

provement of rural housing. The fund issues bonds, called Agricultural Bonds, each series of which must be closed within eight years from the date of issue.

The means at the disposal of the Agricultural Fund are the money realized by the sale of national estates since 1883. Other moneys accruing to the fund are: 1) the rents payable by tenants of national estates; moneys realized by future sales of national estates; and the interest on the fund's own capital; 2) the reserve fund of the first series of the Landsbanki Hypothec-Mortgage Department bonds, after all claims on this series have been cleared off; 3) 1 250 000 krónur grant from the treasury once for all.

5. *Lánadeild smábýla við kaupstaði og kaaptún* (Loan Office for Small Holders in the Compass of Towns and Villages). This department enjoys an annual treasury grant of 50 000 krónur for 6 years. The government is, moreover, authorized to negotiate a loan of up to 2 million krónur for the fund, from which loans are advanced to small holders in the compass of towns and villages.

6. *Byggingar- og landnáms sjóður* (The Building and Colonization Fund) was established by law of 1928. The object for which this department was formed was to increase the number of farms in the land and maintain those already existing. This aim is to be reached:

1. By granting loans (a) to rebuild dwelling houses on rural farms; (b) to establish new farms on lands which are either private property or owned by (civil) parishes or municipalities; (c) to villages and municipalities that are conterminous with (civil) parishes, for the erection of necessary buildings to run dairies on the cultivated lands belonging to the villages or parishes.
2. By applying money according to the direction of the government, to establish new farms on lands owned by the State or bought by it for that purpose.

This department enjoys a yearly grant of 200 000 krónur from the State, which is also authorized to take up a loan not exceeding 5 million krónur for the department.

The board of directors of *Búnaðarbanki* consists of three members, viz. a manager and two controlling directors, all appointed by the minister in charge of agricultural affairs, who also has the supervision of the bank.