

to perhaps maybe 50 per cent of the real estate value of that farm or the selling price of that farm and I definitely think the appraisal value should be raised to about 90 per cent, or 90 per cent of the appraised value of the farm.

Mr. MUIR (*Lisgar*): I would just like to ask another question on the same line. Does the board use the assessed value?

Mr. CHESTER: Municipal assessment?

Mr. MUIR (*Lisgar*): Yes.

Mr. CHESTER: No, there is too much variation in that.

Mr. FORBES: Mr. Chairman, just on that point. In Manitoba we have a government system of assessment and that assessment is made by competent assessors, they are mostly agricultural graduates and the assessment is based on the location of the property and the productive ability of the soil. They take soil samples from four different parts of a quarter section and it is analyzed and they know the capacity of that soil and that is almost completed. They have completed over two-thirds of the province and I think it would be of great assistance to the lending board in establishing the lending value on that land.

Mr. CHESTER: I wish all other provinces had the same thing. I should qualify that statement I just made. We do use it in connection with our valuations in Manitoba for comparative purposes. We can see whether we are close or out. If we are out we want to know why. We do use that equalized assessment in Manitoba.

There also is one in Saskatchewan which is in the process of being brought up to date and I understand Alberta is also in process of having equalized assessment. When you have them you have a very good formula for comparative purposes and we do make use of them wherever they are available and it is available in Manitoba.

Mr. FORBES: I am glad you said that.

Mr. SOUTHAM: Is ability taken into consideration in each case when you are making a loan?

Mr. CHESTER: Oh, very much so, yes. Our act requires us to do that. His character and his ability are all taken into consideration.

Mr. SOUTHAM: We have in Saskatchewan right now quite a bit of emigration from the farm into other provinces to industry due to the fact that they do not think they have the economic ability in agriculture there. A lot of them are getting away from the farm environment and you have the remark that too many strings are attached to getting these loans and I think they have been a little too stringent in appraising them. I often wondered if that factor was considered enough.

Mr. CHESTER: It is one of the most important consideration when you loan money.

Mr. GUNDLOCK: I would like to ask Mr. Chester if there is a relative scale for repayment in regard to the applicant's age?

Mr. CHESTER: No, there is no limitation on the age other than he must be of legal age, 21, and we have made loans to persons as old as—I was going to say 81, I think maybe it would be a little exaggerated, but certainly in the 70's.

Mr. GUNDLOCK: Still with the 25-year loan?

Mr. CHESTER: Yes, we will make a 25-year loan to a man of 70. We do not anticipate that he will pay it off, but somebody will eventually.

Mr. GUNDLOCK: While I am speaking I would like to say for Mr. Chester's information that equalized assessment is also available in Alberta and it is a very good one.