

8. Federal Land Bank bonds were, during 1924, issued for the most part at $4\frac{1}{2}\%$, although for a certain part of the year $4\frac{3}{4}\%$ had to be paid. At the time the report was issued the prevailing rate was $4\frac{1}{2}\%$, and loans to borrowers were made at $5\frac{1}{2}\%$. The amount of loans outstanding on December 31st, 1924, was \$927,567,598, and the farm loan bonds outstanding amounted to \$914,763,416.

9. From the date of organization to December 31st, 1924, foreclosure proceedings had been instituted in the case of 5,136 mortgages, amounting to \$21,906,550. Of these, 1,396 were completed and the land acquired by the banks, the total amount of the mortgages being in these cases, \$6,336,603. Of these properties 158 had been sold at a profit and 88 at a loss, the net loss on the sales being \$1,666.16

There are a number of considerations that arise in considering the practicability of this system in Canada. Some appear to be to our advantage, others to our disadvantage.

1. The comparative sparsity of the agricultural population in Canada would make it more difficult to secure the organization of local associations of farmers for the purpose of arranging loans.

2. The comparatively small volume of farm loans extending over large areas would involve an increased ratio of overhead expense in the administration of such a scheme in Canada. The time within which profits can be earned would therefore be somewhat prolonged when compared with the United States scheme.

3. The provinces might be unwilling to co-operate by repealing the detrimental legislation affecting mortgage loans.

On the other hand there are the following points in favour of the adoption of such a scheme in Canada:-

1. The United States scheme was undertaken at a time when there was a material inflation of farm values. This inflation has been fairly well squeezed out of farm lands in Canada. There is therefore less danger of loaning against inflated values now than at the inception of the American scheme.

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