

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 224 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 58,258 loans to the amount of \$770,554,169 outstanding as of Mar. 31, 1967.

4.—Loans Approved and Disbursed under the Farm Credit Act,¹ Years Ended Mar. 31, 1958-67

NOTE.—Figures for earlier years are given in the corresponding table of previous Year Books beginning with the 1940 edition.

Year Ended Mar. 31—	Loans Approved		Loans Paid Out	Year Ended Mar. 31—	Loans Approved		Loans Paid Out
	No.	\$			No.	\$	
1958.....	3,702	21,278,450	19,343,560	1963.....	7,438	90,924,300	78,428,094
1959.....	4,805	30,144,950	28,368,265	1964.....	8,689	108,009,100	96,315,635
1960.....	5,339	40,031,250	35,840,882	1965.....	10,142	154,813,900	139,750,639
1961.....	5,597	60,704,050	52,305,265	1966.....	11,238	208,984,900	201,687,642
1962.....	5,885	68,574,850	68,886,875	1967.....	12,167	247,947,500	234,447,269

¹ The Farm Credit Act replaced the Canadian Farm Loan Act on Oct. 5, 1959.