

APPENDIX No. 3

nection I want first of all to read to you a resolution which was passed at the meeting of the Canadian Council of Agriculture, held in Toronto in the last week of March, of this year, as follows:—

“Whereas there is imperative need in Canada for a comprehensive system of agricultural long term credit, and

“Whereas the existing provincial systems are necessarily restricted in their scope by limitations of provincial finance,

“Therefore be it resolved that the council urge upon the Government of Canada that it introduce at the present session of Parliament a measure to provide an adequate system of long term farm loans.”

Now, first of all, I would like to point out the need of cheaper long term credit for the farmers of this country. I think you will understand, you will know that the farmers at the present time are paying considerably higher rates of interest for the money which they borrow than other industries are. This not only applies to the short term credit which they get from banks, but it also applies to the long term or mortgage credit which they obtain from the mortgage companies, the insurance companies and so forth. In Western Canada, which I know better than the East, the prevailing rate of interest on mortgage loans is 8 per cent.

By the Chairman:

Q. Is what?—A. Eight per cent. There are a good many cases where farmers are paying 9 per cent for mortgage loans on a five year contract, a great many.

Q. In what part of the West are they paying 9 per cent?—A. In Manitoba, Saskatchewan and Alberta.

Q. Are there any particular districts that are paying that 9 per cent, or is it pretty well distributed over these three provinces?—A. I think the further west you go the higher the rate of interest.

Q. Alberta pays a higher rate than Manitoba?—A. There will be more people in Alberta paying 9 per cent than in Manitoba.

By Mr. McKay:

Q. How do you account for that?—A. They can get it, the mortgage companies can get it, and if they can get it, of course they do.

By the Chairman:

Q. Are you suggesting that the people in Alberta are better able to pay 9 per cent than those in Saskatchewan?—A. No, sir, what I am suggesting is that the farmers neither of Manitoba, Saskatchewan nor Alberta, can afford to pay 9 per cent, and I would like to suggest to you that if you have any manufacturers or people engaged in large and successful and profitable businesses coming before you, you ask them what rate of interest they can afford to pay for their borrowed capital, and ask them if they can afford to pay 8 per cent or 9 per cent for it, but I would prefer not to stress the 9 per cent. I mentioned that a good many people are paying that, but I say the prevailing rate is 8 per cent, and I think we can take it on that basis, that they cannot even afford to pay 8 per cent, and that if the Government can enable them to get their money on a lower rate it will be good business to do so.

By Mr. Elliott:

Q. Mr. Ward, have you not a difficulty in getting mortgages on farm property?—A. I do not suppose everyone who wants to borrow can get it, but there is a considerable amount of money available for mortgage loans.