

Mr. TUCKER: And getting reasonable prices.

The WITNESS: And a reasonable price return for them, that he can meet anything that comes.

*By Mr. Tucker:*

Q. No. Meet reasonable rates of interest such as we are getting now, I suggest.—A. Well, I am not quite so sure that that is a reasonable rate of interest yet.

Mr. BLACKMORE: Could government ownership of the banks help the situation. They could not loan at a loss.

Mr. TUCKER: That is what I am getting at.

The WITNESS: Only to this extent; that is, by government operation you would be there to perform a service.

*By Mr. Blackmore:*

Q. Even at a loss?—A. Even at a loss, if necessary.

Q. Year after year?—A. To meet an emergency.

Q. Year after year?—A. Year after year, if it was necessary.

*By Mr. Tucker:*

Q. Would it not be more straightforward, Mr. Bickerton, to actually help the individual to the extent of his need rather than to put the burden upon the financial system, either publicly-owned or privately-owned?

Mr. McNEVIN: You mean Prairie Farm Assistance?

Mr. TUCKER: Such things as Prairie Farm Assistance, a floor under farm prices and so on. I suggest to you that to a certain extent we in western Canada have been blaming the banking system and claiming that it should be changed more than we should have done consistent with the situation. In other words, the thing that has ruined us has been the recurring low prices—and I am speaking of the last ten years—and crop failures.

The WITNESS: Yes. By subsidies and other things to take care of exigencies, you could possibly meet certain situations that could occur, and all of that kind of thing. But we still come back to the place where we say that this is a public utility.

*By Mr. Tucker:*

Q. Yes.—A. And we stand on that.

Q. Have you studied the cost of providing credit in small amounts to farmers?—A. Studied the cost?

Q. The actual cost—that is what I am getting at—either in this country or in any other country in the world, including Russia where they have a publicly-owned system.—A. Yes.

Q. I ask you to say what you think about the maximum limit of 6 per cent on the sort of loans a bank makes to farmers, short term loans for small amounts, because the 5 per cent is on the intermediate loans.—A. Yes.

Q. But on the short term loans, in small amounts—I am not speaking of mortgage loans or anything like that—I should like to know whether you do not think that 6 per cent is getting down fairly close to the cost of the loan?—A. No. I still must insist that you come back to what our original intention in this was, and I would say this: If the administration of this credit to provide the people with the use of it, and whatever the medium of exchange is, can be done at 1 per cent, then that is the amount. If it cannot be done under 10 per cent, then that is the amount.