

2.—Loans Approved under the Canadian Farm Loan Act by Province, Year Ended Mar. 31, 1954

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

Province	Loans Approved				
	First Mortgage		Second Mortgage		Total Amount
	No.	Amount	No.	Amount	
		\$		\$	\$
Prince Edward Island	92	220,950	4	1,800	222,750
Nova Scotia	40	118,600	4	2,350	120,950
New Brunswick	95	253,050	14	11,150	264,200
Quebec	226	800,300	69	46,450	846,750
Ontario	521	2,117,150	50	39,100	2,156,250
Manitoba	174	582,350	92	70,850	653,200
Saskatchewan	605	2,200,000	296	236,000	2,436,000
Alberta	236	685,000	52	33,550	718,550
British Columbia	102	389,400	10	8,700	398,100
Totals	2,091	7,366,800	591	449,950	7,816,750

The Farm Improvement Loans Act. *—The Farm Improvement Loans Act, administered by the Department of Finance, is designed to provide intermediate term credit and a type of short term credit for farmers to enable them to equip, improve and develop their farms. There is scarcely anything a farmer needs in the way of mechanical aids for his farm operation or for his home for which a loan may not be made. Assistance may also be obtained for the purchase of livestock, principally foundation or breeding stock; for installation or repair of farm electric systems; for repair, alteration or construction of farm buildings, including the home; and for fencing, drainage and other development projects. Credit is provided on security and terms suited to the individual borrower.

The chartered banks are the lending agency under the Act. The legislation, originally operative for three years 1945-47, has been extended from time to time for three year periods. The Federal Government guarantees each bank against loss up to 10 p.c. of the total loans made by it during the period. Under the Act the guarantee is limited by a provision stating that it will 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. In February 1951 the Act was extended for three years and the statutory loan aggregate was fixed at \$200,000,000. Within two years the loans almost totalled this amount and a further extension of the Act was made for three years from Apr. 1, 1953. The aggregate of loans for this three year period, affected by the guarantee, is set at \$300,000,000. By Dec. 31, 1954, 282 claims amounting to \$149,814 had been paid under the guarantee.

Loans may be obtained for terms up to 10 years with interest not to exceed 5 p.c. The maximum amount to be advanced to a borrower at any one time was increased to \$4,000 by the legislation of 1953. The borrower must provide from 10 p.c. to 40 p.c. of the cost of his project.

By Dec. 31, 1953, \$383,184,852 or 74.6 p.c. had been repaid of the total loans made. Of those made during the first three years of operation, all but 0.2 p.c. had been repaid; of those made during the second three years, all but 1.4 p.c. had been repaid; all but 15.2 p.c. had been repaid of those made during the next three years; and for the twenty-one months of the fourth period ended Dec. 31, 1954, 32.5 p.c. of the loans made had been repaid.

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