The price stabilization program has been useful in assisting the agriculture industry to make production adjustments from a position of excessive supplies to one of more normal relationship between supply and demand. Examples of this are hogs and eggs. The institution of limited deficiency payments by the Stabilization Board assisted in a necessary adjustment of production in a relatively short time. During the period of adjustment the Board guaranteed a minimum average return to producers for a limited quantity of product.

The Stabilization Board has available a revolving fund of $250,000,000. Any losses incurred through the Board's operations are made up by Parliamentary appropriations and any surplus is paid back to the Consolidated Revenue Fund. Assisting the Board in its operations is an Advisory Committee named by the Minister of Agriculture and comprised of farmers or representatives of farm organizations.

The trend toward larger farm units and greater mechanization brought with it a need for higher capitalization on many farms. To assist in meeting this need by liberalizing farm credit provisions, the Farm Credit Act was passed in 1959, establishing the Farm Credit Corporation. This body supersedes the Canadian Farm Loan Board and reports to Parliament through the Minister of Agriculture.

The Farm Credit Corporation is empowered to make long-term loans on the security of first mortgages at favourable interest rates and on more liberal terms than were possible formerly. Maximum values of ordinary loans have been raised from $15,000 to $20,000 and loans may represent 75 p.c. of the appraisal value of the security instead of 65 p.c. as was stipulated under the Farm Loan Board Act. Proceeds of the loans may be used only to acquire farm land, livestock, equipment, seed and fertilizers; to erect farm buildings; to clear, drain, fence, irrigate or otherwise improve the mortgaged land; to discharge liabilities; or for any other purposes which in the judgment of the Corporation may be necessary for the organization and efficient operation of an economic farm unit.

A new feature is provided under the Farm Credit Act—that of supervised loans. These are available only to farmers between the ages of 21 and 45. They can provide capital loans of up to $27,500 and are designed particularly to help young farmers with suitable experience to establish for themselves a profitable farm enterprise. Applicants for supervised loans must satisfy the Corporation that they have had at least five years of experience in farming. They must also agree to operate the farm under supervision of the Corporation according to an approved plan, until the principal of the loan has been reduced to 65 p.c. of the appraised value of the land. Both types of loan bear interest at 5 p.c. and are repayable within a 30-year period. All applicants for loans are required to pay an appraisal fee which will be refunded if no appraisal is made.

Provision for some form of protection against the uncertainties of the weather has long been an objective of Canadian farmers. The Prairie Farm Assistance Act, passed in 1939, affords to western grain growers a measure of relief from the results of total crop failure or disastrously low yields. The Act provides for direct money payments on an acreage-and-yield basis to growers in areas of low crop yield. A levy of 1 p.c. is made on all sales of wheat, oats, barley, rye, flaxseed and rapeseed. This money forms the basis of the fund from which payments are made and any additional sums required are provided from the federal treasury.

Useful as the Act has been, its provisions are limited in scope and are confined to the grain-growing area. To extend the benefits of insurance protection to all crops and regions, the Crop Insurance Act was passed in 1959. This Act does not set up any specific insurance scheme but rather permits the Federal Government to assist the provinces to do so by making direct contributions toward the cost of providing crop insurance. The initiative lies with the province. Schemes may be organized on the basis of specific crops or areas within the province and agreements between provinces and the Federal Government set out the terms of the insurance coverage.