ceives 1 per cent for selling the bonds and pays $\frac{3}{4}$ of 1 per cent to the sub-agencies for the amounts of their sale. There is now no trouble disposing of all the bonds offered at from $4\frac{1}{2}$ to 5 per cent interest rate for par.

JOINT STOCK BANKS

In addition to the Federal Land Banks operating through the local associations, the Federeal Farm Loan Act provides for the incorporation of Joint Stock Land Banks for the purpose of carrying on mortgage business through the issuing of farm loan bonds. These are private corporations, although definite limitation is placed by the Act upon their activities. These banks may be organized by ten or more persons forming themselves into a corporation. They must have a subscribed capital of not less than $250,000, half of which must be paid in in cash, the balance subject to call by the Board of Directors. Their charter is issued by the Federal Farm Loan Board on their complying with these conditions, just as in the case of the Federal Land Banks. They are not allowed to issue bonds until their entire capital stock is paid up.

Further, they are exempt from certain of the provisions laid down in respect to the Federal Land Banks; for example, they are freed from the control of the Farm Loan Board with respect to revisions and alterations of interest rates from time to time, and with respect to the nature of the mortgage. They are also permitted to make loans for purposes other than the purposes defined for the Federal Land Bank, and may operate outside a fixed district. They are allowed also to lend larger amounts than the Federal Land Banks, the limit being $37,500 for Banks with a capitalization of $250,000 and $50,000 for those with larger capital. On the other hand, instead of being permitted, as in the case of the Federal Land Banks, to issue bonds aggregating twenty times their paid-up capital, they are not permitted to issue bonds to exceed fifteen times their paid-up capital and surplus, nor are they aided by grants directly made from the Treasury of the United States. It was intended apparently in the creation of these banks to provide a method of securing farm loans based on a security slightly different from that which the Federal Land Bank was authorized to accept and to trust to the initiative of private enterprise to take risks that could not be permitted under the Federal Farm Loan System. These profit-making institutions were, therefore, created with rather strictly defined modes of operating to enable loans to reach persons who could not be reached by a Federal Land Bank. They may lend to individuals. They function in a slightly different way from the Federal Land Banks, and on the whole are charging higher rates of interest, and, in all probability, taking risks which, as a private enterprise, they feel they can afford to take. They correspond somewhat to the Crédit Foncier.

Growth of Business—Federal Land Banks

Since their inauguration, seven years ago, the business of the Federal Land Banks has had a very rapid development.

On February 29, 1924, the Assets of the Federal Land Bank System stood at.	$936,694,908.00
Mortgage Loans had been made valued at..	832,202,914.00
While the total capital stock was..	44,684,777.00
Of this amount there had been collected from National Farm Loan Associations..	42,432,667.00
In addition there had been paid back into the United States Treasury of the original loan of $9,000,000 for capitalizing the twelve Banks..	7,014,000.00
Dividends had been paid to the National Farm Loan Associations of..	8,828,173.00
And there is a total Reserve and Undivided Profits of..	7,814,341.00
During the months of January and February, 1924, loans were made to the extent of..	35,378,000.00
Farm Loan Bonds were outstanding to the amount of..	865,206,665.00