

EVIDENCE

THURSDAY, July 24, 1958
9 a.m.

The CHAIRMAN: Gentlemen, kindly come to order. We have the good fortune of having with us witnesses from the Canadian Farm Loan Board and from the Department of Agriculture to discuss, generally, rural farm credits.

I would suggest that since we had a pretty good discussion of the bill the other day, Tuesday, with Mr. Chester, that we get this bill through the committee as soon as possible because the minister desires to have this bill passed through the standing committee so he may bring it up in the house as quickly as possible.

If that is the wish of the committee, let us take as little time as possible with Mr. Chester and bill C-38 and then go on with the other witnesses. Is that satisfactory to the committee?

Agreed.

Are there any questions you would like to ask Mr. Chester?

Mr. HOWE: I was just wondering. The fund is pretty well depleted at the present time, in this Canadian farm loan board, and that is why we have to have this bill?

Mr. F. L. CHESTER (*Commissioner, Canadian Farm Loan Board*): Yes. At the present time our best guess is that we will not be able to make any commitments after about August 15. That is we shall have committed ourselves to \$80 million, and we cannot borrow any more until this bill is through the house.

Mr. HOWE: Does the fact that you are getting close to that danger point have the effect of slowing down the actual processing of loans?

Mr. CHESTER: No, not at all. We disregard that. We hope the bill will be passed before August 15.

Mr. HOWE: I know of an applicant who has been notified that he will get a loan. How long does it usually take after a loan has been approved for the applicant to receive the money?

Mr. CHESTER: As soon as the loan is approved we offer the loan to the applicant but sometimes there is a bit of delay on his part in accepting it. The minute we have his acceptance, the application is automatically turned over to our solicitors. They have to do the legal processing, draw the mortgage, search the title, and carry out the legal requirements.

Sometimes that work is done very quickly while at other times there are complications which delay it. It is out of our hands, once it is in the hands of our solicitors.

We try to keep after our solicitors all the time to have them do their processing as quickly as possible. But there are complications which arise such as with estates, individuals, distances, and various things.

But once an applicant has been advised that a loan is approved, it is in the hands of our solicitors. However, if the applicant is in an emergency and has need for the funds, generally speaking, he can always go to his banker and borrow against our commitment, whereupon we would pay the bank instead of the other creditors.