

used to make further loans. Loans, which should be on the amortization plan, should be for periods of five to thirty years.

Half Million Capital.

Regarding the land mortgage bank, the report specifically stipulates that it would be unwise to begin operations with a lesser amount than \$500,000; that the maximum dividend should be fixed at seven per cent.; that it establish from the outset a reserve fund account by setting aside semi-annually from its profits 25 per cent. of net earnings until the credit balance was equivalent to 25 per cent. of the outstanding capital stock; that land bank bonds be not tax-exempt; that the bank be incorporated under Ontario, not Dominion, statutes, and, finally, that the directors be men of large vision, of the greatest business ability, and of sympathetic interest in agriculture and all its problems," for upon this directorate "depends the success or the failure of the entire system."
