

examination of matters affecting housing which the Senate of Canada has undertaken.

I am pleased to have with me Mr. S. A. Shepherd, Manager, Mortgage Department, Bank of Montreal, and Chairman of the Mortgage Loan Committee of the Canadian Bankers' Association, and also Mr. H. L. Robson, Assistant Secretary-Treasurer of The Canadian Bankers' Association.

Relations with C.M.H.C.:

Mr. Stewart Bates, President of C.M.H.C., made an excellent statement to this Committee early in June which must have provided a solid background for the later proceedings. Certainly it has rendered this presentation much simpler, in permitting omission of a large amount of detail which otherwise would have been necessary and which now would be mere duplication. This statement will not, as a consequence, be a lengthy one. It would be appropriate also to remark here that since the chartered banks entered the mortgage lending field in March, 1954, their relations with C.M.H.C. and its officers have been of the very best. The happy atmosphere which has existed, even through changes in personnel, can have facilitated in no small degree what may justifiably be regarded as a smooth and satisfactory performance by the chartered banks in a completely new sphere of operations for them.

Performance, 1954-1958:

At this point it would no doubt be helpful to give some details of what has been accomplished by the chartered banks in providing mortgage funds so essential to a large segment of Canada's housing programme. Since March 1954, the banks have made mortgage loan commitments of over \$900 million, a very substantial sum. When Parliament passed the National Housing Act in 1954, the chartered banks expressed their intention to co-operate fully and they expedited their entry into the field just as rapidly as the greatly-detailed and complex arrangements could be made. The \$900 million figure speaks for itself.

Breaking this participation in mortgage lending down into years and housing units, the following picture is presented of approvals by C.M.H.C. of applications received through the banks:—

<i>Period</i>	<i>Family Dwelling Units</i>
1954 (from end March)	16,909
1955	34,457
1956	15,896
1957	15,695
1958 (to 20th June—"undertakings" requested) ..	12,228

These figures cover use of the banks' own funds only and do not include the Government "Agency Loan" programme.

It is worthy of mention that these loan approvals have been made throughout Canada, in small places as well as large, thus accomplishing one of Parliament's main purposes in bringing the chartered banks within the scope of the National Housing Act as mortgage lenders.

Farm housing has been little financed under the National Housing Act, but it may be of interest to note that 18.5% of new housing in rural areas in 1956, the latest year for which information is available, was built with the assistance of the banks under the Farm Improvement Loans Act.

It may be asked why there was such a bulge in the figure for 1955. One reason for this, and there would be others, was the desire by the banks to establish quickly a portfolio of mortgage loans of some size in order to meet