

By the Chairman:

Q. You were able to get how much credit?—A. I am able to get \$2,000 credit, as he mentioned there, but I am not making—

By Mr. Howard:

Q. In other words, when you have assets and surplus of \$35,000 and serving a farming community, you get a credit of \$2,000?—A. I have quite a job. Their hearts are generous enough to allow me—

Q. Ten years ago, when your assets, we will say, were \$15,000, one-half of what they are to-day, how much credit did you get?—A. I cannot tell you to a dollar, but probably around \$6,000 to \$8,000.

Mr. MACMILLAN (*Saskatoon*): Was that discount or direct loan?

The WITNESS: Direct loan.

By Mr. Hackett:

Q. I should like to say a few words to Mr. Reed. North Hatley is about 20 miles north of the international boundary?—A. I think so, yes.

Q. It is on the Boston and Maine railway, which is operated by the Quebec Central?—A. Yes.

Q. On the main line to Boston and New England?—A. Yes.

Q. And our people are farming people who are almost exclusively engaged in dairying; that is true, is it not?—A. That is right.

Q. All of our dairy products went to New England, first in the form of sweet milk, and later in the form of concentrated cream?—A. Yes.

Q. And our farming community was prosperous. Then one day the government of the United States practically prevented the import, first of sweet milk and then of sweet cream to New England; and when that legislation was enacted in the United States, we lost our market and we ceased to be as prosperous as we were?—A. It perhaps did not help us much, but that is not the whole cheese, Mr. Hackett.

Q. It is not the whole story, but it did dislocate our commerce, didn't it?—A. It certainly affected the farmer in regard to his market; that is right, once he is deprived of a market, he is just out of luck.

Q. That made it hard for you and everybody else who was in business in that section?—A. Yes, it helped some, no doubt; but it didn't have near the effect on us as did the way the banks were handling us.

Q. I am not discussing that; but the loss of the American market is a factor?—A. Yes, it would have some tendency to curtail—

Q. If we could get back into the New England market with our sweet milk and cream, it would help us?—A. Yes; as I said before, anything that would help the farmer to get a market would help us.

Q. Now, the legislation which took the market away from us, was American legislation, not Canadian, is not that so?—A. Well, in regard to the cream—of course, I do not know about the tariffs; I do not know what changed it, but anyway, we know they did.

By Mr. Duff:

Q. I should like to ask a question with regard to the indirect line of credit. You have the discounting of customers' paper. What time do you give those customers when you take a note or notes from them?—A. Well, most of our notes are taken for 30 days.

Q. Now, what happens when the 30 days are up? When the 30 days expire, what happens, do they renew or pay?—A. Here is what happens: one fellow will pay \$5 on a \$30 note, and another one will pay \$10 on a \$30 note, and a third one will pay the note in full, and we add his account to that note. That is about what we try to do in order to make these notes up. In a short time we get our amounts averaged up in that way.

[Mr. James B. Reed]