

The WITNESS: Here is a statement from the Bank of Montreal. It shows a surplus every year and shows the amount they were giving me, and the whole cheese is right there. Further than that, it is written by themselves.

*By Mr. Irvine:*

Q. Mr. Chairman, I would like to ask Mr. Reed if, when he was receiving, say, his highest figure of credit from the bank, would that amount probably have some definite relationship to those book values of his assets, would it not?—A. Well, I do not know. I am not sure.

Q. I suppose it would; but if the book value of your assets to-day are very much lower than they were then, you would naturally expect to have less credit now than you had then.

Mr. GEARY: Book value means nothing as to cost.

Mr. IRVINE: By book values I was meaning the banker's estimate of his assets.

*By Mr. Irvine:*

Q. I probably used the wrong term there. Would you be doing as much business now as you were four years ago?—A. No. I do not think I am. I will not say that, of course.

Q. Then, you would be willing to admit that on the basis upon which credit is usually given by the bank that they would be justified, according to the banking system now in vogue, in reducing your loan by that amount?—A. I would like to say something in regard to that. I have the statements for the last 38 years, and I find this that every thousand dollars they restrict me and my customers, I do less and less business. When we have no money to do business with we are handicapped in doing business.

Hon. Mr. EULER: Well, it is very interesting to have the details of Mr. Reed's own relationship with the bank. I have no doubt it is very important to him, but I think the committee is interested in the broader question as to whether, with the same security as they used to have, the banks are refusing to lend as credit the same proportion of money. I would like to hear what Mr. Dodds has to say.

Mr. DODDS: I can only quote you the figures I have quoted already, and to say that the security is not the same as when the credit was at its top. Also, in regard to turnover, Mr. Reed has told you himself that his turnover is greatly reduced. As a matter of fact, with all due respect to Mr. Reed, he has been treated, in my judgment, and I think in your judgment too after you have heard what has been said, very fairly and very decently by the bank, and it is unfortunate that I had to show that the statements he has made are not correct.

Hon. Mr. EULER: Would you say that with the same amount of security you would make just as great a loan?

Mr. DODDS: If Mr. Reed is willing—

The CHAIRMAN: No, with regard to the general situation—farmers and others.

Hon. Mr. EULER: I think that is the vital question: are farmers and others down there, or elsewhere, getting the same amount of loan proportionately as they used to on the same security?

Mr. DODDS: Assuming that the value is there.

*By Mr. MacMillan (Saskatoon):*

Q. Would Mr. Reed tell me what his assets were four years ago and what they are now, according to his own valuation?—A. As I told you my statement has not changed very much in the last few years. I am willing to be frank

[Mr. James B. Reed]