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of the line without the slightest shadow of doubt. We may, therefore, at once dismiss the idea that there is anything unduly optimistic in the proposal referred to. It is well within the scope of practical attainment. Furthermore, we might as well make up our minds, that we are wasting time and money inviting farmers in the United States to settle in Western Canada until we put our house in order and are able to offer them the same land credit facilities that are available to them at home.

SOME LEADING PRINCIPLES

What sort of a land credit system would meet the requirements indicated? This is scarcely the place to submit a detailed and complete working plan, indeed I have at the moment neither the time nor inclination to undertake such a task, but there are certain leading principles successfully governing similar institutions in other countries, which might advantageously be incorporated in any extensive land credit scheme adopted in Canada. I commend the following points to the serious consideration of the government and Western farmers generally:

- (1) The loaning institution to be organized under special Federal legislation. It should consist of a central governing body, a small number of regional bodies, and a local organization consisting of farmer-borrowers.
- (2) Sufficient funds should be advanced by the Federal government, with provision for speedy repayment, to enable the institution to start business.
- (3) Upon the approval of a loan on any agricultural property, payment to be made to the borrower by issuing serial bonds of the organization to cover the amount authorized which the borrower himself negotiates in the open market through his bank.
- (4) Such bonds to be rendered specially attractive to investors by exemption from all federal and provincial income taxation, such as is done in the United States. They should, however, carry no government guarantees of any sort.
- (5) A revolving fund to be maintained by the Federal government, at least during the early stages of the plan and until such times as an active, competitive market has been created for this class of securities, to support the open market for the bonds of the institution.
- (6) The governing and regional bodies to be so organized that loans may be handled at a cost not to exceed one-half of one percent per annum on a reasonable minimum volume of business.

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