

interest thereon. Such guarantee may be in the form in the Schedule to this Act, or to the like effect.

3. Whenever a loan company will agree to advance to a farmer on a first mortgage of farm lands and buildings thereon, on terms approved by the Governor-in-Council, an amount up to at least fifty per cent. of the value of such farm lands and buildings as appraised by such loan company, the Governor-in-Council upon such appraisal being confirmed by the inspector and upon receiving a report from the inspector, may arrange with such loan company to advance to such persons through such loan company out of funds provided for the purpose an additional amount not exceeding the difference between fifty per cent. and eighty per cent. of such appraised value, provided that this additional amount of advance on any one loan shall not exceed the sum of twenty-five hundred dollars.

4. All repayments of principal made on any mortgage given under the provisions of the next two preceding sections of this Act shall be first applied by the loan company making the same, towards the reduction of any Government guarantee or advance; provided that the Governor-in-Council may agree to defer the repayment by the farmer of the instalments of principal and interest on the additional amount loaned or guaranteed by the Governor-in-Council, under the preceding sections, for a period not to exceed five years from the time of effecting the loan.

5. The Governor-in-Council may appoint an inspector or inspectors to appraise and report on farm lands and buildings thereon, and to perform such other duties as may be delegated by the Governor-in-Council. The Governor-in-Council may also appoint such assistant inspectors and other officers, assistants and persons, as may be necessary for the carrying out of the provisions of this Act, and may prescribe their duties and may fix the salaries, compensation or fees of any person appointed under the provisions of this section.

6. The Governor-in-Council is authorised from time to time to purchase real estate in farming districts, sub-divide it into farms or