

in my part of the country to secure a loan in an amount of more than \$3,000 on a quarter section of irrigated land. \$3,000 applied to the purchase of an additional piece of land including livestock and including any arrears of debt is a very modest amount.

Mr. NASSERDEN: How do you invest the reserves, if you do?

Mr. CHESTER: In farm mortgages; we have it loaned out and we also have our capital loaned out in farm mortgages.

Mr. MILLIGAN: Does the board pay interest to the government?

Mr. CHESTER: We certainly do. We are paying 4 per cent interest and are charging 5 per cent.

Mr. MUIR (*Lisgar*): I would like to ask Mr. Chester if, in the light of the board's past experience in making loans, would he feel that parliament would be justified in increasing the amount of loan available to each individual

Mr. CHESTER: Are you referring to the maximum loan of \$15,000? That is not within my purview.

Mr. MUIR (*Lisgar*): In the light of the experience of the board in respect of the manner in which these loans are being repaid, as well as your smaller loans—I do not want to put you on the spot—how many loans have you at the maximum?

Mr. CHESTER: We would have to look that up. I think we have a percentage.

The CHAIRMAN: I think that is quite important.

Mr. CHESTER: These are loans approved for all provinces: there were 3,850 loans approved, of which .5 per cent were in the amount of \$1,000 or under, a negligible amount; 55.9 per cent were between \$1,001 and \$5,000. Twenty per cent were between \$5,001 and \$7,500; 13.1 per cent were between \$7,501 and \$10,000; 4.4 per cent were between \$10,001 and \$12,000; 2.5 per cent were between \$12,001 and \$14,999; 3.4 per cent were in amounts of \$15,000.

Mr. MUIR (*Lisgar*): In that case, referring to the figures, there would be a very small percentage who would require amounts over \$15,000.

Mr. CHESTER: In respect of the total I would say the answer is yes.

Mr. MILLIGAN: Mr. Chairman, I do not have any criticism of the board, or the appraisers, but the experience I have is that this act is not covering what it set out to do. I believe this act was introduced in order to help the young man. Take the average farm of \$15,000; an equity of 65 per cent of what he paid for the farm would be tough enough. But, when you take the agricultural productive value into consideration the amount of the loan is cut down to about a third of the value of that farm. Take a farm of \$15,000 and a young man goes out to buy it. Sixty-five per cent of the value would be \$9,750. He has to have the balance of that in cash. I think we should be prepared to go further. From my experience in my riding, anyone who wants to get a loan has to put up security. If it is a young man, his father or someone else has to have a farm to put along with it in order to provide the security to buy the adjoining farm. And it seems to me that anyone could go out to any individual borrowing institution and get that, but the man we want to help is the young man who is the one who wants to get established on the farm.

Mr. HORNER: Along that same point, Mr. Milligan said a farm valued at \$15,000. The actual selling price of that farm would be \$20,000 and the board says it is \$15,000. That is where the appraisal value has to come into consideration because the real estate value of the farm is a lot higher and yet in these cases that is what the board values it at and when you take 65 per cent of the board's valuation of the property that is lowering it down