

and the Government will put up the money. This money is to be loaned to the Company, not to the local. (Sections 27, 24.)

Question—When is this money to be repaid, and what is the Government's security?

Answer—The Government takes for its security a first mortgage on the elevator and other property of the Company at that point, and also has a claim on some portion of the subscribed stock that is not yet paid up. The amount loaned on each elevator is repayable in twenty equal annual instalments of principal and interest; but the first of these payments will not become due until (in most cases) more than two years after the elevator has been built. For instance, the first instalment of money loaned by the Government to the Company in May, 1911, did not become due and payable until August 13, 1913. Thus an elevator built in 1911 had the whole of two crops passed through it before it was called upon to pay one cent either of principal or interest upon its loan. (Sections 24, 25, 26.)

Question—Why does the Government control the amount of stock to be issued?

Answer—The Government has to borrow the money which it will loan to the Company in the manner described. It also has to borrow money at intervals for a variety of capital expenditures, such as construction of telephone lines, bridges, buildings, etc. It is expected to keep the credit of the province on a high level, and must borrow money only at times when the money markets are in a buoyant condition; otherwise it cannot sell its bonds—or promise to pay—to such good advantage. It is for this reason that the amount of the capital stock of the Company is by section 3 of the Act kept under the control of the Government. This is not done in the case of other companies, joint stock or otherwise. But then, no other Company comes to the Government and borrows from it a large percentage of its subscribed capital! Surely it is right that the party who puts up the money shall decide the amount that he will provide! The Government is as interested in the success of the Company as the farmers are, and there is no fear of the Company being restricted in its operations for lack of the 85 per cent. of the cost of the elevators that the Government is pledged to supply. But in fairness to the credit of the province and the other interests that must be provided for and protected, the Government must be allowed to decide in a general way, by controlling the amount of stock the Company may issue, how much money it shall be called upon to advance for the construction or purchase of elevators. (Sections 3, 26.)

Question—Will a shareholder be liable, in the event of the failure of the Company for more than the amount of the stock he holds?

Answer—He certainly will not. The liability of the shareholders of this Company is limited to the amount of the par value of the shares for which he has subscribed, the same as in any other limited liability company.

Any further information regarding the Company and its development may be obtained by writing to Saskatchewan Co-operative Elevator Company, Ltd., Organization Department, Regina.