

*Veterans Loans*

town in my constituency who had operated a small business very successfully for ten years since his return from overseas in 1946. He had a property. The land was valued at not less than \$10,000 and might have been worth two or three thousand more. There was a mortgage on the property for \$3,000. The man applied to the local bank manager for assistance in the form of a loan under the act. The local bank manager considered the matter, thought it was an excellent risk and recommended the granting of the loan to the veteran concerned. However, apparently loans of that size have to be endorsed by the senior officials at the district offices in Vancouver.

After some consideration the official concerned—possibly the superintendent of the bank in question—refused the application for the loan and the veteran was obliged to go without it. I went into the case thoroughly. I discussed it with other prominent business men in the constituency and with the bank manager concerned. It was a first-class risk. It was a loan to a veteran who for 10 years had proven himself to be a successful small business man who owned property—I have reference to the land alone, not the store itself—which was worth at least three times more than the amount of the loan he asked for, which was \$3,000. At that time the loan would have been of great assistance to the veteran. Even the local bank manager could not tell me why the district authority had rejected the loan.

I have been informed that while the Department of Veterans Affairs is not directly involved in the administration of the act, the officials are concerned in following up in order to ascertain how the act functions. While on the whole I think the administration of the act has been satisfactory, I think the percentage of instances of a too rigid assessment of the risk involved is sufficiently high to justify some further consideration by the Department of Veterans Affairs. I therefore recommend that the senior officials of the bank and the senior officials of the department go into this question. If it is gone into carefully and if they get information from across the country, I am quite sure they will find that in some cases, as I said before, there is a too rigid assessment of the risk in connection with the loan concerned.

Second, I would certainly support the suggestion made by the hon. member for Royal to the effect that the government should give consideration to extending the life of the act. It has proved to be beneficial. It has functioned, shall I say, more smoothly as the years went along. The loss involved has been very small indeed. I do not know the figure but I understand that it is very small;

[Mr. Herridge.]

I refer to loss on account of loans guaranteed by the government. The act has been performing a good service. I cannot see any reason whatever why the government should not give consideration to extending the life of this piece of legislation which has proved to be so successful and which has been of benefit to many veterans in this country.

**Mr. McLeod:** Mr. Chairman, I should like to say a few words on this measure. We are certainly in favour of the resolution. As to the act itself, we believe that it has been beneficial and that it has been the means of assisting many veterans to become established in business. It is perhaps assisting a group that we might put on a basis comparable with that of those who are receiving assistance under the Veterans Land Act. Of course, not all our veterans wish to become farmers. If they desire it, I think they should be allowed the assistance necessary to establish themselves in any other worth-while business. But I would certainly support the two members who have just spoken, namely the hon. member for Royal and the hon. member for Kootenay West, in asking that the act be further extended. I cannot see that it is anything short of discrimination against those who do not wish to become farmers if they are to see their rights cut off whereas those who wish to apply under the Veterans Land Act are still able to get assistance. The request for this extension is, I believe, a reasonable one. I am sure the minister will give it further consideration while the act is being amended.

As to the need for this amendment, it arises out of the fact that the original act was not correctly worded and its purpose is to give the necessary protection in cases where loans have not been processed prior to the time of expiry of the period specified. Hence, outside of the fact that we are making a plea for a further extension of this act, we are in wholehearted support of the amendment and appreciate the fact that it is being brought forward at this time. However, we cannot stress too strongly the need for it to be continued. I happen to know of a young veteran who upon discharge from the services—he had several years of service—went into private employment and then, after a few short years, decided that he would like to become established in a business. He had some money of his own but not sufficient to make a complete purchase of what he had in mind, something that his training both in the army and in subsequent employment had educated him up to. He was at a loss to become established in this way. While the minister mentioned that the number of applications is steadily diminishing, I suggest that situation might be