

*By Mr. Sales:*

Q. You give us an honest dollar's worth of goods for the dollar that we give you.

*By the Chairman:*

Q. Now you have been good enough to give us the figures of the amount of money which your company has invested in the West. Could you give us by provinces the amount of payments, interest first, and the amounts of capital, which are in arrears?—A. I can give it to you as far as the interest is concerned. As far as the capital is concerned, I did not pay much attention to that. We are not concerned as to our principal repayments, as long as we get our interest repayments and the security is kept in good shape. While nominally our mortgages are drawn for five year terms, yet, when we once make a loan it suits us better as long as the security is not impaired, and the interest payments are kept up, if that mortgage stays in existence twenty, thirty, or forty years. We are a life insurance company, and when we get our funds out, we want to keep them out. We always stipulate for an annual payment, but we are not insisting on that. I can give you figures as far as our arrears of interest are concerned for the various provinces. I cannot give you the arrears on the farm loans, apart from the town and city loan. Here is something that might be of interest to this Committee. I think you all remember the big crop of 1915. It might be improper for me to do this; I am here as a witness.

*By the Chairman:*

Q. We will be glad to have your opinion.—A. I would like to have the privilege of asking a question of Mr. Sales. Mr. Sales, have you any objection?

Mr. SALES: No, I have not.

WITNESS: In 1915, was the crop of 1915 a profitable crop for the Western farmer?

Mr. SALES: It was profitable for me.

WITNESS: Well, would you go this far, and say that it was a profitable crop on the average all through for the farmer, who conducted his business on a reasonable basis.

Mr. SALES: It was a very profitable crop to some men. There were some men who were unable to ship out their crop during 1915 on account of the C.N.R. not being able to handle it, and it was shipped out in 1916, and the price was more than double what it was in 1915. I think on the whole I would say that the crop was a profitable one in 1915.

WITNESS: We have had this remarkable experience, Mr. Chairman, that our arrears of interest jumped up very sharply in 1916 as compared with 1914, and 1915, for some reason that we have not been able to satisfy ourselves upon.

*By the Chairman:*

Q. What do you think it was? I will give you my guess of what it might be.—A. I do not know whether our Western organizations were lax in making collections. We did not get the money and it was spent in some other way. From 1916 on, there has been a gradual increase in arrears. The amount that we had out on mortgage loan was also increased. I might say that during the time that the government put on their big Victory campaigns, they made a demand on life insurance companies, and practically insisted that all life insurance companies had to subscribe for a certain amount of Victory Bonds, with the result that for two or three years we practically withdrew from the mortgage field, so for a period there, our mortgage loans did not go up. But

[Mr. Charles M. Bowman.]