

Mr. KINLEY: Mr. Chairman, I should like the witness to answer my question.

The WITNESS: What was is?

Mr. FRASER (*Northumberland*): When the banks lost money in western Canada or any other part of Canada, whose money did they lose?

The WITNESS: Whose money did they lose?

Mr. JAQUES: They did not lose their depositors' money.

Hon. Mr. HANSON: Let him answer.

The WITNESS: If they actually lost money, if it is money, real wealth, I could only say that they lost some of the shareholders' money.

*By Mr. Fraser (Northumberland):*

Q. You think they lost some of the shareholders' money?—A. Yes.

Mr. SLAGHT: No. Their reserve never fell below their capital except for \$10,000,000. They have had for twenty years \$135,000,000 reserves disclosed, velvet.

Mr. FRASER (*Northumberland*): I agree with the honourable member's point. But continuing the same line of thought and on the suggestion of the witness that they should have carried on loaning money in western Canada and other parts of Canada during the years of the depression and continued to lose, then whose money would they have lost?

The WITNESS: Well, if they had continued to lose in proportion to all the rest of the people in the Dominion of Canada, they would have been just the same as the rest of the people in the Dominion of Canada; they would all have been broke.

Mr. FRASER (*Northumberland*): And would have lost their depositors' money.

Mr. PERLEY: Mr. Chairman, may I ask that Mr. Bickerton be allowed to deal with the brief. We can follow it and then question his afterwards.

The CHAIRMAN: That is my suggestion.

Hon. Mr. HANSON: All right.

Mr. FRASER (*Northumberland*): All right. Go to it.

The WITNESS: If I may I should like to make a suggestion here. Mr. Appleby and I happened to sit in here yesterday and you fellows seemed to be a little anxious to get through. In fact, I rather sensed that, but I do not know.

Mr. FRASER (*Northumberland*): Hear, hear!

Mr. BLACKMORE: The same men are not so anxious to-day.

The WITNESS: But I thought that Mr. McGeer brought up a moot point when he said that you only have a chance to deal with it once in ten years. Another point that I want to bring out is that not only was bank credit denied to western farmers during that time, but the bankers further demanded and got second mortgages on farm property as additional security; also mortgages on tools by which the farmers made their livelihood, on their chattels. That is a point that is, in my opinion, very important. Here you have a business concern that enters into a transaction and takes a statement from a farmer and upon that statement they advance him a line of credit. In other words, the security they have got is his assets over his liabilities. They turn around and to further secure this, they ask and they get in many, many cases second mortgages on the property; and in many, many cases as well, demanded and got chattel mortgages—that is mortgages on his chattels, on the tools of his trade; his horses, his tractors, his tools and his implements. That is what he had to