

GOVERNMENT RURAL CREDITS AND THE LOANING COMPANIES.

Mr. E. M. Saunders, treasurer of the Canada Life, in his recent paper on legislation affecting the mortgage investments of life companies and loan corporations, had some particularly interesting things to say regarding the experiments in Government rural credit, which are now going forward in the western provinces. In matters of this kind, an ounce of practise is worth a ton of theory, and the practical points which Mr. Saunders put forward will have great weight with those who do not allow their judgment in business matters to be run away with by the visions of theorists. How widely different are conditions on this continent in comparison with Europe, on whose practise the present Government schemes are mainly founded, may be realised from the fact that in Europe ninety-three per cent. of the individual farm holdings vary in size from $2\frac{1}{2}$ acres to $37\frac{1}{2}$ acres, practically all cultivated. On this continent, the average size of a farm is over 138 acres. Not only are conditions here so entirely different from those under which similar schemes have been developed in Europe, but there is the additional serious drawback in Canada of, generally speaking, the poor type of administration available in the Government service, and the submission of Government administration to political and party ends. That this is a very real drawback, nobody tolerably familiar with the conditions of Canadian public life is likely to deny. Mr. Saunders traverses the idea that the Governments of the three prairie provinces can lend to the farmers at lower rates than those at which the farmers are at present securing funds from the loan corporations and life companies, provided that expenses are charged up to the departments honestly, and not defrayed out of some other funds. In Manitoba, farmers in good standing can, at present, obtain funds from reputable loaning corporations at seven per cent. per annum. Considering the high price which the province will have to pay for its funds under present circumstances, and the cost of administration, which is placed at one per cent., it is at least doubtful if the Manitoba farmer can be loaned funds any more cheaply by the Government than by the loaning corporations. In Saskatchewan and Alberta, the loaning rates rule higher, the maximum being eight per cent., due to the fact that risks are more scattered and, as a result, costs of management higher. The managements of the loaning corporations acted wisely in not actively opposing these Government schemes. Any success they achieve, which is quite problematical, is not likely to result in the services of the life companies and loaning corporations being no longer required in the extensive loaning of capital throughout the West.

"SOMETHING ON ACCOUNT."

The Saxon Motor Company, which had recently an enormous sprinklered risk loss at Detroit, suggested to the fire companies the advance of \$400,000 in cash, pending a final settlement. The companies declined with thanks, and recalled that, when the use and occupancy loss arising out of the same fire was settled, the bankers who had loaned money to the Saxon company were present at the adjustment and taking a very deep interest in the amount and time of the payment.

WAR LOAN ALLOTMENTS.

Subscriptions to the third Canadian war loan numbered 40,800 as compared with 35,000 to the second war loan, and 25,000 to the first war loan. The increase in the number of subscribers shows a gratifying growth in appreciation of the duty and privilege of those of small or comparatively small means in placing their savings at the disposal of the Dominion Government for the prosecution of the war. Subscriptions of \$25,000 or under, it is reported, amounted to no less than \$82,880,000 or about 55 per cent. of the whole \$150,000,000 required. This is a very good proportion indeed, and indicates that, right from the outset, the loan will be exceptionally well placed. The advantage of this in regard to the future market for the loan can be readily appreciated.

The heavy over-subscription of the loan made it unnecessary to take advantage of the banks' offer to take up \$60,000,000 of it, a result which, in view of the duplication of credit involved in the banks' subscriptions, was greatly to be desired. Another effect of the over-subscription is to cut down very considerably the allotments of the loan to the life insurance companies, who next to the banks were probably the largest subscribers to the loan. The allotment of the loan has been carried out on the following basis:— (1) Twenty-five thousand dollars and under allotted in full; (2) from \$25,000 up to and including \$100,000, the first \$25,000 in full, the remainder eighty per cent; (3) from \$100,000 up to and including one million, the first \$100,000 the same as number 2, the remainder seventy per cent; (4) in excess of \$1,000,000, the first \$1,000,000 the same as number 3, the remainder forty-five per cent. The effect of this arrangement may be briefly illustrated. The Manufacturers, North American Life and New York Life each subscribed \$1,000,000; they are each allotted \$715,000. The Great-West and the Imperial Life each subscribed \$1,500,000; they are each allotted \$940,000. The Confederation subscribed \$2,000,000; it is allotted \$1,165,000. The Mutual Life of Canada, \$2,500,000; it receives \$1,390,000. The Canada Life, \$4,000,000; its allotment is \$2,065,000. The Sun Life is allotted \$4,765,000 for its subscription of \$10,000,000. One effect of this cutting down of large subscriptions is that the life companies will probably be in the investment market again at an earlier date than might have been anticipated in view of the large commitments they were prepared to make in the war loan.

MONTREAL CITY AND DISTRICT SAVINGS BANK.

The directors of the Montreal City and District Savings Bank have issued a call for an additional twenty-five per cent. or \$500,000 upon the Bank's subscribed capital of \$2,000,000, of which the amount now paid up is \$1,000,000. The paid up capital will thus be increased to \$1,500,000. Payment of the new call is spread over five quarterly dates, beginning with July 1st next, five per cent. being due on that date, and another five per cent. at the beginning of each of the succeeding quarters.

The annual report of the Bank for the year ended December 31st last showed assets of \$35,011,569, and net profits for the year of \$221,757. Total deposits rose last year to the new high record of \$32,098,708.