

Q. Is he in Regina?—A. Of Regina. He is the Commissioner.

Q. And he is the man who could give us this vital information about this scheme?—A. Yes.

By Mr. McKay:

Q. Is he a lawyer?—A. No, he is a loan company man. There are two others who act with him on the Board, and he is the man who gives all his time to the job. He can tell you everything. In this system the money is borrowed by the Government and they will not sell any more bonds at more than five per cent. During the war the Dominion Government took some of their bonds, but now they are dependent upon selling them very largely to the people of Saskatchewan.

By the Chairman:

Q. You mean to say during the war the Federal Government, which was borrowing money at $5\frac{1}{2}$ per cent, would buy some of these bonds at 5 per cent?—A. Yes.

Mr. SALES: For this reason—we were invited in Saskatchewan to co-operate in the Victory Loan and Mr. Dunham, at that time, put the Victory Loan in front of our Saskatchewan bonds and asked our people rather to invest in loans and in return the Government took a certain proportion of Saskatchewan bonds.

Mr. CALDWELL: In proportion to the amount of Victory Bonds—

The CHAIRMAN: Could the Saskatchewan Government sell these rural credit bonds? Could they sell them in the open market and get five per cent for them?—A. No, sir, they cannot. They sold last year something over \$700,000 of them and over \$300,000 of that was taken by the Municipal Hail insurance scheme. When they bought these bonds they were doing something to help the farmer, which was not strictly a business investment on their part, because they could have bought Dominion Government and other Provincial bonds that would have yielded them more. There is one feature connected with those bonds which makes it a little bit attractive to the smaller individual and that is by giving three months' notice you can get your money back at any time. The Government undertakes to redeem the bonds on three months' notice; they never go below par and a man can get his money. Naturally they cannot get a very large amount of money at five per cent and the amount they lend is therefore limited to that, and what they get from the scheme from collections. Now, they are on a thirty year amortization plan, and with the interest rate of $6\frac{1}{2}$ per cent, annual payment, required to pay off the principal and pay the interest, it is \$76.58 per annum.

Q. That is on \$1,000?—A. On each \$1,000.

By the Chairman:

Q. That is what rate of percentage?—A. 7.658 per cent. That is what they pay.

Q. If you would pay at the rate of 7.658 per cent for thirty years you will have all your interest paid and the debt wiped out?—A. Yes, whereas under the regular business system you would pay 8 per cent per annum, and you could pay that forever without paying the debt. You would have to pay \$80,000.

Q. The other is a straight 8 per cent?—A. Yes. In Manitoba the rate of interest is now 7 per cent. When the scheme was started—I think it was in 1917—they got their loans at 6 per cent, and they required the borrower to