

valuation, it is about as safe a form of investment as can be found in the world. I think we will all agree on that?—A. That is the point I wanted to make.

*By Mr. Sales:*

Q. Is money ever loaned to the extent of 50 per cent of the value of the property?—A. That is what they regard as the maximum, and the valuation is made, in these companies, by a salaried inspector. They do not take the valuation placed upon the land by the local agent who is going to get a commission; they send their own salaried man who is looking after their interests entirely, and he is naturally inclined to be conservative.

*By Mr. McKay:*

Q. Mr. Ward, have you any amount given of the percentage of refusals on the part of the companies in taking the mortgages on the land? They may have made gilt-edged selections?—A. Yes, but you will find practically every farm in the country has a mortgage on it.

*By Mr. Gardiner:*

Q. There was another point, Mr. Ward, that you made with regard to that report, which I would like brought out more fully. The manager of this company made the statement that they had never actually lost any money. Is it not a fact that when they foreclose, the mortgage companies set a price which covers the mortgage and all the costs, and in case of any one not buying, at that price, the mortgage companies become the possessor of that particular piece of land?—A. Yes.

Q. After they have come into possession of that land, they are in a position to sell that land at any price they can get for it?—A. Yes.

Q. Consequently, on these grounds, if they did happen to make a loss on one piece of land, they could recoup their losses by selling other pieces of land at a price higher than what the mortgage and costs would amount to?—A. That is exactly what this statement means, that I have read to you from this report. That is exactly what it means.

Now, the Council of Agriculture is of the opinion that it is absolutely necessary, in order to put the agricultural industry upon a sound basis, that a long term farm loan system providing for payment upon the amortization plan, and having resources sufficient to meet all reasonable demands, should be established in Canada. Most of the agricultural countries of the world have some system of this description, and if you wish I can give you details of the systems that are in force in the United States, which you have already had from Mr. King, although I would like to make some remarks about that also, and also the systems that are in force in Australia and New Zealand.

When free homestead lands were available within a reasonable distance of the railway, it was possible for settlers in Canada, with a comparatively small amount of capital, to become possessors of land, and to establish themselves under favourable conditions, but at the present time, when practically all the desirable land is under private ownership, it is impossible for the average settler to secure land unless he can either purchase it upon long terms, or borrow money under similar conditions. This fact is recognized in the Soldiers' Settlement Land Scheme, and by the C.P.R. Land Department, which is selling land to settlers on 20-year terms, and also by the Canada Colonization Association which proposes to sell land to settlers on 32-year terms. In my opinion, unless long-term credit facilities for farmers are provided, there is a danger that the western provinces will become, to a large extent, a country of

[Mr. John W. Ward.]