

resources of that western country. They go up there without any means beyond a sufficient amount to purchase a yoke of cattle, a plough, and a few months' provisions, and they find there, ready at their hand, an enormous field of fertile prairie; all they have to do is to turn up the soil and produce a crop. The power of turning up the soil is only limited to the settler by his physical capacity to undertake the work. It is quite possible for him to turn over 40 acres, or 50 acres, as the case may be, and the enterprise of most settlers is such that they frequently turn over more soil than their means will enable them to cultivate properly, and therefore, when they come to put in their crop and harvest it, they are cramped for want of means. It is for the purpose of meeting that practical phase of our western life that I desire that greater banking facilities should be available for the settlers in the west.

Then there is another view with regard to our life in that country; we are only beginning farming there, I may say. The farmer comes up there with nothing but a yoke of cattle and a plough—I mean to say it is so with a large number of our settlers. The other class form an exception to the general rule. These farmers have not been able to pursue mixed farming yet; they have no income except what they get from the annual return by the sale of their grain; they have not begun to cultivate the soil as the farmers in the Eastern Provinces do; they have not the wool harvest in the spring, the lamb harvest in the fall, the Christmas and Easter harvest of cattle, and the grain crop in the fall and monthly harvests during the dairy season. These are all monthly returns which enable the farmer to carry on his work without the necessity of banking capital or advances which we in the west feel are absolutely necessary for the proper development and progress of our western country. As I have said, our farmers are limited to an annual income, and are dependent upon sales of grain alone. At the present moment and under the present circumstances the only available source to which the farmer can go to relieve himself from a temporary necessity, perhaps an absolute requirement in the conduct of his operations, is either to go to one of the private banks, which, I am sorry to say, are increasing rapidly in our western country, or go to

a loan company and obtain a loan. Now, both of these are objectionable sources of capital for various reasons. So far as the private banks are concerned, they charge a high rate of interest. Their mode of operating, I believe, is to start in with a small capital, perhaps \$4,000 or \$5,000, and have an arrangement with one of the incorporated banks to obtain advances, to discount the notes they send in, and leave the margin of \$4,000 or \$5,000 capital as a security. The bank has to receive its interest, and the banker charges a considerable amount in addition to recoup himself.

Under the circumstances, the undesirable character of that system, and also, I suppose, the monopoly of privileges, so far as private bankers are concerned, the farmers are charged very high rates of interest, running up to 12, 15, and even 20 per cent. That is a great drawback to the farming community. Then, with regard to loans, a farmer will perhaps only require a loan for a temporary purpose, such as purchasing binder twine, or seed for his crop, or temporary assistance to get in his harvest, or he may want to buy four or five steers in order to consume the feed he has and fatten them for sale in the spring of the year, or in some other way to enhance his produce and pursue his industry with the small amount of capital that he has at his disposal, when he has the security to obtain it.

But the loan company will not lend him money for less than a term of three or five years; three years is the lowest that any loan company will advance money for. Then the farmer, in order to secure temporary accommodation, is compelled to put a permanent charge upon his farm, which is undesirable in that country, so long as it can possibly be avoided. Therefore, in that respect, I say that obtaining the capital for temporary purposes through the loan company is an objectionable way, so far as the interests of the farmer are concerned. In addition to this, the farmer may require only \$100 or \$150, or perhaps only \$50 for his accommodation. It is not worth while to put a loan on his farm for that small amount, because the expense of the mortgage ranges from \$10 to \$25, according to the nature of the title, and therefore, instead of borrowing only \$50, or \$100, that he really requires, he borrows \$300 or \$400, and finds himself in posses-