

of the program be the owner of a small farm and be principally occupied in the operation of that farm. He must be able to support himself and his family at least as well after the sale as before, and he must sell all or substantially all of his land to a Canadian citizen or landed immigrant who will not operate the property as a separate uneconomic farm. The vendor is not eligible for a grant if the property sale price exceeds \$20,000 or such other maximum as may be established in the agreement with a particular province. Grants may be in cash or in the form of an annuity.

The Corporation maintains a listing service in its field offices to help bring sellers and buyers together. In special circumstances where no other purchaser is immediately available, the Corporation may purchase farm land for future resale at a price not exceeding 90% of the Corporation's estimate of its market value within the limits prescribed for the province where the property is situated. The seller will be eligible for a grant of \$1,500 plus 10% of the Corporation's estimate of the market value to a maximum of \$3,500.

The National Farm Products Marketing Council was established by the Farm Products Marketing Agencies Act to advise the Minister of Agriculture on all matters pertaining to the establishment of marketing agencies. It reviews their operations and assists them in promoting more effective marketing of farm products, and co-ordinates related activities of the provincial governments as well as the efforts of producers to establish marketing plans.

The Farm Improvement Loans Act (RSC 1970, c.F-3), administered by the Department of Finance, is designed to facilitate the availability of credit by way of loans made by the chartered banks and other lenders designated by the Minister of Finance 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, and the purchase of additional land for the purpose of farming. 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 continued by way of extensions, usually for three-year periods. The current extension is for the period July 1, 1971 to June 30, 1974. The maximum repayment period for land purchase is 15 years and for all other purposes ten years. The interest rate is prescribed in the regulations and is adjustable semi-annually on April 1 and October 1 of each year to reflect changes in the levels of interest rates generally. The borrower is required to provide from 10% to 25% of the cost of his purchase or project, depending on the loan category to which it belongs. The federal government guarantees each lender against loss sustained and an amount of up to 90% of the first \$125,000 lent, up to 50% of loans in excess of \$125,000 but not exceeding \$250,000, and up to 10% of loans in excess of \$250,000 made by that lender during 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 \$900 million which may be lent by the chartered banks and a limit of \$300 million which may be lent by other designated lenders. From inception of the program to December 31, 1971, 1.6 million loans amounting to about \$2.6 million were made. During the same period, payments were made to the banks under the guarantee provision in respect of 4,721 claims amounting to \$4.5 million, representing a loss ratio of less than one fifth of 1%. The maximum loan or amount that may be outstanding to a borrower at any one time is \$25,000.

The Prairie Grain Advance Payments Act, which came into force on November 25, 1957 (RSC 1970, c.P-18) and was amended in 1958, 1968, 1969 and 1971, provides for interest-free advance payments to producers in western Canada for farm-stored threshed grain (wheat, oats and barley). The rate of advance payment per bushel for wheat, oats and barley is prescribed by regulation each year. The rate approximates two thirds of the initial payment on the grade of each grain which it is estimated will be delivered in the greatest volume by producers to country elevators during the crop year. The maximum total advance is governed by quota levels also prescribed by regulation and may not exceed \$6,000 for any individual producer for the crop year. The rate of repayment is the same as the rate of advance. Repayment is effected by deducting approximately two thirds of the initial payment for wheat, oats and barley delivered subsequent to the loan until the producer has discharged his advance.