

sion of capital that he does not know how to use advantageously. This borrowed money is likely to become a fixed charge upon his farm, and will probably continue to grow until it becomes too great for him to bear; whereas, if he could have borrowed the small sum required for his temporary purposes he would make an effort to pay it off, out of the revenue of his farm, at the end of three or four months. It is under these circumstances that I have brought this subject before the Senate, in the interests of the farming population in the North-West. In that country we have a very valuable law, called the law of exemptions, under which every man who takes up his 160 acres of land is protected in his holding. That was done for the purpose of preserving their homes for the settlers and their families, so long as they choose to remain in the country. It is, as I have said, a valuable law; but it has the effect of diminishing the security of the farmer, so far as his borrowing power is concerned; and that is an additional reason why it is very difficult indeed for farmers to get accommodation or capital to any extent without being able to give some security or obtain some commercial name, which is a very difficult thing indeed to do in our western country. I think, myself, that it is not an objectionable thing in the interests of the farming community that we should extend to them the same privileges and advantages that the commercial community at large possess with regard to banking facilities. It is very necessary that the farmers should be educated to the proper use of their money in their daily avocation. They should be educated with regard to the management of their income and the way of spending it. Some farmers, when the crop is good, will spend the whole of their money, and the consequence is that when the crop is bad they have perhaps contracted extravagant habits and they feel the hard times pinch them. A system which would educate them to distribute their income over a series of years, according to what they believe the capacity of their farms will produce in an average year, or anything that will conduce to that, is an advantage to the farming community, especially of the west, which we are establishing there on those broad prairies, and which is growing to

such enormous proportions. I find, myself, from my experience in that country, that there are farmers who come up from the Eastern Provinces—good, able men—who have accumulated large sums of money, or rather accumulated valuable property in the east, and in consequence of their experience have been able to put into their calling \$4,000 or \$5,000—many of these people come to the North-West and find themselves quite at sea as to the best way of investing their money. It melts from them much more rapidly than they have any idea of, and soon they are left without any of the resources accumulated in the east, and they have to commence over again. That is because most farmers have not been educated to the ordinary commercial value of money.

Another view is this: out in our western country the loan companies are exceedingly conservative in their operations. They have certain rules which they will not depart from, and one of these rules is, that they will make no loan to a farmer unless he is within a certain distance of railway communication. The consequence is, that there is a very large class of people in the North-West that are entirely cut off from any facility to assist them in their operations or to tide them over a difficult period. The hardest time in a farmer's life in a western country is the first five or six years that he is residing there. According to our experience, it takes a man in that country, who has had very little experience in farming, very nearly ten years to become what you might call a prosperous and self-sustaining farmer, in the general sense of the word. Nearly all the farmers and settlers who come out to that country want assistance for four or five years; they generally exhaust the whole of their means in reaching the country and establishing themselves upon their farms, and after they have been there a couple of years almost every farmer in the country, from one reason or another—often for want of experience with regard to the country or want of assistance of one kind or another—may need to borrow.

A failure of the crops will come and catch every farmer in a bad time. The drought of last year brought about quite a failure of some crops, and many of our farmers are left there without means to support themselves and tide over a very difficult period in their lives. It is to meet