledge of the facts. It may be hoped, with the inauguration of a new era of the friendly exchange of ideas between the banks and the farmers, that in the future nothing more will be heard of this kind of criticism. This hope is strengthened by the appreciative way in which the banks' proposals have been received by the leading grain growers' representatives. The subjects discussed at the conference covered a wide range, embracing such diverse matters as the provision of credits so that farmers' deliveries of grain may be more evenly spread over the period between harvest and harvest instead of being concentrated into a few weeks of the year, and the question of bank managers acting as insurance agents—a practise, by the way, of which the bankers expressed strong disapproval. In a statement presented to the gathering, the banks took pains to clear away the notion, which appears to have been tenaciously held in some quarters, that they are not anxious for farmers' business, pointing out that they have at present loaned to farmers in the three prairie provinces more than \$50,000,000, while they cordially agree in the policy enumerated by farmers' leaders of aiming at circumstances in which the farmers would do all their floating credit business with the banks and a cash business with everybody else, with the result of a great saving to the farmers.

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Among the various matters brought under review, that of extensions of credit to carry grain is of major importance. It appears that the practice

of requiring an annual clean-up of the farmers' borrowings for one season before entering upon advances for the following season originated in the older settled provinces of the East. There it worked no hardship to the farmer, since no one crop was ever raised in sufficient quantity to render its marketing a strong factor in depressing prices, and the experience of many years demonstrates conclusively that in the long run the farmers who sold their grain when it was ready for market got a better result than those who frequently held in the hope of higher prices. Until quite recent years, the aim of almost all Western farmers was to market their grain at the earliest possible date after harvest and to get the year's indebtedness settled up. With the rise of Canada to the position of the world's fourth largest wheat producer, both the Western farmers and Canada as a whole would profit largely if deliveries were spread more evenly over the period between harvest and harvest. The banks' representatives at the conference stated that recognition of this fact had already been reflected in the policy of many banks, and they are prepared to finance their customers so as to facilitate a gradual marketing of the grain, the reservation being made that every case must be dealt with on its merits.

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Discussion also took place on the matter of the farmers' general credit and of livestock credits. The bankers asked that the farmers make a general practise of arranging for their season's credit early in the year, they agreeing that notes for general credit should be for a somewhat longer term than has been usually practised, where the standing of the farmer is unquestioned, the terms depending upon the merit of the individual cases. As regards loans for the production and feeding of livestock, it was clearly pointed out that the banks could not grant credit for two and three years on straight notes, but they are quite prepared to assist in every way in the development of the livestock industry and will grant such credit on notes to be renewed

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