Although much has been accomplished by these measures, changing conditions have dictated the need for a new approach. In the past two decades agriculture has undergone revolutionary changes. Large-scale mechanization, increasing farm size coupled with declining farm numbers, and shrinking world markets have called for a reappraisal of policy, resulting in a number of recent legislative enactments in the agricultural field. These cover such matters as credit provision, price stability, crop insurance and resource development; they are described individually below. In addition, legislation has been passed from time to time giving assistance to meet temporary or short-term contingencies, such as the Western Grain Producers' Acreage Payment Regulations which, following the drought in 1957, provided for the payment to each grain producer of $1 for each acre seeded in 1958 up to an amount of $200; and the Prairie Grain Loans Act which provided for short-term credit to grain producers of the Prairie Provinces to meet temporary difficulties encountered during the 1959-60 crop year from inability to thresh their grain.

The Farm Credit Act.*—The object of the Farm Credit Act (SC 1959, c. 43, proclaimed Oct. 5, 1959), to be effected by the Farm Credit Corporation, is to assist Canadian farmers in the voluntary reorganization of their industry into economic family farm units, each of which will be of sufficient size to produce the farm income necessary to pay all operating and maintenance costs; to provide an adequate livelihood for the owner-operator and his dependants; and to retire any required credit, with interest, within an appropriate term.

The Act provides two types of long-term mortgage loans. Under Part II of the Act, the Corporation may lend up to 75 p.c. of the appraised value of the farm land taken as security, or $20,000, whichever is the lesser, repayable within a period of up to 30 years. Under Part III of the Act, the Corporation is empowered to make loans of up to 75 p.c. of the value of the farm land and chattels taken as security, or $27,500, whichever is the lesser, to young farmers aged 21 to 44, inclusive, who have at least five years of experience in farming; that portion of the loan secured by farm land is repayable within a period of up to 30 years and that portion (if any) based on chattel security must be repaid within the first ten years. A Part III loan is further secured by mandatory insurance upon the life of the borrower, and his farming operations are subject to supervision by the Corporation until the loan has been reduced to 65 p.c. of the appraised value of the farm land. Similar insurance coverage is available to Part II borrowers on an optional basis. The interest rate on all loans is fixed by the Act at 5 p.c.

The Corporation, in co-operation with the Veterans' Land Act Administration, has established 198 local federal Farm Credit offices in agricultural communities throughout the country, each served by a resident Farm Credit Adviser. The Credit Advisers are available to advise and assist local farmers in estimating their credit needs, in planning farm operations, and in making constructive loan applications based on the careful appraisal of agricultural productivity, and to provide counsel and supervision to borrowers.

Funds for lending are borrowed at current interest rates from the Minister of Finance. The aggregate amount of such borrowings at any time outstanding may not exceed 25 times the capital of the Corporation, which has been fixed by the Act at $12,000,000.

In the year ended Mar. 31, 1961, the Farm Credit Corporation approved 5,597 loans for a total of $60,704,050 as compared with 5,339 loans for a total of $40,031,250 in the preceding year; the total amount of principal outstanding on loans was $158,447,392 as compared with $117,233,247 the previous year. The 1961 amount was secured by 31,054 first mortgages and 213 second mortgages.

* This Act repealed the Canadian Farm Loan Act, 1927.