

People who have placed a high speculative value on their properties may find that instead of being valued at five or six hundred dollars an acre, their lands may be placed at fifty or a hundred dollars an acre. A main consideration will always be the borrower's ability, in the Commission's opinion, to earn for himself and family a fair living by farming his land, after having paid interest and amortization charges.

"The extent to which the personal integrity of our farmer can be relied on as security for debts has been shown very significantly by the fact that the Department of Agriculture of this Province, through the Farmers' Institutes, has for several years distributed thousands of dollars' worth of stumping powder without losing one single dollar on account of default.

"At this point, Mr. Speaker, I would like to make it distinctly understood that every loan advanced must be only in respect of improvements made, and not improvements to be made. While a loan may be granted on land based on the value that land will have after being improved by expenditure of the loan as proposed, the amount will only be advanced in proportion as the work of improvement progresses. A farmer owning, for instance, a hundred acres of land, of which ten acres are improved, will only be able to receive an advance on the basis of the improved ten acres, while the remainder of the loan may be advanced in proportion as he increases his improvements.

### SECURITY

"The Commission has power only to loan 60 per cent. of the appraised value; consequently the public has a security of 40 per cent. of the value of the improved land above the amount of the loan, in addition to the value of the raw land included under the security. It is difficult to imagine better security under a general credit system. In case of default to pay interest and amortization charges, or if in the Commission's opinion the loan is not applied judiciously or not expended for the purposes it was granted, the Commission will have power to take over at once the property securing the loan without recourse to a law court, or the Commission may, if desirable, appoint a receiver, and may lease or sell the property. The provisions in that respect are very explicit, and there is very little legal formality about the proceedings. If, for instance, it is found that money lent for clearing, dyking or irrigating lands, as the case may be, is being used for commercial or speculative purposes, the Commission can withdraw the loan, or in default, enter and take possession of the property. It has been found necessary to give these powers to