

APPENDIX No. 1

The loans are made for the following purposes:—

- (a) The acquiring of land for agricultural purposes and the satisfaction of encumbrances on land used for such purposes;
- (b) The clearing of land, draining, dyking, water-storage and irrigation works;
- (c) The erection of farm buildings;
- (d) The purchase of live stock, machinery and fertilizers;
- (e) Discharging liabilities incurred for the improvement and development of land used for agricultural purposes and any purpose calculated to increase land productiveness;
- (f) And any purpose which in the opinion of the Commission will increase the productiveness of the land in respect of which the loan is proposed;
- (g) Carrying out the objects of any association, subject to approval by Order in Council as hereinafter provided;
- (h) Taking over in whole or in part and with the approval of the Lieutenant Governor in Council, by Order in Council, any existing loan by the Crown in right of the Province of British Columbia to any association or any debentures issued by any association.

No loan is granted for an amount exceeding sixty per cent of the appraised value of the land offered as security for the loan, the value to be calculated on the basis of productiveness.

Loans are granted only to persons engaged in agricultural pursuits, and all officers and directors of the company are prohibited from receiving loans.

Loans may be made as long term loans or as short term loans or for a single season, in every case being covered by the mortgage. The rate of interest is not fixed, but it must not exceed more than one per cent of the actual interest paid on the securities upon which the money was raised. Long term loans must be paid back by amortization in either 36½ years, 30 years or 20 years. Short term loans must not exceed in amount \$2,000 to an individual or \$10,000 to an association. Such loans must not be for less than three years or more than ten. Single season loans may be made secured by promissory note and by a mortgage, the total amount to a person or dividend being the same as above.

Power is given under the Act for increasing loans on a basis of improved condition of property or in recognition of instalments already paid.

Rigid provision is made in case of a loan not being applied to the definite purpose for which the loan was granted. The Commission may by giving one month's notice enter upon the property and sell either by private sale or public auction without recourse to law the property of the borrower.

Up to the end of 1922, loans were granted under the Act amounting to \$1,073,300.00, and there was outstanding \$691,250.00 with overdue interest amounting to \$32,152.53.

Most of the money loaned has been used in refunding accumulated debts. The Act has not produced satisfactory results.

When the Agricultural Act of 1915 was passed, previous Acts bearing upon the same subject were repealed.

Land Settlement and Development Act, 1917

The Land Settlement and Development Act was passed in May, 1917, and amended in 1918, 1919 and 1920. Under this Act, there was created in the Department of Agriculture or in the Department of Lands, as might be determined by the Lieutenant Governor in Council, a Land Settlement Board, consisting of one or more members appointed by the Lieutenant Governor in Council.