

2. At the time of the organization of the system it was estimated that the total volume of farm loans in the United States was approximately \$4,000,000,000. The amount of such loans outstanding in Canada has been estimated at \$200,000,000, or 5% of the United States total.

3. The second annual report of the Board, as at November 30th, 1918, when the loans made under the system had amounted to \$150,000,000, contains the following statement:-

"The loans of the Federal Land Banks have been made at either 5% or 5½% interest..... The loaning of this sum of over \$150,000,000 has been a distinct and direct benefit to more than 64,000 borrowers and has been of indirect benefit to every applicant for a farm loan through private agencies. A distinct reduction not only in the rate of interest on such loans, but also in the accompanying charges and commissions was manifest almost immediately after the passage of the Act..... There could be no more conclusive proof of the regulatory effect of the system..... Another illustration is therefore afforded of the truth that a market can usually be controlled by one large buyer or seller, if all the rest of the buying and selling is split up into small lots."

4. The total contribution of the United States, apart from expenses of administration of the Board, was for initial capital of the Federal Land Banks. This amounted to \$8,892,515, and of this amount \$7,221,550 has already been refunded out of the profits of the system, leaving the Government's net interest in the system at the present time \$1,670,965.

5. The same report shows that of the total loans made 60% had been used to pay off existing mortgages; 10% to pay other debts; 10% for buildings and improvements; 8% for the purchase of land; 5% for the purchase of bank stock and 3% for implements and equipment.

6. The average membership of the Farm Loan associations was on November 30, 1918, 19.4, and on November 30, 1919, 27.5.

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