

the transportation companies would contribute equally, I believe it would be possible to aid such an agency until it had attracted sufficient support to operate at a low charge. The representatives of the companies think such a plan is feasible and, in fact, the Canadian Pacific Railway Company is at present spending thousands of dollars in similar work throughout the North-West Territories.

"One of the duties of a Commercial Branch would be to bring plans of such a nature to completion.

EFFECT ON PROVINCIAL CREDIT

"And now, Mr. Speaker, in conclusion, I wish to point out to you and to this House that the credit of the Province will not be impaired by the guaranteeing the bonds of the Agricultural Credit Commission, but on the contrary, the more money there is invested in agricultural production the better the credit of the Province will be conserved, for the following reasons:

"Each dollar loaned must be represented by an increased acreage of cleared land or increased live stock or increased property of some kind to the value of two-thirds above the amount of the loan, so that the national wealth will be increased by 40 per cent. in addition to the 60 per cent. of the valuation which is the maximum limit of a loan. A further economic asset is the employment provided in producing the improvements. An increasing number of men will annually be required to cultivate the extra amount of cleared land and to care for the extra amount of live stock, and so forth, which the operation of this Act will bring into existence. Behind each six hundred dollars loan, there will be a mortgage of at least one thousand dollars' worth of improved productive farm property, and behind each mortgage stands a human being, approved of for his industrial and economic habits, who covenants that he will repay the principal and interest in full. Collateral with this security there will be a reserve fund created by the surplus of the 1 per cent. interest charged on the loans over and above the actual rate paid by the Commission. The experience of other countries where similar systems are in force has proved that this 1 per cent. will pay all cost of administration, charges and losses, and in addition create a very handsome surplus. In New Zealand in nineteen years this surplus amounted to over one million five hundred thousand dollars, and in the different States of Australia the financial result has been equally satisfactory. You will bear in mind that this one and a half million dollars is but a fraction of 1 per cent. of the extra toll of wealth derived from the New Zealand soil by means of the Government guaranteed loans to farmers. I can, therefore, truly say that behind the bonds issued by the Commission, and guaranteed by the Province, there will be a security to protect the Province amply against any possible loss, a security better than one hundred per cent. gold deposited in the vaults of the Treasury Department.

"Mr. Speaker, I shall say no more. My object in making these remarks has only been, if possible, to bring into fuller light certain facts having a direct bearing on the purport and the probable effects of the credit provisions of this Bill."