

*By Mr. Tucker:*

Q. What do you say, Mr. Bickerton, about the 6 per cent that is proposed in this bill as the maximum legal rate which should be placed in an Act like this? Do you think that is a fair rate or do you think that it should be lower?—

A. I think it should be lower. Harvard University made an investigation into rates of interest that could be carried on farm property some years ago. If any of you men want to get information upon that you can get it from the farm economic branch of the University of Saskatchewan through Professor Van Vliet. I know he has figures on that. We have often discussed it. They concluded that on an average type of soil the maximum rate of interest that could be borne was  $3\frac{1}{2}$  per cent. If the soil quality is below the average the possibility of carrying that rate of interest is such that it could only be done by a reduction of their standard of living. Land that was possibly higher than the average quality of land could carry a higher rate of interest and still maintain operations on a decent standard of living. There are many things that go into all that. As you all know you can be provided with all that information and you know that no quarter-section of land can maintain any debt whatsoever unless it is a very high quality and bring up a family, too. From that point on land can begin to carry a debt.

*By Mr. Blackmore:*

Q. From what point on? You said, "From that point on". From what point on?—A. From the point on of a quarter of a section, if you have a half section of average quality.

Q. You mean more than a quarter-section?—A. Yes. If you have a half-section or three-quarter section you can begin to maintain debt but no quarter-section farmer on average type soil, carrying on in the ordinary way that a quarter-section farmer does, can carry any debt whatsoever or pay interest upon it.

*By Mr. Jaques:*

Q. He could not pay for his land?—A. No.

*By Mr. Tucker:*

Q. Mr. Bickerton, if the cost of extending credit is higher than the amount of interest that farmers under present conditions can pay, the amount of interest which the land can carry under present conditions is higher than the cost of providing that credit, then it is not a matter of banking; it is a matter of improving the condition of the farmers, is it not?—A. It depends upon the debt position he may be in. There are many farmers that have carried on, that have maintained debt and have fairly well kept up the payments so far as that is concerned, but their situation is reflected in the condition of their buildings, the condition of their equipment, and so on. You can see that wherever you go.

Q. You would grant the point that anyone, government, farmers, or anybody else, should pay the actual cost of providing credit?—A. Yes.

Q. And that if they need credit and cannot pay it is then a matter of improving the lot of the person needing credit rather than finding fault with the banking system, is it not?—A. Yes, in a good many cases you possibly have got to improve the farmer. There is no question about that. I have often said you can put four farmers on four respective pieces of land, you can provide them with an equal opportunity but you will find the development stage of the farms in four different stages. There are none of them alike. There are none of us alike at all.

Q. What I am getting at is the average position of our farmers in the west has been such that during the last twenty years, as a matter of fact, he probably