

it could be said that there has been, as Mr. Chester has said in his memorandum today, a very much more sympathetic attitude taken in recent times on this subject and certainly the committee can be assured that the appraised value of the land is not by any means the only element taken into account in determining whether a loan will be made or not. The credit worthiness, the ability, capacity of the individual applicant farmer is highly important. On the other hand, the act does place a limit of 65 per cent of its lending value on the amount of mortgage which can be advanced.

Mr. SPEAKMAN: Mr. Chairman, I am glad the minister brought in the provisions of the National Housing Act because it is not designed in favour of the farmer, your young farmer wanting to establish certainly cannot get the amount of credit nor can he get the range of protection that your young man working in industry who wants to establish a home can get. I think perhaps we can well consider bringing those two into much closer relationship.

Mr. FLEMING (*Eglinton*): Well, you have thirty years under this act now, since 1956, and your rule under the National Housing Act is twenty-five to thirty years.

Mr. SPEAKMAN: And a much greater amount is available to the borrower?

Mr. FLEMING (*Eglinton*): You mean percentagewise?

Mr. SPEAKMAN: Yes. After all, we are interested in establishing young graduates particularly in agriculture if they are interested in agriculture.

Mr. FORBES: What Mr. Speakman means is that anyone with 10 per cent can get a house built under the National Housing Act.

Mr. FLEMING: I do not think it is as simple as that. There are some hurdles he has to get over in regard to income. The income restrictions are quite rigid. Parliament legislated again last December on this subject dealing with the quite high hurdles established under the National Housing Act in regard to the required income of any of the applicants for a mortgage under the National Housing Act, Part 1. You still have that very severe test to get over to obtain that decreasing amount that may be loaned by way of percentage of land lending value.

That brings me back to the point I was making in reply to Mr. Speakman's question about the difference between land value as an element of appraisal as distinguished from its fluctuating market value, which may change rapidly from day to day or month to month under some situations.

Mr. FORBES: I am thinking of the same thing, probably, as Mr. Speakman, that if a young farmer wanted to get started up he would not have any opportunity as would an older person, as he would have a limited amount of funds. There is the price down on the piece of land, he would pay 10 per cent of the value of the farm down and get a loan for the balance.

Mr. FLEMING (*Eglinton*): That would involve an extensive revision of the act. The percentage has been moved up, as Mr. Chester has indicated. We cannot go above 65 per cent.

These are questions of policy and it is this sort of thing on which the views of members of the committee will be very helpful as bearing on this study which the Department is carrying on that I mentioned earlier.

Mr. FORBES: That is one thing that happens to a young man starting up today to get the amount of money to pay down required under this act. I would like to see something implemented to get him started with the least possible down payment.

Mr. CHESTER: Once you come to the point where you are overloading anybody with debt that cannot be repaid that is where we tie in with what Mr. Speakman said about the ability of the farmer to repay his loan. That determines the amount of loan we make. It is a matter of judgment, of experience,