

APPENDIX No. 3

subscribe for stock, capital stock in the association, to the extent of 5 per cent of the amount that he borrowed. The Provincial Government also subscribed capital to the scheme and the Provincial Government gets no interest on the capital it has invested and these borrowers who bought 5 per cent of the stock have never received any dividends. But two years ago the Act was amended so that the rate of interest became 7 per cent and the borrowers were no longer required to take capital stock. In the Manitoba scheme they got their money at 6 per cent and lend it at 7 per cent and they also have accumulated quite a considerable surplus. They had a surplus of \$126,702.24 on the 31st of August, 1922.

By Mr. Caldwell:

Q. That is on the five years operation?—A. Yes.

By the Chairman:

Q. What amount of outstandings have they of unpaid instalments, either of interest or of capital?—A. I do not know.

By Mr. Caldwell:

Q. Does the report not give that?—A. No.

The CHAIRMAN: There is something strange about people who are reporting on a financial scheme who do not report what their bad debts are or what their slow debts are.

The WITNESS: The Manitoba Farmer's Association did not print a report this year. The balance sheet was published. I have it here in the *Monetary Times*, but the report describing their operations was not printed and was not made available to the public. I tried to get a copy and they said they had not got any.

Q. They are handling public funds though?—A. Of course they reported to the Provincial Treasurer.

By Mr. Caldwell:

Q. The report made last year was not for the five preceding years?—A. Yes, they made a report which was published.

By the Chairman:

Q. The Provincial Treasurer would have the report, I suppose?—A. If you would ask them for a copy of it, they would send you one, I am sure.

The CHAIRMAN: Take a note, Mr. Secretary, to write to the Provincial Treasurer of Manitoba and ask him to be kind enough to let us have all the reports of the Province of Manitoba Farm Loan Association.

WITNESS: I can give you information regarding the schemes that are in operation in Australia and New Zealand, if you would like to hear it.

Q. About what?—A. The schemes that are in operation in Australia and New Zealand.

Q. We will be glad if you will give us that.—A. I don't know that I shall be able to give it to you in very much detail.

Q. If you are going to read something, if you will kindly give it to the stenographer and we will put it in our record; no doubt it will be of great value.—A. I have not got very much, Mr. Chairman, but I have figures showing the amounts that have been loaned and the balances due. They have—

Q. When you say "they," whom do you mean?—A. In Australia each of the six States operates its own scheme; roughly it is a simple matter. The State Governments borrow the money by the issue of bonds and debentures.