

While it can be seen from the above that there is recourse at law in such matters, it is nevertheless well known, court proceedings are costly and generally beyond the pale of the average farmer. It is of course well known that until recent years farm machinery companies charged eight per cent on current credit debt and nine and ten per cent on over due accounts, mortgage companies eight and nine per cent on first mortgage on farm property, with a one or two per cent interest rise on renewal after five years.

However, in the cases of those companies there was no recourse at law, as was the case with banks. Those years were simply good hunting for private enterprise and open seasons on the western farmers. It must stand out in history as the eighth wonder of the world that western agriculture survived the exploitation of those days of rugged individualism.

It would be interesting to search the bank records to find the entire amount of illegal interest exacted from borrowers of credit. It is our opinion that the government owes such search of records to the public and the amount involved in such discovery should be returned to the rightful owner.

The years, however, which must stand as an indictment against the chartered banks of Canada were the late twenties, when the banks invited borrowers to go on a credit spree with them; when the credit chest was thrown wide open, then with the financial collapse at the end of 1929 the lid was clamped tight on the credit chest, and the banks almost completely tied up the credit facilities of the nation, and in consequence trade, business, manufacturing, administration and domestic living, rapidly dropped to a state of stagnation. For a period of time the entire national, provincial and municipal economies were at a complete standstill, and not until national leaders did some financial manoeuvring such as devaluing the gold content in the dollar, and consolidating and refunding existing debt at lower interest rates, and thus create further security necessary to obtain further credit, was the nation's economy able to function at a relief standard level.

Not only was bank credit denied to western farmers during that time, but the banks further demanded and got, second mortgages on farm property as additional security, also mortgages on the tools of his livelihood, his chattels.

When our Wheat Pools over-paid the growers of the 1929 crop, the banks refused to be satisfied with the security they had advanced the necessary credit upon, and demanded further security. Governments then stepped in and cleared the banks from any danger of loss.

We did not blame the private banks for refusing to advance further credit, regardless of the fact that they were largely responsible for the situation. As viewing their position in the cold light of reason, their first responsibility and duty is to protect the invested capital of their shareholders. If service to the public can be administered without jeopardizing the interest of shareholders then such service would be administered.

However, regardless of what may be said to the contrary, circumstances have proved, that the investment of shareholders is paramount over service to the public by Canadian private banks. It is ironical to note the pride where-with some of the Government leaders point to the solid condition of our Canadian Chartered Banks as compared to the condition of banks in the United States and elsewhere.

The answer is simple, our banks will take no risk if possible, but if any of our banks do inadvertently find themselves faced with danger of loss, the Government benevolently relieves them of any risk, and that the Government will safeguard them against any risk is well exemplified by the Government's decision to secure the Banks against loss in advancing credit to farmers for the purchase of machinery, up to ten per cent of the loans.

We submit that the record of Bank policy in Canada has been a primary factor in retarding the great economic potentialities of our nation, which has