

18. The Farm Loan Board be given power to authorize the issue of mortgage-bonds or stock for varying periods in consideration of the type of farming employed, and when considered desirable, in the case of virgin lands, to suspend amortization payments by borrowers for a period not exceeding five years, provided that the area of the security does not exceed 200 acres and that the mortgagor continues to duly work his land and to effect improvements.
19. The issue of land-mortgage bonds should not at any time exceed the value of the mortgages held as security therefor.
20. Interest charges to borrowers should not exceed the rate paid on mortgage stock or bonds by more than 1 per cent.
21. Stock and bond holders should have a first charge in priority to all other charges upon (a) all mortgages to the Board or to co-operative associations or societies, (b) the amount held by the Board upon loan from the Government, (c) the capital liability of all shares in the associations or societies. Such charge to be a floating charge until the winding-up of the association or society, but not to prevent an association or society from dealing in the due course of its business with the properties and moneys subject to such charge in accordance with the provisions of the proposed law.
22. The Farm Loan Board may borrow, with the consent of the Treasury, upon the security of all or any of its assets for the purpose only of providing funds to redeem bonds or deposits at maturity if the moneys in the ordinary account and reserve are insufficient, such securities to have priority to the floating charge previously created.
23. All moneys so borrowed should be repaid out of the first capital money received by the issue and sale of land-mortgage securities to replace those redeemed.
24. Money borrowed under these provisions to be upon such terms and at such rates as the Farm Loan Board, with the concurrence of the Treasury, deems necessary and expedient.
25. Legislative provision be made giving land-mortgage stock, bonds, or securities the same favourable position as that accorded State securities and those of local bodies.
26. Borrowers be given cash instead of bonds, and that the Dominion Treasury should be appointed to issue the bonds and to act as fiscal agents for the scheme.
27. A borrower should be entitled to pay off the amount of his mortgage, or any portion thereof, by presenting to the Farm Loan Board, on any interest period after the expiry of the first five years, debentures, bonds, or stock of the same series as those issued against his mortgage, and his mortgage indebtedness be relieved accordingly and such bonds or stock duly cancelled.
28. The Farm Loan Board should have the right at any time to buy in the open market its stock or debentures, and to cancel the same, and thereupon to release a proportionate amount of the mortgages securing such stock or bonds.
29. Securities issued at the instance of the Farm Loan Board under the authority of the suggested legislation should be deemed to be securities in which public moneys may be invested.
30. In the interest of bondholders three custodians of the mortgage securities and collateral deposited against the issue of land-mortgage bonds, stock, or securities should be appointed. The Superintendent of State Advances, the Audit Office, and one to be nominated by the Minister of Finance are suggested.
31. Provision be made for inscribing stock of £100 and over at the option of the investor, and that custody of small holdings of bonds for payment of interest to savings-bank accounts be free of charge.
32. In order to promote and encourage thrift, bonds should be issued in denominations of £10 and upwards.