

is being made to stimulate home production and to have sufficient quantities of these seeds produced in Canada to replace European supplies that are no longer available. Foundation stocks supplied by Government Experimental Farms have furnished the bases of much of this seed-growing development. Also, special committees have acted to ensure supplies of fertilizers, insecticides and fungicides, ingredients for many of which normally come from European sources. Though some substitutions will have to be made, it is believed that supplies available in Canada or from the United States will be adequate.

With the cutting off of European supplies of vells (calves' stomachs) suitable for use in the preparation of rennet for cheese making, the export from Canada of vells was prohibited, as was also the export of rennet itself. With a view to avoiding waste of food commodities increased attention is being given to the control of insect pests in grains and other stored products.

The Domestic Demand Situation.—Effects of increased industrial activity with the consequent increase in employment and in non-farm income have been favourable to agriculture in those areas producing largely for the home market, such as Ontario, Quebec, British Columbia and, to a lesser extent, the Maritime Provinces. Income from truck crops, dairy products, beef cattle and certain fruits has been considerably increased. On the other hand, other products, produced normally for export, especially grains, apples and tobacco, have been affected adversely, and income of producers may possibly be lower than it was a year ago. In spite of greatly increased production, hog prices have been well maintained and, with the increased volume, income to hog producers is much larger than it was a year ago.

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.

Particulars regarding the capital requirements of the Board, rates of interest charged and other details appear at p. 185 of the 1940 Year Book.

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 and operations are now carried on in all provinces of Canada.

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