

All authorities apparently agree that there is a barren area of credit unsupplied by either the banks on the one hand or the loan companies on the other.

"We, therefore, recommend the investigation by the Government into the question of long term and intermediate term rural credits; the operation of existing schemes in Canada, the United States and elsewhere; the examination of the question as to whether and to what extent systems of agricultural credits should be fitted into and related to our present banking system; as well as the operations of mortgage and loan companies; and that to this end, and in such manner as may appear best to the Government, the views of agriculturists, bankers, representatives of loan companies, officers of the present Canadian provincial loan system, as well as of the officers of the Federal Farm Loan Systems in the United States, should be obtained, in order that adequate and well-founded action for the relief of the present situation may be taken.

"In this connection also, the attention of your committee was drawn to the question as to whether it would be advisable and in accordance with sound economic and banking principles to extend to those provinces which desired to obtain money for their rural credit systems, facilities for obtaining of credit such as are afforded to the chartered banks under the provisions of the Finance Act of 1914, under the provisions of which Dominion notes are issued to the banks against the deposit of certain approved securities with the Treasury Board."

Taking, therefore, the report of the Special Committee as a basis for the enquiry, the procedure in obtaining information was as follows:—

First, all the documents, legal enactments and reports of the Dominion Government and the Provincial Governments, not already in my possession, were obtained and studied. Following this the central provinces, Alberta, Saskatchewan, Manitoba and Ontario were visited, and the schemes in actual operation were gone into with the officials responsible for their administration. Wherever possible ministers of Provincial Governments were consulted, especially those having already had experience in the creation or the working of legislative enactments. The province of British Columbia and the Maritime Provinces have not yet been visited as time did not permit, but the laws in operation and the reports of the provinces have been studied.

In order to get first-hand information of the condition of affairs in the United States of America, some time was spent in the offices of the Farm Loan Board in Washington, under whose supervision both the Federal Land Banks and the Intermediate Credit Banks are functioning. Through the offices of this Board the fullest information was made available to me both by means of documentary evidence and personal interviews with those responsible for the administration of the affairs of these great organizations.

Further, letters of introduction were given me to the presidents of the Federal Land Banks in all the centres of the country where they now operate. I was able by visiting some of these centres to get information on the actual working of their plans in the most intimate way.

In selecting points for detailed study, banks operating in parts of the country bordering on Canada, the problems of which would be similar to our own, were selected. These were the Land Bank of Springfield, Mass., which operates in the states of Maine, New Hampshire, Vermont, Massachusetts and northern New York and the Bank at St. Paul, the operation of which covers northern Michigan, Wisconsin, Minnesota, North Dakota and Montana. The Bank at Baltimore was also visited and studied intimately as presenting somewhat contrasting conditions to the others.