

Mr. McNEVIN: People want to get on with the business of the Bank Act.

Mr. BLACKMORE: I know, but all this has an important bearing. If a tremendously strong organization, such as this one which is represented here to-day, has come to the settled opinion which is expressed in this memorandum I tell you it is a warning to us as members of the Banking and Commerce committee. If we can do anything about the Bank Act to remedy that situation we want to find out what it is and do it. If there is another line of approach which we can take which will remedy the situation we want to find that out. That is one of our major purposes in being here.

The WITNESS: I would just like to reply a word or two to the chairman here, Mr. Blackmore, if you do not mind. What Mr. Moore says is correct. There was a tremendously big crop that year in Russia, as I think you will find out. I think Mr. Moore has sent for the record of it. I think it was in 1929. We have got to be fair in all of these things and recognize it was not only Canada that suffered financially in the crash of 1929 and 1930. It happened all over the world.

Mr. BLACKMORE: That is true.

The WITNESS: We have two different things. We had what happened almost in the whole of the world with regard to the financial situation in 1929 and 1930, and we have what happened in the world wheat economy. In 1929 Russia produced a tremendously big crop, I think the largest in her history. We had produced a fairly good crop, too. So had the Argentine. Britain suffered that financial breakdown as well. We will just take an illustration of the two countries. Britain had suffered a financial breakdown. For a period of time Britain simply could not buy wheat. She just simply could not buy wheat.

*By Mr. Blackmore:*

Q. Why?—A. At any price.

Q. Why?—A. Because of the stagnating situation that their financial economy had got into.

Q. That is, there was a restriction of credit in Britain?—A. Definitely. Here was the situation as I have illustrated the point. There were people in the world who were hungry. They would have liked to have eaten that wheat in the form of bread, but you know if a hungry man saw a loaf of bread in a store window marked 5 cents and a bottle of milk marked 5 cents and did not have a dime he would still go hungry. That was the situation that Britain found herself in. We would have been a very peculiar nation in the Dominion of Canada if we had not suffered that financial breakdown which was suffered at that particular time.

Q. What we are concerned about is what to do about it.—A. We were caught in the whole thing. I want to reply to Mr. Moore. True, Russia went to Britain which was hungry for bread and they said to Britain, "We do not want any money. You provide us with certain materials that we require and we will supply you with all the wheat you want." They wanted a lot of wheat. At the same time the Argentine in their anxiety to do something with their wheat situation stepped into the Liverpool market and offered to sell at a very low price, much below what it then was in the Dominion of Canada. We were trying to maintain the price structure, and then it was found that the price structure could not be maintained.

Q. Why?—A. Because people in the other nations were suffering with the same financial stagnation from which we were suffering.

Q. May I interject a question there without interrupting you? If it had been possible to use subsidies in the right degree in Canada do you suppose that