

amount of \$12,750,000 to be advanced by Imperial Bank of Canada, The Bank of Toronto and The Dominion Bank, subject to an agreement dated October 30, 1946, between the Company and the said Banks, and to guarantee the securities given by the Ming Sung Industrial Company Ltd., for repayment of amounts drawn against credits established by the Banks in accordance with the agreement.

This guarantee was made at the request of the Government of China, which itself has guaranteed the payments to be made by the Company and the securities to be given by the Company and has undertaken to indemnify the Government of Canada against loss in connection with the guarantees so requested.

As of March 31, 1948, letters of credit issued and special credits established by the said banks in favour of the Ming Sung Industrial Company totalled \$9,997,320.00. Total payments by the banks under these letters of credit or special credits amounted to \$6,106,850.87, and the liability of the Government at the end of the fiscal year is, therefore, \$6,106,850.87.

Guarantees on Land Assembly Projects undertaken by Lending Institutions

77. A new provision was added to The National Housing Act, 1944, at the 1947 Session of Parliament to empower and encourage lending institutions to acquire suitable blocks of raw land within or adjacent to urban centres and develop this land into serviced lots for housing construction. Subject to the lending institutions undertaking to develop the land acquired and sell this land under terms and conditions satisfactory to Central Mortgage and Housing Corporation, the Corporation is authorized to guarantee the total investment of the lending institutions in the land and development, including interest on the investment at a rate not to exceed two per cent compounded annually. In return for the guarantee the lending institutions agree to pay to the Corporation any amount recovered from the sale of such land, in excess of the total investment and the amount of the accrued interest. At the termination of the Agreement any unsold land in a project is to be conveyed to the Corporation.

At the end of March, 1948 agreements had been entered into with various lending institutions respecting six land assembly projects. The total estimated investment in these projects was \$1,197,267.03. No claims have been made to the Corporation under the provision of the guarantee.

78. The following table shows details of the bonds and debenture stocks guaranteed by the Government outstanding as at March 31, 1948: