

We can only therefore assume that in the case of the money and credit service, which is of even greater importance to the economic life of the nation the influence of bankers and financial leaders has displaced public authority over the elected public servants of the people.

#### CREDITS FOR AGRICULTURAL DEVELOPMENT

Dealing with the problems that have from time to time confronted farmers in the prairie provinces: In the early stage of agricultural development it required that a considerable amount of credit be made available for that purpose, and as there was no other source from where such credit could be secured, than that of the Chartered Banks, farmers had no other recourse than to secure credit from that source at rates of interest far in excess of that which the law of the country allowed them to charge. These excessive charges imposed for the use of Bank credit and also for farm machinery and other necessary materials which in those pioneer years ranged from eight to twelve per cent and higher in some cases, soon forced the early settlers to recognize the handicaps under which they were operating, and as a result a farmers' organization was formed in Saskatchewan, with the late Honourable W. Motherwell as the first president. Those farmers hoped that by organized effort, many of their difficulties could be overcome in an intelligent and orderly manner.

They proceeded to make inquiries into various matters then affecting their industry, such as credits, interest charges, freight costs, marketing and customs duties, etc., all of which in reality affects their operations as farmers.

As they arrived at their conclusions, after study and due deliberation, they would from time to time make representation to governments but our records show that very little consideration in those early years was ever given to the many proposals for changes which would have made it possible for agriculture to obtain legitimate credit requirements at a reasonable rate of interest and on suitable terms of repayment.

As early as 1908, our annual convention presented the following resolution to the Federal and Provincial Governments:—

That great loss and inconvenience to farmers having been occasioned through the banks refusing advances on stored wheat and bills of lading, the government be urged to devise some remedy.

We will cite one case to exemplify the situation which resulted in the above resolution.

A farmer near Saskatoon had wheat in the elevator which could not be moved out on account of car shortage. This wheat had a market value of \$900. The farmer in question was being pressed by a mortgage company for a due payment of \$300. He endeavoured to secure that amount from the local banks, offering as security, his stored wheat, but was advised by the banks, that they could not advance the necessary loan until his wheat was on track.

In 1910, we urged upon the Federal Government, "that steps be taken to have the banking laws so revised as to enable the farmers to develop the country, by securing credits at reasonable rates of interest and on longer terms of repayment". As no attention was given and no action taken by the Federal Government upon that resolution, farmers began to see the futility of negotiating with Federal Government. In 1913, a resolution was presented demanding:—

That the Provincial Government should, without further delay, formulate a scheme whereby a farmer may obtain from the security of his land, money at a lower rate of interest than is now charged by the existing financial institutions.

As a result of this resolution, and continued pressure, the provincial government in that year (1913) appointed a Royal Commission of inquiry into agricultural credits. The Commission held sittings in Canada and proceeded their inquiry to the United States, and many European countries. This report was filed with