Q. Do you think that we have had a happy issue out of guaranteeing bonds of other institutions in Canada?—A. I think it would be worth while for the Dominion Government to borrow money at 5 per cent or thereabouts and make it available for loans to farmers on long terms at 6 per cent.

Q. A straight borrowing by the Dominion rather than the endorsing of bonds issued by a Land Bank?—A. Yes. That is where the Dominion Government can assist the farmers, without any direct expense, without any expense to the Dominion. The security is there, in the farms, but the individual mortgage is not as good a security as all the mortgages. Under the system they have in the United States, every farm, or every farmer who is in that scheme has pooled his security with all the other farmers, because in the first place they have the capital they put in and the double liability. Then the bonds are guaranteed, the bonds of each Land Bank are guaranteed by all the Land Banks, and the whole thing is knitted together in such a way that it is co-operative credit, all the farmers in it are pooling their credit.

Q. They are at the present time getting their money at 4½ and lending it at 5½ per cent?—A. I do not think Mr. King went into the next stage above the Land Banks, that is, the Federal Farm Loan Board. That Board consists of the Secretary of the Treasury and four others appointed by the President. Those four others, who receive a salary of $10,000 per annum and give their whole time to the business, supervise the whole thing; they also have in their employ examiners who examine the Land Banks, and that is part of the contribution the United States is making to the scheme. Again, you will understand that if the Land Banks are going to issue bonds on the security of mortgages, they must first of all have some money to loan in order to get the mortgages.

Q. In order to make the mortgages?—A. Yes. It was provided that each of these Land Banks should have a capital of $750,000, and any of that stock which was not subscribed within thirty days after the subscriptions were opened was to be subscribed by the Federal Treasury. As a matter of fact practically the whole of it was subscribed by the Treasury. $750,000 to each of the twelve means a total of $9,000,000. It is provided that that stock subscribed by the Government shall not receive any dividends, but the stock that is subscribed by others, practically the Farm Loan Associations and through them the farmers, is to receive dividends when they are earned, and in order that the Government may get back its money, the $9,000,000, it is provided that out of the amount of stock subscribed by the farmers 25 per cent is to be set aside and paid to the Federal Treasury to retire the Treasury stock, and more than one-half of the stock which was subscribed by the Federal Treasury has now been paid off.

Q. How much has been paid off?—A. More than one-half of it.

Q. The scheme has been working how long?—A. The first loan was made in 1917.

Q. This is most interesting; can you refer to just where you got this information, so that we may get it too?—A. I have here the Sixth Annual Report of the Federal Farm Loan Board.

Q. What date does it bear?—A. It is for the year ending December 31st, 1922.

Q. It is a public document; they generally number their documents, in the United States; has it a number?—A. It is Document 560 of the 67th Congress, Fourth Session, House of Representatives. I took off some figures up to the end of November, from a report I had received at that time.

Q. Excuse me, but does this report which you have had in your hands, and which is the last report, have figures too, because if it does we will get the report and look at the figures rather than at figures which are a little on the old side? —A. They loaned up to the end of 1922 $684,407,289.