

If you will allow me to digress for a moment I heard of a case just a few days ago. It was an appeal case against a decision that had been given by the district court judge under the Farmers Creditors Arrangement Act. This is what happened, and I point this out to show you that although some people say that under public operation of certain things you would have favouritism and one thing and another it is not necessarily so. I do not agree with that.

In this particular case the man homesteaded some land away back in 1906. He was not a very young fellow then. He is seventy-six years of age now. He borrowed \$1,400 to buy a threshing machine. By 1919 he had not been able to pay all of that \$1,400 back but he had paid it up to about \$600. He had paid a good deal on it and had possibly paid a lot of interest. Then, from private sources, a man who had some surplus capital in the city of Saskatoon loaned him \$3,000 on the same property. That enabled him to pay the balance that he owed on the first \$1,400 mortgage. He was not able to pay the new mortgage off and time went on and he did not get that whittled down to anything below \$2,400 or \$2,500 up to 1929. In 1929 he went to one of the mortgage companies—I do not want to mention the name—and got a loan of \$5,500. The only way he had been able to pay the first loan was by getting the second loan, and the only way he was able to pay off the second loan was to get the third loan, and the third loan was three times as much as the first loan and twice as much as the second loan. The judge who was presiding in the case rapped the representative of the mortgage company over the knuckles. He said, "You want me to give you consideration. You are the one who is to blame for this man's position." He wanted this man to give a quit claim on the place to them and he would make a deal with the sons. The sons were operating the place. He said, "No, I will not." He said, "Old age and maturity are no reasons to evict a man." He said, "There may be other reasons but one of the reasons that caused this situation was your fault."

Mr. KINLEY: Too much money.

The WITNESS: Sure, he said, "The record of this land showed you had no right to advance \$5,500 on it," and they hadn't. Now, do not turn around and say it is the farmers that are wholly to blame for these things. The mortgage company in that case, and in many other cases, is to blame.

Mr. BLACKMORE: Mr. Chairman, would Mr. Noseworthy permit a question? Is the witness now advocating a restriction of credit policy?

The WITNESS: No, I would rather put it this way, that I would like to advocate an intelligent credit policy.

*By Mr. Blackmore:*

Q. How would you define an intelligent credit policy?—A. By the individuals who have control of advancing credit using a little of the gray matter, if they have any, and seeing that the amount of credit which is advanced is commensurate with the possibility of it being paid.

Q. If governments owned the institutions they would do that?—A. If you had government controlled institutions they would make mistakes. There is no question about that.

*By Mr. Hill:*

Q. Were you not just advocating that these farmers should have more credit than they could get back in 1930? A few minutes ago you were advocating that. You said that the banks would not do it and the government would not step in to see that it was done. Now you say they loan them too much credit. I cannot understand that.

Mr. KINLEY: He thought they ought to be salvaged.

The CHAIRMAN: Proceed, Mr. Noseworthy.