

indemnities required to be paid under policies of insurance exceed the aggregate of the premium receipts for that year, the reserve for the payment of indemnities, and \$200,000. As an alternative to such loans, the Federal Government may re insure a major portion of the provincial risk in a program operated under the Crop Insurance Act. Farmers insured under the Act are not eligible for payments under the Prairie Farm Assistance Act, nor are they required to pay the 1-p.c. levy on grain sales as provided for under that Act.

In 1967, 33,042 farmers purchased \$90,419,146 worth of insurance coverage for their crops, compared with 24,500 farmers and \$52,000,000 worth of coverage in 1966. The increase was largely a result of the 1966 amendments to the Crop Insurance Act which broadened its scope by: (a) raising the limit of coverage from 60 p.c. of the average crop yield to 80 p.c.; (b) increasing the Government's contribution to the individual farmer's premium from 20 p.c. to 25 p.c.; (c) extending coverage to fruit trees or perennial plants, and to summerfallow that had been prepared but could not be seeded because of agricultural hazards; and (d) calculation of the average yield from the records of an individual farm where feasible, instead of from the area records.

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, 1965 to June 30, 1968. 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 33½ 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 \$700,000,000. By Dec. 31, 1966, 3,147 claims amounting to \$2,342,613 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. The maximum loan or amount which may be outstanding to a borrower at any one time stands at \$15,000.

1.—Loans Made and Repayments under the Farm Improvement Loans Act, 1945-66

Period	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	142,369,291	3,483
Mar. 1, 1951 to Mar. 31, 1953.....	190,449,006	190,433,212	15,794
Apr. 1, 1953 to Mar. 31, 1956.....	222,723,494	222,666,470	57,024
Apr. 1, 1956 to Mar. 31, 1959.....	239,064,072	238,688,648	375,424
Apr. 1, 1959 to June 30, 1962.....	346,906,122	341,810,736	5,095,386
July 1, 1962 to June 30, 1965.....	447,765,708	328,196,020	121,569,688
July 1, 1965 to Dec. 31, 1966.....	319,426,253	50,214,569	269,211,684
Totals.....	1,942,313,005	1,545,984,522	396,328,483

¹ Includes principal amount of claims paid under government guarantee.