

Q. What do you do with your customers' paper, then? The farmer comes in and buys his weekly supplies or fortnightly supplies, and he does not have money to pay until he sells some of his products; is that how credit is given to him?—A. Well, there is his note; it is given to the bank in a good many instances.

By Mr. MacMillan (Saskatoon):

Q. You take his note?—A. I occasionally take his note. Of course I take his note if I can discount it at the Bank.

By Mr. Howard:

Q. You re-discount his paper at the bank?—A. Yes, that is all.

Q. In other words, the service you get is handed on to that section of the community?—A. Yes.

Q. I am not quoting figures, because I do not know what the figures are; but under ordinary conditions, we will say, you had a loan of \$4,000. Do you hand the \$4,000 credit to the community?

The CHAIRMAN: He gave twice that amount.

The WITNESS: Yes, that is about the size of it.

By Mr. Howard:

Q. When your credit is restricted, does it restrict the credit of the farmer buying from you?—A. If I can possibly carry on, I give them credit, regardless of the bank.

Q. Did you lose, during the past three years, in the worst depression we have ever known, a percentage on your farmers who owed you money, but were unable to pay you?—A. In regard to that, we have hardly sued a man, I am safe in saying, in three years back; and they are all paying as best they can, and they are going to pay.

Q. During your last year's operations?—A. I have had to give them credit to the very limit.

Q. Have you written off a lot of bad debts; how does that position compare with your position previously?—A. Well, I will tell you. Occasionally during the year's business you will have to write off perhaps some accounts, but to no great extent. In dealing with farmers, if they cannot pay this year, they will pay next. That has been my experience in dealing with them.

Q. As a business man and a good farmer in that section, do you consider that the farmers are just as anxious to pay now as they were three years ago?—A. Just as anxious to pay, exactly.

Q. They meet their obligations slower, but they meet their obligations as they used to meet them?—A. Certainly. they are doing their very best to meet their obligations.

Q. What percentage of your assets were you getting in credit four years ago?—A. Well, here is the bank's own statement. There are no secrets in my business, in regard to that. I am willing to disclose anything.

By the Chairman:

Q. Are you able to answer Mr. Howard's question? What percentage of your assets did you get in credit from the bank?

By Mr. Howard:

Q. Suppose your statement showed a surplus of \$10,000; how much credit would you get at that time?—A. Well, anyway my statement shows a surplus of over \$35,000 if every cent I owed, everything was paid.

[Mr. James B. Reed]