

APPENDIX No. 3

themselves up with abnormal liabilities in this way, and they are suffering from this cause. Another reason why so many of the western farmers are suffering to-day, from a financial standpoint as I see it, is that in the past they have been too free in accepting easy credit. That is, easy credit furnished by implement companies, in many cases by banks, in some cases by loan companies, and in some cases too easy credit furnished by governments. In this connection, just allow me to take the Province of Saskatchewan as an example, as to the difference between what can be accomplished if things are worked along certain lines, or if other methods are adopted. In 1919, I think there were a great many farmers in the Province of Saskatchewan who were short of seed, and arrangements were made to furnish them with seed, and there was a conflict between the viewpoint of the loan companies and that of the government as to how this could be brought about, whether the effect of the legislation regarding the advances made to the farmers in the shape of seed advances had prior claim to the mortgage. In 1919, there was a conference held between the representatives of the loan organizations and the Government of Saskatchewan to provide some machinery to get together and arrange for a satisfactory working out of this. In connection with the seed grain situation in the spring of 1920, the officials of the Saskatchewan Government informed the mortgage loan organizations that they estimated it would take \$2,000,000 to finance the seed grain advances for the farmers of Saskatchewan, that were necessary at that time. The loan companies thought that was entirely too high, and made the suggestion that the advances should be made to the loan companies, that they would deal directly with the individual farmer, and that a great deal of money could be saved in that way and that very much smaller advances would be required under these circumstances. The arrangement was completed, I think for 1920 the Province of Saskatchewan guaranteed these advances, the result being that the total seed grain advances that were found necessary to the farmers who had mortgages on their farms in Saskatchewan amounted to \$250,000 instead of \$2,000,000, and no farmer with a mortgage on his farm went without seed that spring.

Now, I think there is another reason, Mr. Chairman, getting down to a sound basis, why the western farmer finds himself in such an unfortunate financial position to-day. I think one of the main reasons is on account of his failure to practice sound economics and sound farming methods. Some of the western members here who are farmers may criticize me very severely as an Ontario man, not a farmer, making a statement of that kind, but I make that conscientiously as a result of the four years investigation which has been made in connection with the Mutual Life Insurance Company of Canada. As a result of our investigation, travelling in the West, I have come to this conclusion that a percentage of the western farmers have always followed sound economics and sound farming methods, and they are not in trouble to-day, but the tendency in the West has been to farm entirely too much land, and probably during the war on account of the high prices, there was a natural tendency to get in as many acres as possible, the result being that in a great many cases more weeds were grown on the land than grain, which resulted in a serious condition. I just want to say this, in all candour, Mr. Chairman, that if the Ontario farmer, during these past five years, had carried on farming operations and disregarded sound economics and sound farming methods to the same extent as has the average western farmer, the Ontario farmer to-day would be in just as serious a financial plight as the average western farmer is to-day.

By Mr. Gardiner:

Q. Before leaving that point, I do not want that to go unchallenged. Is it not a fact that after it was realized that it was necessary for western Canada to grow more wheat in order to support the Allies, the Dominion Government

[Mr. Charles M. Bowman.]