

On a loan of \$6,000.—\$60 a year, is equivalent to \$3,304.68 after 33 years.

On a loan of \$7,000.—\$70 a year, is equivalent to \$3,855.46 after 33 years.

On a loan of \$8,000.—\$80 a year, is equivalent to \$4,406.24 after 33 years.

On a loan of \$9,000.—\$90 a year, is equivalent to \$4,958.02 after 33 years.

On a loan of \$10,000.—\$100 a year, is equivalent to \$5,507.78 after 33 years.

The above table shows the advantage which would accrue to the farmer borrower if he were charged 5½ per cent interest instead of 6½ per cent. The excess of interest which he is forced to pay on a \$10,000 loan if placed in a savings bank would represent after 33 years a capitalized amount of \$5,507.78; the actual present value at 3 per cent being \$2,076.43.

The value of an investment of \$1.50 a year made at the end of the year with compound interest at 5 per cent, would represent a capitalized amount of \$120.10. The interest charged by the Canadian Farm Loan Board is 6½ per cent, while the rate charged by the American federal Farm Loan Board is 5 per cent. The value of the savings to the American farmer, placed at 5 per cent compound interest for a period of 33 years is shown by the following statement:

On a loan of \$1,000 savings are \$15 yearly, equivalent to \$1,200.96 after 33 years.

On a loan of \$2,000 savings are \$30 yearly, equivalent to \$2,401.92 after 33 years.

On a loan of \$3,000 savings are \$45 yearly, equivalent to \$3,602.87 after 33 years.

On a loan of \$4,000 savings are \$60 yearly, equivalent to \$4,803.82 after 33 years.

On a loan of \$5,000 savings are \$75 yearly, equivalent to \$6,004.78 after 33 years.

On a loan of \$6,000 savings are \$90 yearly, equivalent to \$7,205.74 after 33 years.

On a loan of \$7,000 savings are \$105 yearly, equivalent to \$8,406.70 after 33 years.

On a loan of \$8,000 savings are \$120 yearly, equivalent to \$9,607.65 after 33 years.

On a loan of \$9,000 savings are \$135 yearly, equivalent to \$10,808.61 after 33 years.

On a loan of \$10,000 savings are \$150 yearly, equivalent to \$12,009.57 after 33 years.

At 5 per cent the actual value of \$12,009.57 for to-day is \$2,397.77.

The value of an investment of \$1.50 a year for a period of 33 years, bearing interest at 3 per cent compounded yearly, is represented by a capitalized amount of \$8.62. The interest charged by the Canadian Farm Loan Board is 6½ per cent, while the rate charged by the American Farm Loan Board is 5 per cent. The value of the savings to the American farmer placed at 5 per cent compound interest for a period of 33 years is shown by the following statement:

On a loan of \$1,000, savings \$15 yearly, is equivalent to \$826.17 after 33 years.

On a loan of \$2,000, savings \$30 yearly, is equivalent to \$1,652.34 after 33 years.

On a loan of \$3,000, savings \$45 yearly, is equivalent to \$2,478.50 after 33 years.

On a loan of \$4,000, savings \$60 yearly, is equivalent to \$3,304.87 after 33 years.

On a loan of \$5,000, savings \$75 yearly, is equivalent to \$4,130.83 after 33 years.

On a loan of \$6,000, savings \$90 yearly, is equivalent to \$4,957 after 33 years.

On a loan of \$7,000, savings \$105 yearly, is equivalent to \$5,783.17 after 33 years.

On a loan of \$8,000, savings \$120 yearly, is equivalent to \$6,609.34 after 33 years.

On a loan of \$9,000, savings \$135 yearly, is equivalent to \$7,435.50 after 33 years.

On a loan of \$10,000, savings \$150 yearly, is equivalent to \$8,261.67 after 33 years.

At 5 per cent the actual value of \$8,261.67 for to-day is \$1,650.67.

Borrowers are compelled to take shares from the Canadian Farm Loan Board, and they are allowed only 5 per cent compound interest. Subsection 4, section 9, chapter 66, revised statutes of Canada, 1927, cover this point. In addition to this, they have to pay 6½ per cent for the money used to buy the share. I think something should be done to cure this anomaly. It will probably be said that money cannot be borrowed on our security markets at a rate cheap enough to make loans to farmers at 5½ per cent. The following is a report published by the Banque Canadienne Nationale, dated May, 1930, as follows:

Dominion loans are yielding as follows:

5½ per cent due 1932 sells for \$100.50 yields \$4.63.

5½ per cent due 1934 sells for \$102.25 yields \$4.94.

4½ per cent due 1940 sells for \$97.85 yields \$4.76.

5 per cent due 1943 sells for \$102.30 yields \$4.77.

4½ per cent due 1944 sells for \$97.75 yields \$4.72.

4½ per cent due 1946 sells for \$97.85 yields \$4.69.

All tax exempted

C.N.R. guaranteed by government.

5 per cent due 1954 sells for \$102.50 yields \$4.82.

5 per cent due 1969 sells for \$10.50 yields \$4.80.

4½ per cent Montreal city 1950 sells for \$97, yields \$4.73.

4½ per cent Montreal city 1970 sells for \$96.50, yields \$4.69.

5 per cent City of Sorel 1952 sells for \$100, yields \$5.00.

4½ per cent C.P.R. 1954 sells for \$103, yields \$4.80.

5 per cent Abitibi power 1953 sells for \$88, yields \$5.95.

5 per cent Bell telephone 1957 sells for \$103.50, yields \$4.76.

6 per cent Beauharnois 1959 sells for \$100, yields \$6.00.

5 per cent Montreal L.H. & P. Co., 1970 sells for \$101.50 yields \$4.92.

4½ per cent Shawinigan 1967 sells for \$95.50, yields \$4.75.

5 per cent Shawinigan water and power 1970 sells for \$102.50 yields \$4.86.

There are other bond securities which do not earn 5 per cent for the investor, but I believe