replaces two or more existing factories. One-half the cost is being paid by the Government in the construction of up-to-date cheese-ripening rooms and also cheese-pressing equipment of a standardized size.

THE CANADIAN FARM LOAN BOARD.*

This Board was appointed by the Governor in Council under the provisions of the Canadian Farm Loan Act (c. 66, R.S.C. 1927, as amended by c. 46, Statutes of 1934 and c. 16, Statutes of 1935) and, as an agency of the Crown in the right of the Dominion, administers a system of long-term mortgage credit for farmers throughout Canada.

The Board is empowered to loan money to farmers for the payment of debts, for the purchase of farm equipment and live stock, to assist in the purchase of farm lands, for farm improvements or for any other purpose considered as improving the value of the land for agricultural purposes.

Loans may be granted on the security of first mortgages on farm lands actually operated by the borrower up to an amount not exceeding 50 p.c. of the appraised value of such farm lands, but, in any event, not in excess of $5,000 and such loans are repayable on an amortized plan of repayment over a period not exceeding 25 years.

In virtue of amendments to the Act, enacted in 1935, the Board is also empowered to make additional advances to farmers, who, having obtained a first-mortgage loan from the Board, require additional funds, the amount of such additional advance not to exceed 50 p.c. of the amount of the first-mortgage loan, nor the aggregate of first- and second-mortgage loans to exceed two-thirds of the appraised value of the farm lands mortgaged as security for the loan, nor in any event an aggregate amount of $6,000.

The capital requirements of the Board are provided as follows:—

(1) Initial capital advance from the Government in the amount of $5,050,000.

(2) Sale to the Government of the capital stock of the Board equal to 5 p.c. of the loans made by the Board.

(3) Sale of bonds secured by farm mortgages. At the present time these bonds are being sold to the Government on a 3½ p.c. interest basis with a term of 25 years. Provision is made for the guarantee by the Government of the principal of and the interest on the bonds of the Board.

The rate of interest charged by the Board on its loans is determined by the rate of interest yielded by the latest series of such bonds increased by an allowance sufficient, in the judgment of the Board, to provide for expenses of operation and reserves for losses. The current rate of interest on loans made by the Board is 5 p.c. on first-mortgage loans and 6 p.c. on second-mortgage loans.

The first appointments to the Board were made in 1929 and loaning operations were then initiated in the Provinces of British Columbia, Alberta, Manitoba, Quebec, New Brunswick, and Nova Scotia. Following the amendments passed in 1935, loaning operations were initiated in that year in the Provinces of Saskatchewan, Ontario, and Prince Edward Island. Loaning operations are now being carried on by the Board in all provinces of Canada. The head office of the Board is at Ottawa and a branch office has been established in each province.

* Revised by A. H. Brown, Secretary, Canadian Farm Loan Board, Ottawa.