

Farm Improvement Loans Act.—The Farm Improvement Loans Act (RSC 1952, c. 110), administered by the Department of Finance, is designed to provide credit by way of loans made by the chartered banks to assist in almost every conceivable purchase or project for the improvement or development of a farm and includes the purchase of agricultural implements, the purchase of livestock, the purchase and installation of agricultural equipment or a farm electrical system, the erection or construction of fencing or works for drainage on a farm, and the construction, repair or alteration of farm buildings including the family dwelling. Credit is provided on security related to the purchase or project and on terms suited to the individual borrower.

The legislation, originally operative for three years (1945-48), has been continuous by way of extensions usually for three-year periods. The latest extension was for the period July 1, 1962 to June 30, 1965. The maximum term of a loan and the interest rate remain at ten years and 5 p.c. simple interest, respectively. The borrower is required to provide from 10 p.c. to 40 p.c. of the cost of his purchase or project, depending on the loan category to which it belongs. The Federal Government guarantees each bank against loss sustained by it up to an amount equal to 10 p.c. of loans granted by it in a lending period. This guarantee does not apply to any loan made after the aggregate of all loans made by all banks in a given period reaches an amount fixed by statute. The current maximum stands at \$400,000,000. By Dec. 31, 1963, 2,443 claims amounting to \$1,711,367 had been paid under the guarantee since the inception of the Act, representing a net loss ratio of less than one-tenth of one per cent after recoveries have been taken into account.

By the end of 1963, \$1,134,698,715 or 82.5 p.c. of the total loans made had been repaid. The position at that time was as follows:—

Period	As at Dec. 31, 1963			
	Loans Made	Repayments ¹	Balance Outstanding	
	\$	\$	\$	
Mar. 1, 1945 to Feb. 28, 1948.....	33,605,576	33,605,576	—	
Mar. 1, 1948 to Feb. 28, 1951.....	142,372,774	142,353,849	18,925	
Mar. 1, 1951 to Mar. 31, 1953.....	190,449,006	190,332,752	116,254	
Apr. 1, 1953 to Mar. 31, 1956.....	222,723,434	222,281,357	442,137	
Apr. 1, 1956 to Mar. 31, 1959.....	239,064,072	236,627,356	2,436,716	
Apr. 1, 1959 to June 30, 1962.....	346,911,334	273,414,076	73,497,258	
July 1, 1962 to Dec. 31, 1963.....	200,847,106	36,083,749	164,763,297	
TOTALS.....	1,375,973,302	1,134,698,715	241,274,587	

¹ Includes principal amount of claims paid under government guarantee.

3.—Loans Made under the Farm Improvement Loans Act, by Purpose and Province, 1962 and 1963, with Cumulative Totals from 1945

Purpose	1962		1963		Cumulative Totals 1945-63	
	Loans	Amount	Loans	Amount	Loans	Amount
	No.	\$	No.	\$	No.	\$
Purchase of agricultural implements.....	53,867	87,214,786	56,028	99,178,510	889,377	1,129,944,215
Construction, repair or alterations of, or making additions to any building or structure on a farm.....	6,759	15,133,547	8,130	18,807,582	74,230	124,547,872
Purchase of livestock.....	8,461	11,991,782	8,835	13,132,153	79,712	89,178,685
Other improvements.....	3,534	3,749,096	4,380	4,836,319	40,149	32,302,530
Totals.....	72,621	118,089,211	77,373	135,954,564	1,053,468	1,375,973,302