

Canadian Farm Loan Act

taken from the last report of the Canadian farm loan board and I shall use the figures that are applicable to the province of British Columbia.

As at March 31 last there were 18,931 first mortgages in existence or held by the board. Of these 889 were held in the province of British Columbia. This is a total percentage of 4.7. In other words, of the total mortgages that had been issued or were still in force and unpaid as at March 31, 4.7 per cent related to British Columbia. The value of the mortgages according to the same source was \$429,397,773. Of this total \$22,428,066 covered mortgages in the province of British Columbia. This works out at 5.2 per cent.

I agree, Mr. Speaker, that on a relative basis 7 per cent more of the money is held on mortgages in British Columbia in regard to the total number of mortgages in existence as compared with other parts of Canada. However, I think most hon. members will agree that land values in British Columbia are certainly a great deal in excess of that figure and therefore I deduce from these amounts that the appraisers do not take into proper consideration the high value of property in British Columbia. I know of cases where in arriving at the mortgage value in appraising fruit farms, for instance, the appraisers valued the land at \$200 an acre. That is ridiculous because in the province of British Columbia \$2,000 an acre is a more realistic figure.

I believe that is absolute proof that as far as British Columbia is concerned the appraisers are adopting a policy that is much too conservative.

I also think they are perhaps a little too conservative in their management. I would not suggest for one moment that the Canadian farm loan board should go into the bond market with the attitude that they are dealing with the taxpayers' money and win or lose it does not make much difference. I believe the farm loan board should be operated on a sound basis but I also believe it could perhaps be somewhat more free in its operations than are what we like to call the private mortgage companies. I am satisfied that it is not one particle more free; in fact, I do not think it is as open in its dealings as are some of the private companies.

I observe that the total money invested in loans is \$42,939,798 and yet the board has a reserve for losses of \$2,239,401. That appears to be a rather high reserve considering the amount of money invested and the loss ratio of the board has been very small. I do not believe it is necessary to operate a board so conservatively as to build up that huge amount of reserve to cover losses where it certainly is not warranted.

Another complaint I have could perhaps best be expressed by the slang expression that there is too much red tape. It takes too long to process loans. I have heard of cases mentioned in the house where it had taken 50 to 60 days and perhaps I have an extreme example in my file here of an applicant for a mortgage in British Columbia who was informed on August 8 that his application for a loan had been approved. I do not know how long before that it took to have the appraisal made. For some unknown reason there were delays in servicing this loan, and I might mention that the loan was needed for construction which had to be completed before winter set in.

As I say, on August 8 the applicant was notified that the application had been approved. On November 23 the applicant wrote to the office in Vancouver advising that unless the money came to hand before the end of the month it would be useless to him and not to proceed further. More correspondence followed and on February 4, about seven months after the loan had been approved, this applicant received a letter that the loan was in the final course of being sent forward and that the lawyers were processing the agreement.

It appears to me that unless some changes are made in the internal operations of the farm loan board this increase in capital, which I welcome and which I believe every hon. member welcomes, will be ineffective and of little assistance to farmers generally.

I am in complete sympathy with other speakers who have suggested that there should be a widening of what you might term the policies of the board, that there should be encouragement given by way of loans to young farmers who wish to establish themselves on raw land. It is almost impossible for them to establish themselves on improved land, but there should be a program of assistance to help them get established on raw land. I believe the legislature of Alberta is taking action along these lines at the present session and is setting up a lending agency to make money available to young farmers within the province for that purpose. Here we have a federal board and federal legislation which should be broadened to take care of these things.

Besides assisting farmers to start on raw land and establish farms for the future provision should be made for the young son who is taking over a farm from his aged parents. This has been mentioned by previous speakers.

I am satisfied that the long-term agricultural picture in Canada should envision an expanded agricultural economy. There are