

Free Press, March 29th, 1920.

G. W. Froust stated to the house that he wished to withdraw his statement that the Rural Credits would not be safe in the Treasury Department, because he could not prove it.

#### MANITOBA FARM LOANS ASSOCIATION

Chapter 33, Statutes of Manitoba, 1917. Assented to March 9th, 1917.

Said act creates and establishes the Manitoba Farm Loans Ass'n as a body corporate with a capital stock of \$1,000,000, divided into two hundred thousand shares of \$5.00 each. Only borrowers under the Act and His Majesty in the right of the Province shall be shareholders.

Each borrower, upon acceptance of his application for a loan is compelled to become an owner of one share for every \$100 of his loan or fractional part thereof.

Under Section 28. The Province may subscribe and pay for not more than 50% of the capital stock and may advance a sum equal to the remainder of the whole paid up capital stock, for which purpose \$1,000,000 is specially appropriated and authorized by the Legislature.

Under Section 52. The Lieutenant-Governor in Council may authorize and empower the Board of the Manitoba Farm Loans Ass'n, to raise from time to time by the issue and sale of bonds, stocks or other securities, such sum or sums as may be required for the purpose of this act, but not exceeding at any one time 90 per centum of the amount of the first mortgage securities held and tendered by the Association as collateral security for such issue or in the whole a sum greater than \$9,000,000, such bonds to bear interest not exceeding 5% per annum, payable half yearly, and redeemable at such times and in such manner as the board may, with the approval of the Lieutenant-Governor in Council, determine.

Under Section 53. The Lieut.-Governor in Council is authorized to guarantee the payment of principal and interest of said bonds, etc.

Under Section 66. All funds, capital stock and all bonds, stock or other securities issued under the said act are forever free from all forms of provincial, municipal, school and other kind or kinds of taxation, except duties under the Succession Duties Act.

Section 35, as amended by Sections 3 and 6, Chapter 34, Statutes of Manitoba, 1919,

is as follows: The rate of interest to be charged shall not exceed 6 per centum per annum.

Section 68. The sum of \$10,000 is appropriated and authorized to be paid out of the Revenue Fund for the purpose of organization expenses.

#### Public Accounts, 1916-17.

Pages 8 and 183 show investment of Manitoba Farm Loans Ass'n by the Government of \$100,000.

Statement of Telephone Commission shows investment of Replacement Reserve of Manitoba Farm Loans Ass'n bonds, \$1,000,000.

#### Public Accounts, 1917-18.

Capital balance sheet, page 22, shows, under Investment and Security Accounts, Manitoba Farm Loans Ass'n bonds \$ 600,000  
Manitoba Farm Loans Ass'n, stock 100,000  
Page 191, under Capital Expenditure, payment of liabilities, December 1 17 1,000,000  
Investment 600,000

Also page 18, proceeds of \$1,000,000 Series L, payment of amount owing Manitoba Farm Loans Ass'n, December 1 17 1,000,000

#### Public Accounts, 1918-19

Page 10, capital balance sheet under Investment and Secured Account, Manitoba Farm Loans Ass'n, bonds \$1,200,000  
Manitoba Farm Loans Ass'n, stock 200,000  
Telephone Commission, Investment and Replacement Reserve 1,000,000  
Page 38, Setting out proceeds of sale of Provincial Debentures and distribution thereof, shows, out of Series C.C. for Manitoba Farm Loans Ass'n 100,000  
Series E.E. for Manitoba Farm Loans Ass'n 500,000  
Page 243. Under capital of expenditure shows an expenditure for Manitoba Farm Loans Association of 700,000

Financial statement of the Association for the year ending November 30th, 1919, shows:

Guarantee by Government amounting to	\$2,755,289.28
Capital Stock	357,345.00
Total amount of Mortgaged Lands	3,086,961.72