Dollars and Cents

Financial News and Views. Intricate Financial Matters discussed in language that anyone can understand.

BANKING ∴ INSURANCE ∴ FINANCE

THE MANITOBA SAVINGS BANK

The Manitoba Savings office is an office established by the Manitoba Government to secure money from the people of Manitoba to assist in financing the rural credit societies, the Manitoba Farm Loans Association, and cities, towns, villages, rural municipalities and school districts of Manitoba. Money deposited in this savings bank, the headquarters of which are in Winnipeg, will be used in Manitoba to help the development of Manitoba and the interest earned will remain in the province instead of being sent elsewhere. It is a straight co-operative movement which must result, if businesslike administration is provided, in very beneficial results for the province as a whole. The government has been fortunate in securing the services of E. A. Weir as chairman of the board of administration whose character and ability justifies the belief that the organization will be well managed and efficiently administered.

The savings office will be operated in much the same way as our banking institutions. Deposits of $1 and upwards will be accepted and withdrawals may be made at any time. The government guarantees the safety of all money deposited. The officials will take care of valuable papers of customers free of charge and are prepared to give free advice on banking and financial problems to enquirers. Interest will be paid at the rate of 4 per cent per annum compounded half yearly.

One of the first steps taken by the savings bank officials was to inaugurate a "banking by mail" service. All the depositor has to do is to send in his deposit with details as to his name, etc., and an account is opened for him. A bank book is sent to him and he may continue to bank by mail, sending in further deposits or withdrawing such funds as he may require. Withdrawals may be made in two ways, by using cheques in the ordinary way or by writing to the bank for a remittance.

This savings bank idea has been approved by all classes of citizens and although the bank is hardly out of the organization stage, approximately $150,000 has already been deposited. Foreign residents in the province are said to have displayed great confidence in the bank and there is every indication that these people will use it in preference to the old system of hoarding money in their dwellings.

The farmers of Manitoba are heartily in favor of the scheme and a few weeks ago the executive of the United Farmers of Manitoba endorsed it by passing a resolution urging the farmers of the province to support it. The affairs of the bank are managed by a board of trustees. This board consists of five members, as follows: Alderman George Fisher, general manager in Canada for the Scottish Co-operative Wholesale Society; J. R. Murray, assistant general manager United Grain Growers Limited; F. J. Collyer, McAuley, Man., director United Grain Growers Limited; J. W. McQuay, Dauphin, Man., district director United Farmers of Manitoba, and E. A. Weir, formerly agricultural director Rural Credit Societies of Manitoba. The administration of all moneys deposited and the general conduct and management of the institution is entirely in the hands of this board of trustees. With the affairs of the bank in the hands of these men, the future of the movement is assured.

Manitoba Farm Loans Association

Three years ago the government inaugurated a farm loan system by which farmers can secure long term mortgages bearing interest at 6 per cent. This system has proven very attractive to the farmers of the province and has undoubtedly been responsible for considerable agricultural development. Over $[illegible]000 has been loaned under the scheme during the short time it has been in operation. Loans may be made to persons residing or intending to reside in the province. Loans are allowed up to $10,000 but in no case are they permitted to exceed 50 per cent of the appraised value of the land. The mortgage extends over 30 years, but it may be paid off at the end of the fifth year or at any time thereafter. Repayment is made by equal annual instalments, which include both principal and interest, so that the payment due at the end of the thirtieth year is exactly the same as the payment due at the end of the first year. The proceeds of the loan must be used for improvements to the land or for paying off prior encumbrances. Every borrower must subscribe for shares in the association to the value of 5 per cent of the amount of the loan secured. To illustrate the case with which loans may be paid off it may be stated that the annual repayment on a $1,000 loan is $72.65. In the ordinary way a borrower would have to pay more than that for interest alone, but under the government scheme 30 annual payments of the amount mentioned are sufficient to pay off the entire loan and all interest charges.

Manitoba's Rural Credits

The creation of rural credit societies in Manitoba has had a far reaching effect. This system of co-operative financing was adopted all through the province with marked success. As an instance, in one district near Winnipeg 4,000 acres of new land were broken with money secured from loans negotiated by rural credit societies. Settlement and agricultural development has been encouraged and more real progress was made last year in this respect than was made in the five years previous. This agricultural progress will react beneficially to the whole province and the benefits will be shared by the cities, towns and villages as well as by the rural districts. The marked success of both the Manitoba Farm Loans Association and the Rural Credit Societies has made it imperative that adequate funds be provided to meet the growing demands of these institutions. To ensure a constant supply of funds the Manitoba Savings Bank has been created and it is hoped that it will meet the situation satisfactorily.

The Cost of War

The war is ended but the war is not paid for, far from it. We are apt to forget this except when we get our tax bills or pay our ordinary bills with the little sales tax tacked on the end of an already high charge for things we buy. We all know that we have a national debt of over $2,000,000,000, almost all of which was created during the war, but we are not so conversant with the expenditures which we are making each year as a result of the effects of the war. Actual outlays for military expenses during the current year will reach the enormous sum of $170,000,000 exclusive of payments for interest on our war debt. The main items included in this expenditure are as follows:

Soldier's land settlement....	$50,000,000
Soldiers' civil re-establishment	34,000,000
Demobilization costs	38,463,400
Pensions	33,000,000
Main militia expenses	12,500,000
Naval service	2,500,000
Permanent force barracks....	2,000,000

The One Man Business

How many thousands of businesses in this country are "one man businesses?" We would be surprised if we really knew. Look around your own community and analyze its business men. You will find many establishments which really depend upon the efforts or personality of one individual. Get a little closer home. Look at your own

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Of Sterling Worth

are the policies issued by the Great-West Life Assurance Company. Some men look upon Life Insurance as an expense to be avoided as long as possible. How often has this procrastination brought illimitable distress to a man's household in later years?

Life Insurance is the one safe means by which continuity to one's Life Plans may be brought to a successful issue. Ask any old-time policyholder to explain the merits of his Insurance, and correspond with us, when we will explain the merits of the policies issued by

The Great-West Life Assurance Co.
Dept. "Q"
Head Office - Winnipeg

A Bank Account For Your Wife

More and more, are the wives of today running their homes on a business basis—systematically and efficiently.

Many wives have a monthly allowance for household expenses.

This, they deposit in a Savings Account in The Merchants Bank—settle bills by cheque—and thus have an accurate record of bills paid.

Such a business-like method also gives a woman the feeling of happy independence in having a bank account of her own.

The Merchants Bank of Canada

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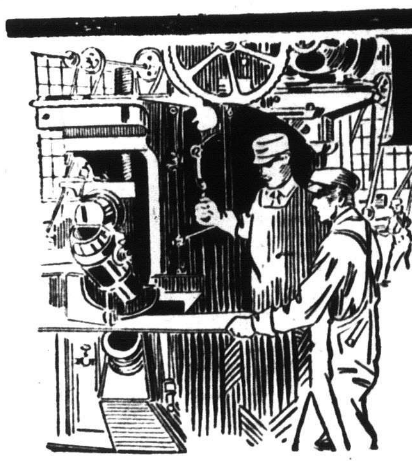
THE MERCHANTS BANK OF CANADA
Head Office: Montreal. Established 1864.
391 Branches in Canada extending from the Atlantic to the Pacific.



Labor

IN the Savings Departments of all our 400 branches the workman will find convenience and safety for his savings. The ambitious wage-earner who lives by budget—and not by chance—can thus make adequate provision for old age by depositing a fixed sum regularly. Financial independence may be gained by steady accumulation of small amounts. 422

Resources of $174,000,000

UNION BANK OF CANADA
HEAD OFFICE - WINNIPEG