

interest and makes loans for a term of 25 to 30 years in extent. Since 1952 it has paid corporation income taxes, in the same way as any other corporate business.

I might say for the information of honourable senators that the lending powers of the board have been changed from time to time. In 1929 the limit was \$10,000, based on 50 per cent of the agricultural productive value of the farm. In 1934 that was reduced to \$7,500, and in 1935 it was further reduced to \$6,000, of which \$5,000 could be lent on a first mortgage and the remaining \$1,000 secured by a second mortgage and also by a chattels security on the machinery, livestock and other chattels of the borrower. In 1956 the act was remodelled, and the amount that a farmer could borrow by way of a first mortgage was increased to \$15,000, based on 65 per cent of the agricultural productive value of the farm, and the term was extended to 25 to 30 years.

Here is another interesting fact, honourable senators. In 1929, when the Canadian Farm Loan Board* was first set up, the rate of interest was 6½ per cent. That has come down through the years and it is now fixed at 5 per cent. Each farmer who makes an application for a loan must, of course, give a first mortgage, but the second mortgages and the chattel mortgages which I mentioned a short time ago have been done away with. They were done away with in 1956. But the farm that was being mortgaged had to have a set of buildings and be a complete farm unit. No one who was not a *bona fide* farmer or about to start up business as a *bona fide* farmer could obtain one of these loans. The purposes for which the money borrowed against the security of the farm could be used, before the loan was authorized, were to purchase farm land, to pay for seed grain, machinery, fertilizer and things like that, to erect farm buildings, make improvements and to pay debts. I had some experience in this a number of years ago when I made application for a loan on behalf of a farmer. The loan was refused, not because the farmer didn't keep a well-run farm but because he owed too much money. The board would not advance a loan unless the proceeds were sufficient to pay off all the farmer's debts. I have known of some cases where the farmer seeking a loan from the board has had to go to his creditors and tell them that he would be able to get this loan provided they reduced their debts by about 50 per cent. Eventually some of these loans were granted by the board and the farmers were put back on their feet, their debts being consolidated under the one loan obtained from the board.

The Canadian Farm Loan Board is a corporation, consisting of from three to five members, of which the Minister of Finance must be one. The Chairman, Mr. Frank L. Chester, is a very capable man, and he has informed me by letter that he will be glad to appear before a Senate committee to give a detailed account of the board's operations.

I have already explained how the board's funds for lending are obtained. I would add that in lending money the board absolutely does not discriminate with respect to nationality, creed, race, sex or colour. Each application is carefully scrutinized and dealt with on its own merits.

Hon. Mr. Macdonald: What about citizenship?

Hon. Mr. Aseltine: A person does not have to be a citizen of Canada to get a loan under this act.

I might say a word about the collection policy of the board. In every case the ability of the mortgagor to pay is considered, and extensions may be granted from time to time. No legal proceedings are taken except in very extreme cases, with the result that there have not been many foreclosures. If I do not mention it now someone will probably ask me if there have been any losses.

Hon. Mr. Roebuck: Or any defaults.

Hon. Mr. Aseltine: I would like to say that the total losses since the inception of the board have amounted to about three-quarters of a million dollars, but this amount has been paid by the board from its own reserves.

Hon. Mr. Burchill: What percentage would that be of the total amount loaned?

Hon. Mr. Aseltine: With the permission of the Senate I intend to file a statement showing all the loans from the beginning of the board's activities up to the present time. I think this statement will provide the information the honourable gentleman from Northumberland-Miramichi (Hon. Mr. Burchill) requires.

Hon. Mr. Macdonald: The statement is not with respect to individual loans, is it?

Hon. Mr. Aseltine: No. What I propose to file is a statement of loans disbursed and outstanding by fiscal years from 1929-30 to March 31, 1958. It covers the number of loans, the loans disbursed, the cumulative total of the loans disbursed and the principal of loans outstanding at the end of each year. With the consent of the house I would ask that this statement be included in *Hansard*.

Hon. Senators: Agreed.