

On the other hand, if the veteran had insufficient cash assets and the bank declined a loan, the Advisory Committee had no alternative but to find that the project did not warrant release of Re-establishment Credit even although the Advisory Committee was impressed with the prospect.

In this connection, Mr. Hogan mentioned a lively demand for such proposals as tourist camps and the trucking business, and it has been his experience that the veteran encountered difficulty in financing these types of projects. Mr. Hogan felt that there was an appreciable unsatisfied demand throughout the Dominion for loans to supplement credit and other cash assets and he undertook to obtain from his field men accurate data in this regard. He informed the Interdepartmental Committee that at January 31, 1946, applications for Re-establishment Credit for the purchase or establishment of a business numbered 982 of which 522 were granted amounting to approximately \$248,000. The applications granted represent a figure 0.6 per cent of the total applications granted for all purposes.

As to the arrangements in other countries, Mr. Hogan drew attention to the legislation of Australia permitting a loan up to £250 with no statutory time limit for repayment, of New Zealand up to £500 with interest at $4\frac{1}{8}$ per cent with no statutory time limit for repayment, and of South Africa up to £1,250 with interest after five years at 4 per cent and a maximum time limit of fifteen years for repayment. In the United States, the Government gives the bank on an individual loan basis a guarantee up to 50 per cent of the loan or \$2,000, whichever is the less; the rate of interest must not exceed 4 per cent per annum, the loan must be payable in full within twenty-five years, and the Government pays the interest for the first year on the part of the loan which has been guaranteed.

Section 14

ARMY BENEVOLENT FUND

The Interdepartmental Committee on Veterans Affairs examined representations made by the Canadian Legion regarding the disposal and administration of canteen and similar funds held by the government to the effect that a national board of trustees be set up for this purpose and provincial boards be established in each province to which the national board would make advances of funds from time to time for distribution as required. The Committee also examined representations made by the Citizens' Rehabilitation Council of the City of Edmonton that surplus canteen funds should be made available for Army personnel who are in indigent circumstances in a similar manner to that in which funds of the Naval and Air Force benevolent funds are made available for indigent members of their respective services.

The Committee is informed that both Navy and Air Force make use of canteen funds for the above purpose, the former by outright grants from service canteens to the Navy Benevolent Fund and the latter by a levy of 1 per cent of the gross sales of canteens overseas, and the RCAF share of profits paid into the Auxiliary Services Fund. These two items are allotted to the RCAF Benevolent Fund.

So far as Army is concerned, the following letter received from the Deputy Minister of National Defence (Army) is quoted verbatim:—