

*By the Chairman:*

Q. And they have become tenants on the way up, so to speak?—A. I do not know about that. You see, probably the reason, I think the reason why there is more tenancy in the United States is because the land is a higher price, and when land gets to be a high price the ordinary man cannot buy it, therefore he works as a tenant. The point I am trying to make now is that as the land increases in value, as it will do if we have a return to prosperity and our population increases and so on, it will be that much more difficult for new settlers to become owners of land. This phenomenon of course is not confined to western Canada. It is a world-wide condition, where there is private ownership of land. As the land increases in value the increment goes to the owner and it is hard for a person to work it, because he has to pay higher rent?—A. Yes, and I think it is desirable, as far as possible, that the land should be operated by the owner, and this condition we are speaking of makes it all the more necessary to provide capital on long terms and at the least possible rate of interest so that the occupier may be the owner of it. We are hoping to make great strides in the west and in other parts of Canada also, through co-operation, but experience has shown that co-operation on the part of the farmers cannot be permanently successful amongst tenant farmers, because if co-operation results in better conditions and more profit to the farmer, the result is if the land is owned by the landlord they will raise the rent. Now, agricultural co-operation has had the most success in Denmark and in Ireland. It both cases the development of co-operation was preceded by the purchase of the land by the former tenant, through very long term loan schemes, established by the British Government and the Danish Government. They provided the money with which the tenants could buy the land, in some cases as much as sixty and seventy year payments.

*By Mr. Sales:*

Q. Before you leave the question of the tenants, I would like to make this point, that is, that under the existing form of mortgage, when a farmer gets behind in his payment, he automatically becomes a tenant?—A. Yes. The mortgage companies require the farmer to make an assignment of the title and to become their tenant.

*By Mr. Caldwell:*

Q. If he fails to make a payment?—A. If he gets in arrears he has to give them a lease, then he is their tenant and a portion of the crop of the land—but they will usually reinstate a man. If he clears up, they will give him back his title again.

*By Mr. Sales:*

Q. The worst feature of it is that when a man becomes a tenant under this mortgage agreement, he loses his exemption, and if he gets into difficulty he loses his four horses and cows and machinery, which are otherwise exempt by law?—A. I do not know.

Q. I am informed on very good authority that that is the case?—A. I do not know.

*By Mr. McKay:*

Q. Where does that take place? In the United States?

Mr. SALES: No, in Canada. I say now under the existing mortgage arrangements, if a man gets in arrears he automatically becomes a tenant, and when he is no longer owner of the land he loses the right of exemption. Under our law the Saskatchewan farmer is exempt. Nobody can seize four horses, two or