

Q. Had these others paid more than that, or what? A. The usual rate of interest of banks was 8 per cent.

Q. What you are suggesting is that he was the only man who ever got below that? A. He was the only man who said he had secured interest at that rate. How many of the other 499 there were, is another matter. I said there was a crowd of about 500 listening to me. There might have been twenty-five women or six women. I did not count the women. But whatever the number was all but one did not raise their hands. Now, let us suppose there were 350 men there, your guess is as good as mine; but I know western agriculture and Mr. Graham does also, and I would just make a wild guess and say that 80 per cent at least—and I think I am right—of the other farmers that were there had at some time borrowed credit from the bank, and I believe I am conservative in saying that.

Q. What I am interested in finding out is as to this number. One out of 500 is a loose statement. I wanted to know how many were borrowing and what rates they were paying. When you say 80 per cent that is more helpful.—A. I am suggesting this that even at this late date I consider that the government of this country owes it as a duty to the people of the country to search back into the records. I cite one case here. There may have been many cases. I think there was one man that went as far as the privy council in citing the case as against excessive rates of interest charges. You have better access to the records than I have. I am saying that I believe there was such a case. Mr. Blackmore could possibly find it out because this man was an Alberta rancher.

Hon. Mr. HANSON: What is the position today? What rate of interest is charged the farmers?

The WITNESS: Seven per cent.

*By Mr. Coldwell:*

Q. How is that 7 per cent charged? Is it on a per annum basis?—A. Oh, no, no.

Q. Or for a short term, and then renewed and a charge of 7 per cent compounded, or how is it done? Explain that to the committee?—A. No. If you go to any banker he will tell you, and rightly so, that he does not compound interest; but what happens is this: a farmer goes to the bank. I am just taking an ordinary transaction. Any of the western men sitting in this room will understand it. He goes to the bank to get a line of credit. It does not matter how much the amount is. He goes to the bank to get a line of credit, and it is usually around the middle of March. He gets a line of credit for whatever the amount is, \$1,000 say. He signs a note for three months, but the banker knows full well that it is beyond the realm of possibility that the note will be paid then, except possibly in the case of a dairy farmer or some one who has a mixed farm and who may have revenue coming in at different times of the year. But gentlemen, I want you to understand that in the province I come from, the average size of the farm in Saskatchewan is 433 acres. They farm in a large way and it is largely wheat production or grain production. Whatever credit they borrow, it is almost impossible to pay that back until possibly the last of October or the beginning of November when the crop is sold. Yet despite that, a man comes into the bank and gets a line of credit for \$1,000 or whatever the amount is, and he signs a note for three months. The banker knows full well that he is not going to get it back until the fall. The farmer is called in again at the end of three months and the note is renewed. He cannot pay and the unpaid interest that is accumulated is put on top of the principal, and he then has a new note written up as of that date, and he goes on for another three months. He may sign that note twice after originally

[Mr. G. R. Bickerton.]