

question of the moral hazard; we pay more strict attention to the individual and to the record which the individual farmer has made than we ever have in the past, and I will endeavour to state the reason, Mr. Chairman, why this is the case. I am not here in a critical spirit; I am here as an optimist regarding the West, who has the most unbounded faith in the West, and who, by reason of the responsibility resting upon his shoulders, handling trust funds, life insurance funds, requires to look into everything very carefully, very dispassionately, to arrive at sound conclusions to enable us to continue to invest these trust funds as we have been doing in the Western Provinces. I realize that the Western farmers are grappling with probably the most serious financial problem they have ever grappled with; but in this respect they are not alone, they are grappling with conditions which affect farmers all over the world; in the United States, Great Britain, on the Continent of Europe and all over.

It may be interesting to devote a short period to the consideration of the causes which have brought about this condition. I appreciate the fact, Mr. Chairman, that the Western farmer to-day is suffering by reason of the abnormal prices he has to pay for commodities, as compared with the prices he obtains for his own products. I appreciate the fact that the Western farmer is suffering from abnormal transportation rates. And so are we all suffering from these two sources. Probably the main reason why the Western farmer, and farmers all over the world, are suffering to-day, is by reason of the crisis which developed after the war, and the deflation which has hit the farmers all over the world worse than the deflation has so far hit the urban population in this and in other countries.

Q. May I interject a remark there. You will tell me whether you think I am right. In certain lines of activity among urban dwellers, prices are not being deflated, they are on the upgrade again?—A. Unfortunately that is true, Mr. Chairman. I regret that exceedingly. In connection with the deflation which has taken place, one of the difficulties of the situation and what has made the deflation more serious not only for the farmers but for the urban population, is that prior to the deflation in 1919 and 1920, the entire world, and more particularly the North American Continent, indulged in the greatest economic spree of modern times. We all went through that experience, Mr. Chairman. We are all, or a great many of us, still suffering from a headache as the result of that spree. But it is the Western farmers probably who are suffering more on this account by reason of the way in which their affairs were conducted during that period of inflation, and right here, Mr. Chairman, I would like to read an extract bearing on that point, from a letter which is the production of a Saskatchewan farmer, who came to Saskatchewan from the State of Illinois, has carried on very successful farm operations on his own account and through his sons, and who in addition is a very large landowner and has a great many tenants in the Province of Saskatchewan. Here is his sizing up of the situation, and when I read these words I want you to remember that it is not my language but it is the language of a Saskatchewan farmer.

Q. Is it your thought, does he express your feelings in that letter?—A. I think he does. This man is Mr. C. W. Williams, who lives on Regina Plains between Regina and Wilcox.

Mr. CALDWELL: Is that the man we had before us the other day?

The CHAIRMAN: No.

Mr. BOWMAN: Mr. Williams has I think 20 or 30 tenants. At the first of the year, in January, he sends out a letter to his tenants, and this is his letter of January 1st, 1922, to his tenants.

[Mr. Charles M. Bowman.]