

The justice of the need for such penalty action is well proven by a district court judgment given by Judge McLorg in the case of the Royal Bank *vs.* Pete Perapalkin, *et al* of 1924 which is recorded in the Saskatchewan Judicial District as No. 528.

We have a copy of the judgment that was given by Judge McLorg, and you can read that, but it simply cites the case of where the bank had charged 2 per cent higher than the rate of interest allowed by the Act. In consequence, when they had the matter before the judge he not only decided that the bank had violated its position under the Act but he said that the defendant was entitled to costs on the application.

While it can be seen from the above that there is recourse at law in such matters, it is nevertheless well known that court proceedings are costly and generally beyond the pale of the average farmer. It is, of course, well known that until recent years farm machinery companies charged eight per cent on current credit debt and nine and ten per cent on overdue accounts; mortgage companies, eight and nine per cent on first mortgage on farm property with one or two per cent interest rise on renewal after five years.

However, in the cases of these companies there was no recourse at law, as was the case with banks. Those years were simply good hunting for private enterprise and open seasons on the western farmers. It must stand out in history as the eighth wonder of the world that western agriculture survived the exploitation of those days of rugged individualism.

It would be interesting to search the bank records to find the entire amount of illegal interest exacted from borrowers of credit. It is our opinion that the government owes such search of records to the public and the amount involved in such discovery should be returned to the rightful owners.

We have learned that there has been a lot of discussion with regard to hidden reserves. I do not know about that, but I do know that we paid this.

Gentlemen, I was at a picnic just one week ago to-day. I think there were possibly 400 people attending that picnic, listening to me, along with a lot more. I asked if there was any man there who had had the use of credit from the chartered banks from the years that they started in as homesteaders—there might have been different years; some may have started in 1906 and others in 1910—but up to, say, 1930—I asked was there anybody there who had borrowed credit from the banks at 7 per cent interest, and there was only one man who raised his hand—one man out of about 500. I know that I carried on banking transactions—

*By Mr. McIlraith:*

Q. You say there was one out of 500 who borrowed at 7 per cent, but there is no evidence that the other 499 had borrowed at all? A. No, there wasn't any evidence.

Q. There would be some who had not borrowed at all, would there not—some of the 500? A. You do not know western agriculture.

Q. I assume that there were some women in the 500 whose husbands had done the borrowing.—A. There may have been half a dozen women there, but in a general way women are not sitting around at a picnic and listening to the speakers.

*By Hon. Mr. Hanson:*

Q. Is the inference that that was a low rate or a high rate? A. Was it a low rate or a high rate?