

## COST OF MONEY FOR RURAL CREDIT SCHEMES

The following letter has been received from Mr. J. A. Anderson, 831 Dorchester Avenue, Winnipeg:—

"With reference to the article on page 22 of the issue of March 23rd of your paper, I notice that in connection with Mr. Saunders' article he states that the Dominion government pays 5.40 per cent. per annum, to which he adds  $\frac{3}{4}$  of 1 per cent., which the minister of finance recently stated as the cost of his last loan, and 1 per cent. for cost of management, and makes the total 7.15 per cent. per annum. I beg to call your attention to the fact that the minister of finance stated that the cost of his \$100,000,000 loan had been \$750,000, which is by no means  $\frac{3}{4}$  of 1 per cent. per annum. Utilizing the figures, too, of the minister of finance as an indication of what the money of the Manitoba Farm Loans Association would cost, on the basis assumed by Mr. Saunders, I find the total as follows:—

	Per cent.
Cost of present Dominion loan.....	5.40
$\frac{3}{4}$ of 1 per cent. expense spread over 30-year bond .....	.0250
Allowance for expense .....	1.

Total per annum ..... 6.4250

"This instead of the 7.15 per cent. as figured out by Mr. Saunders.

"The writer has no personal interest in the matter beyond correcting an obvious error or misapplication of the statement made by the minister of finance."

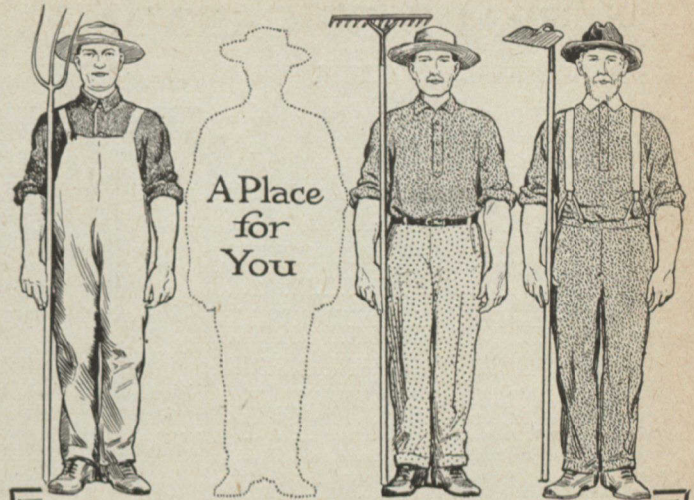
In reply to these comments, Mr. Saunders tells *The Monetary Times* that when making out his figures of the cost of money to the province of Manitoba he based the figures on the statement made by the finance minister that their money cost them  $\frac{3}{4}$  of 1 per cent. per annum. This had reference to a previous loan which ran only for fifteen years. Mr. Anderson figures his on the thirty-year basis, which runs ten years over the last loan. While Mr. Saunders may have misinterpreted the finance minister's statement, nevertheless he maintains that the total he gave of 7.15 per cent. should be approximately the cost of money to provincial governments at the present time. This contention, he says, is borne out by the statement made by the Honorable C. R. Mitchell when discussing the Alberta rural credit bill in the House on March 3rd last. In reply to a question by Mr. A. E. Ewing as to what the rate of interest would be on these loans, Mr. Mitchell stated: "I hesitate very much to say. It is the desire of the government and will be the aim of the board to obtain money as cheaply as possible and loan it out at the actual cost of the loan, plus expenses of the board. I think it will be somewhere between 7 and 8 per cent."

The total interest and dividend payments for the first quarter of 1917, now being distributed amongst the bond and stockholders of Canadian concerns is estimated at \$16,000,000.

Mr. C. M. Black, a son of W. A. Black, vice-president and managing director of the Ogilvie Flour Mills, who has been serving overseas for some time past with the 1st and 2nd divisions of Canadian artillery, and has been discharged, has been made a member of the Montreal Stock Exchange. It is understood that he is joining the firm of Greenshields and Company.

Mr. J. N. McKim has been appointed president and treasurer of Messrs. A. McKim, Limited, the well-known advertising agency, succeeding the late Mr. Anson McKim. Mrs. Anson McKim is vice-president, Mr. W. B. Somerset general manager, Mr. H. E. Stephenson secretary, Mr. C. T. Pearce manager at Toronto, Mr. T. Bell manager at Winnipeg and Mr. W. Keeble manager at London, Eng. This agency was founded nearly 30 years ago, and now comprises four offices in different cities and over 140 employees.

Messrs. Dymont, Cassels and Company, the Toronto Stock Exchange firm, are dissolving partnership. The various members of the firm will form two firms, Messrs. A. E. Dymont and Company, and Messrs. Cassels, Browne and Company. Mr. Dymont will have associated with him Mr. J. J. Henry, who was for 15 years with the firm of J. Gordon Macdonald and Company. The firm of Messrs. Cassels, Browne and Company will be composed of Mr. Robert C. Cassels and Mr. W. G. H. Browne.



## Recruits Wanted for Production

Just as surely as lack of food is strangling Germany day by day, so plenty of food is winning the victory for the allies. The French armies, for instance, were never better fed than now, for France cannot forget the awful lesson of 1870—the failure of her food supply. To this she attributed the loss of that war.

To feed the French soldiers around Verdun, more than 25,500,000 pounds of food a week were required. This gives a faint idea of the colossal task of feeding an army. Canada and Britain have a huge army of fighting heroes on the line; every man MUST have plenty of food, in spite of a world shortage. Upon Canada's food production all principally rely.

## The Farmers of Ontario Urgently Need Help

The Department of Agriculture appeals to men and boys to enlist in the farm help campaign. The Department appeals to men unfit for military service, or who find it impossible to enlist in the army. Do your "bit" by helping to increase production of foodstuffs. This is your hour of opportunity.

The farmers of Ontario need the help of retired farmers, of men following no occupation (retired), of business men who can spare a portion of their time. We appeal to all who can so arrange their ordinary affairs to plan to help some farmer friend, particularly in seed time and harvest.

Confer with your County District Representative of the Department of Agriculture, or write, "Farm Help Campaign," care Department of Agriculture, Toronto.

## Ontario Department of Agriculture

W. H. HEARST, Minister of Agriculture

Parliament Buildings - Toronto