

Prairie Grain Advance Payments Act.—This Act, which came into force on Nov. 25, 1957, provides for an interest-free advance payment to producers for threshed grain (wheat, oats, and barley) in storage other than in an elevator and prior to delivery to the Canadian Wheat Board, exclusive of grain deliverable under a unit quota. Advance payments of 50 cents per bu. of wheat, 20 cents per bu. of oats and 35 cents per bu. of barley are made, subject to certain restrictions as to quota and acreage. Maximum advance payment per application is \$3,000. 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, 1966, the position with respect to advances and refunds was as follows:—

Period	Applications	Total Advance	Average Advance	Total Refunded	Percentage Refunded
	No.	\$	\$	\$	
Aug. 1, 1957—July 31, 1958.....	50,412	35,203,467	698	35,199,716	99.9
Aug. 1, 1958—July 31, 1959.....	45,341	34,369,653	758	34,364,511	99.9
Aug. 1, 1959—July 31, 1960.....	50,047	38,492,505	769	38,486,290	99.9
Aug. 1, 1960—July 31, 1961.....	76,089	63,912,550	840	63,899,404	99.9
Aug. 1, 1961—July 31, 1962.....	22,342	16,656,713	746	16,642,231	99.9
Aug. 1, 1962—July 31, 1963.....	39,683	29,251,526	737	29,231,673	99.9
Aug. 1, 1963—July 31, 1964.....	63,427	62,136,418	980	62,063,529	98.9
Aug. 1, 1964—July 31, 1965.....	38,375	32,961,844	859	32,812,037	99.5
Aug. 1, 1965—July 31, 1966.....	43,599	40,600,386	933	38,313,703	96.5

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 127 field offices administered by 195 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.

In addition to the amounts repaid by borrowers, funds for lending to farmers may be borrowed by the Corporation 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. This capital was raised by amendment to the Act in 1966 from \$24,000,000 to \$40,000,000. There were 52,932 loans to the amount of \$586,356,486 outstanding as of Mar. 31, 1966.