

MEMORANDUM FOR HON. MR. ROBB

Department of Insurance,

Ottawa, Feb. 1, 1926.

In accordance with your request I have had the discussions in Hansard, during last session and up to date at the present session, examined for reference to Rural Credits, and I enclose herewith an abstract of these discussions. I have also made in tabloid form a synopsis of this abstract and I enclose the same herewith.

With reference to the comments of Hon. Mr. Rogers on the results of provincial rural credit and farm loan schemes, I have had the public accounts of the three Prairie Provinces for the last ten years examined, but it is very difficult to arrive at any accurate financial results from those accounts, nor is it possible to estimate the present position of the rural credit companies and farm loan associations. This will entirely depend upon the nature of the security held for outstanding loans, and a detailed examination and investigation would be necessary for this purpose.

I can only say that from an examination of the annual statement of the Manitoba Farm Loans Association I would think that insufficient provision is being made for losses on outstanding loans and that the province stands to lose a very considerable amount of its advance.

Mr. Rogers' comments on the general effect of legislation undermining the security of farm mortgages are quite correct. The effect has been to discourage capital from entering the province or, if it does enter, to demand an extra margin of security to offset the disadvantage of adverse legislation.

Respectfully submitted

(Sgd.) G. D. Finlayson

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Superintendent of Insurance

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