

MANITOBA FARM LOANS SCHEME

Are Lending Companies Being Given a Square Deal by Government?

"Events have shown that the province of Manitoba can borrow money on the markets of the world only at 5¼ per cent.," says Mr. A. L. Crossin, of Oldfield, Kirby & Gardner, Winnipeg, in a letter to the Manitoba Free Press on the provincial government's farm loans scheme. "The remarks of 'Finance' (the writer of several letters on the subject), on the farm loan scheme of the government are interesting and instructive. It is such criticism as this which our public questions so sadly lack," says Mr. Crossin. "There are points of agreement between us. First, that the association will be unable to pay its members a dividend. Secondly, that the enterprise is being bonused by the government, which 'Finance' approves. Will the taxpayers of the province so cheerfully acquiesce? The act distinctly contemplates further like grants. 'Finance' and I must differ on the selling value of the securities of the Farm Loans Association. Never has a guaranteed security sold higher than the direct liability of the province. The latter has behind it all the wealth of the province, including the landed security which only bulks largely in 'Finance's' vision because a specific mortgage exists. Usually a provincial guaranteed security brings from one to two points less than the issues of the province because of the formalities required to realize upon the guarantee.

Low Rates of Interest.

"The discussion of anticipated low rates of interest in the future is rather beside the mark," continued Mr. Crossin. "When conditions warranted, lending companies were able to give the farmers of this province 6 per cent. Fifteen years ago large sums were advanced to our farmers at 6 per cent. and 6½ per cent. The cost of management offers a wide sphere for controversy. Lending companies are not able to reduce the expense below 1 per cent. If the government can show a greater degree of efficiency and economy in the conduct of this enterprise than the shrewd business man in his own affairs, it is the first time in the history of government in Canada at least that such results have been witnessed.

"Then, Mr. Tomlinson has been put up to deal with my criticisms. His statement is chiefly a repetition of the irresponsible chatter of platform orators, and it would be interesting to know to what degree the government will support his bald and astonishing assertions. To declare, as Mr. Tomlinson does, that the average rate of interest being paid by the farmers of this province on their mortgage loans is over 8 per cent., that the cost of management of existing companies is less than ¾ of 1 per cent. per annum, or to compare the expenses of carrying on business in the compact areas of Germany and its thrifty people with this province of vast distances and its standard of living is to discredit all argument in behalf of the plan.

Paying Less Than 5 Per Cent.

"There is a significant disclosure in Mr. Tomlinson's statement that the Farm Loans Association is paying the government less than 5 per cent. for the use of the trust funds which the government is employing in this way to bolster up an unsound scheme. Events having shown that the province of Manitoba can only borrow money on the markets of the world at 5¼ per cent., the government loans its trust funds to the Farm Loans Association at less than 5 per cent. Again, the inquiry is a pertinent one. What have the taxpayers of the province to say to this system of finance?

"No reference," says Mr. Crossin in conclusion, "has been made by either of my critics to the exemption of the government scheme from the burden of taxation borne by the present lending companies. If government displaces present agencies which contribute to Imperial, Dominion and provincial revenues, the loss must be made up by other forms of taxation."

A meeting of the shareholders of the Electric Steel and Engineering Company, Limited, Welland, recently incorporated with a capital of \$2,000,000, was held last week in Toronto. Directors were elected as follows: E. Carnegie, Welland; Colonel Leonard, St. Catharines; A. J. Young, of North Bay and Toronto; Alex. Longwell, Toronto; E. Bourne, Cobalt.

PUBLICATIONS RECEIVED

Registrar of Friendly Societies.—Report of transactions for 1916. Issued by the Department of Insurance, Parliament Buildings, Toronto.

Topographical Surveys.—Annual report of the Topographical Surveys Branch for 1915-16. Issued by the Department of the Interior, Ottawa.

Pacific Gas and Electric Company.—Eleventh annual report for fiscal year December 31, 1916. Issued by the Pacific Gas and Electric Company, San Francisco, California.

Mineral Production of Canada.—Annual report for 1915 of the Department of Mines in Canada. Prepared by John McLeish, B.A., Chief of the Division of Mineral Resources and Statistics, Ottawa.

Ten Years Against Sixty-Two.—A memorandum submitted to the Board of Directors of the New York Life Insurance by the President, containing a brief sketch of his ten years' stewardship.

Coal Area of British Columbia.—Memoir 87, containing a geological survey of the flathead coal sections of the West, with maps and illustrative diagrams. Issued by the Department of Mines, Ottawa.

Department of Mines.—Bulletin No. 14, containing a general survey and description of the coal-fields and coal industry of Eastern Canada. Prepared by Francis W. Gray. Issued by the Department of Mines, Ottawa.

Letters from the Front.—A handbook containing a partial record of the part played by officers of the bank in the Great War; with the Roll of Honor appended. Issued by the Canadian Bank of Commerce, Toronto.

Trade and Navigation.—A monthly statement, containing unrevised tables of imports entered for consumption and exports of the Dominion of Canada. Prepared by the Customs Department, Ottawa, from official returns.

Toronto Gives.—A pamphlet discussing the evils of haphazard community giving, compared with a system of planned philanthropy. Issued by the Toronto Bureau of Municipal Research, 813-820 Traders Bank Building, Toronto.

Business and Industrial Opportunities in Western Canada.—A handbook of information regarding agricultural and financial possibilities of the West. Issued by the Industrial Branch of the Canadian Pacific Railway, Montreal.

Office Organization and Management.—A valuable volume for the business man, dealing with the general running, laying out and organization of an office. Prepared by Carl C. Parsons, Manager of Shaw-Walker Company, New York. Published by La Salle Extension University, Chicago.

Financial Suggestions to Municipalities.—A booklet containing ready references for Municipal Officials, outlining the elements of municipal finance. Issued by A. E. Ames and Company, Transportation Building, Montreal, or Union Bank Building, Toronto. Prepared by J. B. How, manager of Montreal office.

Provincial Legislation and Executive Action in Canada.—A document stating with some fulness the economic as well as the legal and constitutional arguments against the legislation, with special reference to the Niagara question in the Ontario Legislature. Published by McCarthy and McCarthy, Canada Life Building, 46 King Street West, Toronto.

BRITISH COLUMBIA WILL ISSUE \$2,000,000 LOAN

The British Columbia government will shortly issue a \$2,000,000 loan for agricultural credits under the new farm settlements board. The government has received reports that with the over-subscribing of the Liberty loan in the United States and the hearty reception given to the Canadian war loans, money will be obtainable for this particular flotation, although some weeks ago it was informed that long-term bonds could not be profitably sold at this time as they would cost at least 5.80. With the additional handling charge of 1½ per cent., the money would thus cost the farmers too much.

The Allied Chemicals, Limited, have been incorporated with Ontario charter, head office at Toronto and capital stock of \$40,000.