

GUARANTEED BONDS

Working capital will be raised by the issue of securities by the Commission, which securities are to be unconditionally guaranteed by the Provincial Government.

Until further authorized by the Legislature, the aggregate amount of securities to be issued shall not exceed \$15,000,000.

The bonds are sold under the direction of the Minister of Finance, who determines the rate of interest, the term, not exceeding thirty years, and the limit of price below which the securities may not be sold.

(In this way, the details may be adjusted from time to time to take advantage of a favourable money market, thus ensuring the lowest possible rate of interest to be paid by the borrower and conserving the credit of the Province.)

RESERVE FUND

There is authority to establish a reserve fund of an amount as the Lieutenant-Governor in Council may from time to time direct, not less than \$100,000. All losses and net earnings are debited or credited to this fund.

SINKING FUND

There is provision for a sinking fund for the redemption of outstanding loans at maturity, the sinking fund to be invested as directed by the Lieutenant Governor in Council.

LOAN REGULATIONS

Loans may be made on the security of mortgages of lands held as freeholds by indefeasible title, lands held by record of pre-emption or certificate of purchase under the Land Act, and upon lands held as homesteads or pre-emptions under any Dominion Act. No loans can be made on unsurveyed land.

(Under the various safeguards provided, loans can not be made in respect of lands held for speculative purposes. Loans may be granted on the security of lands held as