annual instalments. In this respect the reasons for and against such a method as already discussed under the annuity method are applicable here.

In the instalment and annuity methods there is no question as to the rate of accumulation. The amounts are repaid direct to the lender and interest ceases on the amount of principal repaid, therefore the local authority obtains the same rate of interest on repayments as it is paying on the loan itself. According to Saskatchewan statutes, sinking funds are calculated on a 4 per cent. basis.

In order that we may more readily understand the relative cost to the ratepayer of adopting the various methods discussed, let us consider the total amount required to redeem a loan of $100,000 spread over thirty years, and basing the sinking fund at the statutory rate of 4 per cent.

(1) A loan of $100.000, 30 years, 5 per cent.

The instalment method	$177,500.00
The annuity method	195,154.20
The sinking fund method	203,490.30

The above figures show a difference of $17,654.20 in favour of the instalment method over the annuity method. and a difference of $25,990.30 in favour of the instalment method over the sinking fund method, also a difference of $8,336.10 in favour of the annuity method over the sinking fund method.

(2) A loan of $100,000, 30 years, 6 per cent.

The instalment method	$193,000.00
The annuity method	217,946.70
The sinking fund method	233,490.30

The above figures show a difference in favour of the instalment method over the annuity method of $24,946.70 and a difference of $40,490.30 in favour of the instalment method over the sinking fund method, also a difference of $15,543.60 in favour of the annuity method over the sinking fund method.

(3) A loan of $100,000, 30 years, 7 per cent.

The instalment method	$208,500.00
The annuity method	241,759.20
The sinking fund method	263,490.30