

Mr. KINLEY: They closed up in the United States.

Mr. NOSEWORTHY: Well, we are not discussing the United States now.

Mr. KINLEY: I know, but I am.

By Mr. Noseworthy:

Q. There is another point I wanted you to comment on. It has been brought up in the committee that there is a great deal of interlocking of directors between the banks and corporations. It has been pointed out, for instance, that ninety-four bank directors, of three banks, which control about 70 per cent of the total banking assets, hold about 799 directorships in 484 corporations, including a great many corporations across the country. Has your association given consideration to that and its effect on the opportunity of the small business man, the farmer, to get credit? I ask that question because again we were told by the banking authorities that these interlocking directorates have no influence or effect whatever upon the lending policy of the banks. I should like to know what the opinion of your organization is.—A. I do not know that I would be prepared to go into that angle of the thing. I remember that we had a complete chart of interlocking directorates. I think I saw something the other day; I forget the name of the man but he was around speaking in the western provinces. He was the president of the Canadian Chamber of Commerce. Some of you may know his name. I do not remember it. In the invitations which were sent out requesting people to come and listen to what he had to say—I think they called him Dobbie—he was listed as a director, vice president, president, and so on, and was inter-mixed in a great many concerns. I do not know whether that is a healthy thing or not. I do not see where anybody gains a great advantage in it. I do not know what particular effect that has unless the people who have control of the money medium also control the implement concerns and other things that are involved in the life of the people of the dominion. The question may then arise as to whether it is a good thing that that should be centralized in the hands of a comparatively few people. There are certain things that seem to be glaringly inconsistent. Talking to Mr. Tucker just yesterday I happened to say that there seemed to be a lot of inconsistencies. Here is a man who is the head of a concern that is developing one of the natural resources of our country. He has a salary of \$195,000 a year with a retirement pension of something like \$50,000 a year, and the man who is considered as the head man of our nation, the head man of that part of our country that has to do with establishing laws, rules and regulations, has less than \$25,000 a year. I am speaking of the Prime Minister. There seems to me to be an inconsistency there. I do not know whether that relates in any way to your question, Mr. Noseworthy.

Q. You indicated in your reply to Mr. Maybank that you had had considerable experience with borrowing both from privately owned credit institutions and publicly owned, and I took it from your answer that you felt that the publicly owned were more satisfactory to the farmers?—A. Yes, I would say so. I think that the Canadian Farm Loan Board, the Provincial Farm Loan Board, carry on the business in a very efficient way. I think that possibly they are even a little more careful in their selection of advances in credit on the particular farms than the average mortgage company is. They are a little more particular in their selection. So far as I can see there are very few defaults take place. From my own knowledge I have heard very little dissatisfaction. Under certain circumstances and at certain times you get the odd one that grumbles that the Saskatchewan Farm Loan Board is just as tough as any other board. Personally we would not expect that it was going to be a kind of self-admiration society; it would have to function in a proper business way, and they do. I think generally speaking there is a great deal of satisfaction.