

Mr. CHESTER: Well, there is much more farm land in Saskatchewan than there is in Nova Scotia, for instance. It is really the volume of the applications and the extent of farms in the province which pretty well governs the amount of money we loan.

In connection with the figures in Quebec, up until a very short time ago Quebec was the largest borrower from this board of any province in Canada. I think it was in 1936 the Quebec Farm Board was inaugurated and up until 1950 they charged an interest rate of $3\frac{1}{2}$ per cent. I believe it was $3\frac{1}{2}$ to start with. It is presently $2\frac{1}{2}$.

Mr. LATOUR: The rate of interest on that Farm Loan was $2\frac{1}{2}\%$ and the terms for reimbursement were 39 years. The total amount loaned by that office was over \$154,000,000.

Mr. CHESTER: In the 1930-31 session, the Quebec legislature enacted legislation to contribute towards loans made to farmers and to rebate interest rates on loans made by the Canadian Farm Loan Board in the province of Quebec to the extent of $1\frac{1}{2}$ per cent. Our interest rate at that time was $6\frac{1}{2}$ per cent. In effect it reduced our interest rate to the borrower to 5 per cent. This only applies to the province of Quebec. This legislation remained in force until December 1, 1950, when interest rates to Quebec farmers were then 3 per cent. In 1936 the province of Quebec through their L'Office du Credit Agricole du Quebec charged a very low interest rate, but they continued until the year 1950 to subsidize this board's interest rate charged to farmers in Quebec. In other words, no matter what our interest rate was, they paid the difference between our rate and 3 per cent. They reduced our rate by $1\frac{1}{2}$ per cent.

From 1940 to the end of 1950 Quebec was the best customer of this board. The board made 7,895 loans on first mortgages, 2,876 on second mortgages, for a total of \$17,128,787.30. From January 1951 until the end of March 1957, while our business was greatly increasing in other provinces across Canada, only 958 loans totalling \$3,354,000 were made in the province of Quebec. That is because the Quebec government discontinued subsidizing the interest rate of this board to their farmers in 1950, so that the effective rate on our lending to farmers in Quebec since 1950 has been exactly the same as in other provinces, namely 5 per cent.

Mr. JORGENSON: There was a question I asked about the purpose of the loan, and I am interested particularly in last year.

Mr. CHESTER: In 1957-58, to buy land or pay land secured debts, 63.4 per cent; to pay other debts 21 per cent; for livestock, machinery and improvements, 11.7 per cent; sundries 3.9 per cent.

Mr. FORBES: Could we determine whether or not the young fellows are getting in on this? Have you any figures in respect of the numbers of young farmers who are covered under this?

Mr. CHESTER: We can obtain that information for you.

Mr. HORNER (*Acadia*): I have a question in respect of the purchase of farm land. Is it strictly grass or grazing land?

Mr. CHESTER: Any land?

Mr. HORNER (*Acadia*): Does it have to be cultivated?

Mr. CHESTER: No.

Mr. HORNER (*Acadia*): To what extent does the farm land on which you are going to borrow money have to be built on? Does the loan have to involve a mortgage on the set of buildings?

Mr. CHESTER: Included in our security there should be a set of buildings necessary for the proper operation of the farm.

Mr. HORNER (*Acadia*): Suppose a person is enlarging his holdings, on a new mortgage would he have to take his old farm in under that mortgage?