

Q. It has to do with credit systems; it has to do with credit?—A. It has to do with credit.

Q. I understand you now condemn the men responsible for the operation of Canada's credit system?—A. Yes; and generally to use one phrase, the policy of the system.

Q. Let us get it clear. That would be part of the credit system, would it not?—A. There is a little difference. The provincial government creates an issue of bonds. We, the United Farmers of Canada, have purchased some of those bonds. We have turned the money over to the provincial government and they, in turn, have turned around and advanced a line of credit to the farmers on first mortgages upon those respective farms.

Q. That is a publicly owned institution?—A. Yes.

Q. Directly responsible to the provincial legislature?—A. Definitely.

Q. What I am not quite clear on from your own brief is where you draw the distinction between those you condemn and those you do not condemn. The language in the condemnation sentence is very wide?—A. I think you have got to go back and keep your mind focussed upon the main thing, and that is that we believe that credit instruments and money instruments of the nation should be the responsibility of the nation.

Q. That is precisely my point. Here is an example of one of the credit instruments—that is the responsibility of the public at large—and I just wanted to know if it was part of the credit system condemned by you?—A. Certainly not.

Q. The Canadian Farm Loan Board—

Mr. SLAGHT: Did you record the rate that the bond bears?

*By Mr. McIlraith:*

Q. What is the interest rate on the bonds?—A. Five per cent.

Q. Then we come to the Canadian Farm Loan Board. I want to deal with it. In part of your brief you deal with the grievances and apparently you include all credit, mortgages and otherwise, but you do not follow through in the report with the farm mortgage situation. How many Canadian Farm Loan Board mortgages are there in existence in Saskatchewan today; do you know?—A. No, I could not say. I would not dare say because I might be wrong.

Q. Have you any information as to the gross amount of those mortgages?—A. No, we have, but I have not got it included here.

Q. Now, the rate of interest of the Canadian Farm Loan Board mortgage is 5 per cent?—A. Yes, I think it is 5 per cent and 6 per cent on the intermediate loan. They have the first mortgage loan and the second mortgage loan on farm property, and the first mortgage is 5 per cent.

Q. And the second is up to 60 per cent of the value and is 6 per cent. The second mortgage loan is taken in cases where people own up to 60 per cent of the value. The second mortgage bears interest at 6 per cent and the first mortgage bears interest at 5 per cent?—A. Yes.

Q. Now, that is a credit institution directly controlled, as you suggest, by the government of Canada?—A. Yes. I might say that at the time of the McMillan banking commission—at the time they sat in the city of Saskatoon—we recommended to the McMillan commission at that time that the dominion farm loans be extended into the province of Saskatchewan, but it did not function in the province of Saskatchewan up to that time.

Q. What year did it start to function in the province of Saskatchewan?—A. I think it was in 1934. The McMillan commission sat in 1933, and I think it was the following year that the Mortgage Act came in.

Q. I take it you would not have the date it started to function in the other provinces?—A. No, I have not got the date.