

Repayment is effected by deducting 50 p.c. of the initial payment for all grain delivered subsequent to the loan, other than for grain delivered under a unit quota. The amounts deducted are paid to the Board until the producer has discharged his advance. At July 31, 1965, refunds had been made as follows:—

<u>Period</u>	<u>Total Refunded</u>	<u>Total Advance Outstanding</u>	<u>Percentage Refunded</u>
	\$	\$	
Aug. 1, 1957 — July 31, 1958.....	35,199,421	4,046	99.9
Aug. 1, 1958 — July 31, 1959.....	34,364,632	5,021	99.9
Aug. 1, 1959 — July 31, 1960.....	38,484,981	7,524	99.9
Aug. 1, 1960 — July 31, 1961.....	63,897,040	15,510	99.9
Aug. 1, 1961 — July 31, 1962.....	16,635,396	21,317	99.8
Aug. 1, 1962 — July 31, 1963.....	29,221,509	30,017	99.8
Aug. 1, 1963 — July 31, 1964.....	61,937,776	198,642	99.6
Aug. 1, 1964 — July 31, 1965.....	30,880,529	2,081,315	93.6

Farm Credit Act.—The Farm Credit Act (SC 1959, c. 43, proclaimed on Oct. 5, 1959) established the Farm Credit Corporation as successor to the Canadian Farm Loan Board established in 1929. The Corporation, which is a Crown agency, reports to Parliament through the Minister of Agriculture.

The Act provides two types of long-term mortgage loans for farmers. Under Part II of the Act the Corporation may lend up to 75 p.c. of the appraised value of the farm land and buildings taken as security, or \$40,000, whichever is the lesser. Under Part III the Corporation may lend 75 p.c. of the appraised value of the farm land and buildings and of the livestock and equipment taken as security, or \$55,000, whichever is the lesser. To qualify for a loan under Part III a farmer must be under 45 years of age and have had at least five years of farming experience. Part III loans are further secured by mandatory insurance on the life of the borrower, and his farming operations are subject to supervision by the Corporation until the loan is reduced to 75 p.c. of the appraised value of the farm land and buildings. Similar life insurance and supervision are available on an optional basis to borrowers under Part II.

The interest rate on the first \$20,000 borrowed under Part II or the first \$27,500 under Part III is set by statute at 5 p.c. On that part of the loan which exceeds these amounts the interest rate is set by the Corporation with the approval of the Governor in Council. This rate can vary according to the interest rate on money borrowed by the Corporation, the operating costs of the Corporation and the allowance made for reserves against capital losses. The interest rate on the amount of loan under Part II exceeding \$20,000 and the amount under Part III exceeding \$27,500 is, at present, 6½ p.c. All loans are repayable on an amortized basis within a period not exceeding 30 years.

The Corporation has 126 field offices administered by 191 credit advisers who are responsible for informing local farmers about the services available, for pre-loan counselling on credit use, farm planning and farm management, for accepting applications and for making farm appraisals.

Funds for lending are borrowed at current interest rates from the Minister of Finance. The aggregate amount of such borrowings outstanding at any time may not exceed 25 times the capital of the Corporation, which has been fixed by the Act at \$24,000,000.

In the year ended Mar. 31, 1965, the Farm Credit Corporation approved 10,142 loans for a total of \$154,813,900 as compared with 8,689 loans for a total of \$108,009,100 the preceding year; the total amount of principal outstanding on loans was \$443,560,275 as compared with \$341,169,139 the previous year.