

one. Our experience in Manitoba with school bonds has been a very happy one. We go to Saskatchewan, and a few years ago we bought very heavily of their telephone bonds; we bought a million and a half of rural telephone bonds and then stopped, because so many of their bonds have gone in default. We are not disturbed over that, that is only a temporary matter.

Q. That is at 8 per cent?—A. We did not get any on that basis. I suppose our telephone bonds might average at the time we bought—we bought most of them during 1920 and 1921—our yield rate on the Saskatchewan Rural Telephone Bonds would run very close to 7 per cent, I should say.

Q. The yield rate?—A. Yes.

Q. With the cost of administration?—A. We did not figure any cost of administration there; we bought the bonds with the coupons, and clipped the coupons and filed them with the bank, and they went west and were paid, and there was no cost to us.

Q. What about the municipals?—A. Coming to municipals, we have had a little trouble with the urban municipalities, Prince Albert, Swift Current, Humboldt, and there may be one or two others; we have had trouble with a few school districts, but outside of Prince Albert and Swift Current, we do not look upon that as at all serious, it is a temporary matter which will adjust itself.

Q. When you have trouble with the school districts, that is very serious trouble?—A. Yes.

Q. Because the people want to keep the schools open.—A. Speaking from memory, I think the only places we have ever had any serious trouble with school bonds in Saskatchewan is where there were school bonds put out in the boom days, when they would be booming a town with a small block of farm land connected with it, and the town was supposed to grow, and we bought the school bonds, and afterwards the town was wiped out of existence, and the land has now gone back into farming land. It is for that reason that we had the trouble in one or two cases, but on the whole I would say that we were having very little trouble with the school bonds. The same thing applies to Alberta, we have had trouble in one or two cases, but not serious.

Q. Even these cases would not exist?—A. If the taxes had been paid on the land. As far as the condition of the people is concerned, I appreciate the fact that there are a lot of people in the West to-day on the land who are suffering, and who are simply eking out a bare existence and not living the way they should. There is no question about that.

Q. It has been very hard to convince some people down East that that is a fact.—A. I know it is a fact.

Q. Because you have been there.—A. Yes, absolutely, but there is just this about it, in connection with the western situation. There is a certain portion of the West, a portion of southwestern Saskatchewan, a certain portion of that province, where there is probably more suffering, where unfortunately in years gone by the Government opened up land for agriculture that the plough should never have been put to. There is where the people are getting the worst of it.

Q. If you had been here on Friday, we had a gentleman here quoting figures from the southwest part of Saskatchewan to prove that conditions there were very much better.—A. What do you mean by southwest Saskatchewan?

Q. The Weyburn-Lethbridge Line, all south of the main line, practically.—A. When I speak of southwestern Saskatchewan, I am referring to a small corner west of Estevan, down through there, there is no suffering that I have ever seen any evidence of; it is only a small strip. Take central southern Saskatchewan, and my judgment is that it is the best off of any portion of Saskatchewan.