

APPENDIX No. 3

By Mr. McKay:

Q. For how many years has the Saskatchewan scheme been in operation?—
A. Since 1917.

Q. That is reasonably old?—A. And they have been operating on a margin of one and one-half per cent. They get their money by the sale of bonds at five per cent and they make their loans at six and a half per cent, and they have now a surplus profit made on the operation of the scheme amounting to \$147,267.77. They made a profit in the year 1922 of \$70,691.71.

By the Chairman:

Q. How many payments of interest are in arrears and to what extent?—
A. I do not think the figures are given.

Q. Well, they should be given.

Mr. SALES: I can quite imagine there would be a considerable amount overdue these last two years, because men who have no mortgages are finding it difficult to make ends meet.

The CHAIRMAN: I think it is essential when we come to study these questions, that we should have those facts.

Mr. SALES: We can probably get them by writing to Mr. Fraser.

Hon. Mr. SINCLAIR: We have to know what effect these defalcations have on the whole scheme. We have to know what eventually becomes of their holdings.

Mr. MCKAY: All the local units are operating.

Mr. SALES: With this reservation, that if you are going to reject or approve the scheme on the last two years, you will certainly reject it, because these conditions are abnormal.

Mr. MCKAY: Any banking or financial scheme must be based largely on what may occur in two years.

The WITNESS: Up to the end of 1922 the Board had acquired title to nineteen farms, either through transfer or by foreclosure, following the Board of Mortgage Sale proceedings. There are in this report two or three pages of examples of farmers who have not played fairly with the Board in the matter of making their payments. In some cases the Board has obtained a lease, has got a farmer under a lease, as we spoke of a few minutes ago, and a certain share of the crop was supposed to go to the Board from the farmer as a tenant of the Board, and in some cases the farmer actually sold the grain that belonged to the Board and used the money to pay some other debts. The Board, in making their report, make a very bitter complaint about the way the farmers are not meeting their obligations as they ought to, and the Board has also found it necessary, during the last few years, to make loans to the farmers to enable them to purchase seed and to pay their taxes and pay their hail insurance.

Q. Other loans?—A. Than those originally made.

By Mr. Sales:

Q. Increase the original loan?—A. Yes.

By the Chairman:

Q. Surely those figures you got from the Board will tell you what amount is in arrears?—A. No, sir, they do not.

Q. You can tell us, because you are familiar with these matters, who is the man who could give us the real facts and full information as to the working of this Saskatchewan scheme?—A. Colin Fraser is the Commissioner.

[Mr. John W. Ward.]