

To this Board, on the authority of the Lieutenant Governor in Council, the Minister of Finance is authorized to pay from time to time, out of the consolidated revenue of the Province, any monies appropriated by or under authority of the Legislature for the purposes of the Board. These advances are to bear interest at a rate fixed by the Lieutenant Governor in Council from time to time.

All salaries and other expenses incurred by the Board for the administration of the Act are paid out of the money so advanced.

The Board is authorized to make loans, subject to the regulations of the Board to any person or association on first mortgage security upon agricultural land in the province, if it be free from encumbrances other than liens to the Crown, that is to say:—

- (a) Land held in fee simple.
- (b) Land held by record of pre-emption under the Land Act.
- (c) Land held by certificate of purchase on deferred payment.

Further, the Board is authorized to make loans by security on mortgage to Associations incorporated under the Act of 1915 of a sum not exceeding 60 per cent of the cash value of the Association's property.

Under this Act, loans are made for the following purposes:—

- (a) For any purpose which in the opinion of the Board will maintain or increase agricultural or pastoral production;
- (b) For carrying out the objects of any association, subject to approval by Order in Council;
- (c) For taking over in whole or in part, subject to approval by Order in Council, any existing loan advanced by the Crown in right of the province to any association or any debentures issued by any association.

Before the granting of a loan, certain definite regulations with regard to valuing security have to be carried out.

All mortgages under this Act contain the personal covenant of the borrower. The borrower is also required to keep insured all destructible property.

The rate of interest on these loans is fixed from time to time by the Lieutenant Governor in Council, but must not exceed by more than one-half of one per cent the actual amount paid by the Government for the money.

Two kinds of loans are made:—

- (1) Loans which may run either 25, 20 or 15 years, the annual collections being sufficient to amortize the loan within the period.
- (2) Loans which may run from three to ten years and are described as short-dated loans.

These loans are limited in amount not to exceed \$5,000 to an individual or \$10,000 to an association. They are not amortizable, but are subject to the conditions created by the Board.

Under this Act, in case of default in making payment, the Board may enter upon the property for collection without recourse to a court of law.

Under this Act, there was outstanding at the end of 1922, on principal, \$627,615.00, and overdue interest of \$34,486.00.

Under both of these Acts, the money borrowed has been used largely in paying off existing liabilities, generally in favour of mortgage companies.

It is stated by the British Columbia authorities that the most satisfactory borrowers are those starting on new land with a certain amount of capital, in which case the loan is made for some specific improvement.

These organizations are apparently not destined to play a very important part in the farm mortgage business in British Columbia.