

The CHAIRMAN: Yes, but do you not see that the basis of the collapse, according to the investigation as I told you the other day of the Economic Committee of the League of Nations and the International Institute of Agriculture, was the wheat situation. That was where the price collapsed and the whole structure collapsed. That had an influence, of course, upon credit conditions in the United States and upon their lending abroad. I have sent for a copy of the report. It is a very short statement. I will read it to you when it comes.

Mr. BLACKMORE: If that was the case, and I am not questioning that, it is valuable information. This may have a bearing on your memorandum, will it not, Mr. Bickerton, if it can be established; Mr. Moore is a very good student and I would suppose he can give us a pretty good line of argument to support his stand. If that is the case, if the collapse of lending and restriction of lending was as a result of the tremendous crop of wheat in Russia and the result of the discontinuation of a foreign lending policy on the part of the United States then you see government ownership of banks in Canada probably would have hardly been equal to remedying the situation. I think this is an important point, that it would have made it so that if government banks had persisted in lending freely they would have been lending money they knew positively they would lose, and I am not sure that you would advocate even government banks lending with certainty of loss for any definite length of time.

Mr. APPLEBY: What is the difference, because there were millions and millions of dollars spent, which are a complete loss, when people lost their foothold and got on the dole and relief? They lost it anyway.

Mr. BLACKMORE: That is a very good point, but you will remember Mr. Tucker was following a line last night which was very valuable. He was following a line that in a general way was worth consideration. He said if the government had adopted a policy under which the income of the western farmer had been guaranteed regardless of the collapse of prices, if they had had such things as the Prairie Farmers Assistance Act, and so forth, in operation then the difficulty might have been overcome by another way of attacking it. If the government is going to lose money would it not be better, as Mr. Tucker was arguing, for the government to spend money and thereby lose it, if lose is the right word, in guaranteeing the farmers' income rather than in losing that money through lending certain farmers money through the banks? You can see there is a line of thought there that is worth considering.

Mr. APPLEBY: Yes.

Mr. BLACKMORE: This is an exceedingly important matter. I do not wish to be political but after all we are looking for a solution. The whole Social Credit concept is based on this very line of thought that Mr. Tucker proposed. If better prices, issues of consumer purchasing power, better wages and income generally were brought about in those distressed areas by government spending of money then it would be unnecessary for the banks to lend money with the certainty of loss and probably the banks, realizing the economic condition of the people was going to be sound, would not have held in so much with respect to loans. They would have felt much freer in granting loans. You see the two lines of approach, do you not? Of course, there is a clash between those two lines of approach. One says if you have government ownership of the banks that would be better. The other the social credit philosophy says that quite regardless of ownership of the banks, government ownership of the banks would not do any good unless you could improve the economic condition of the people. Then, why not improve the economic condition of the people and try the banks again under private ownership? Do you see the line? Now, somebody wanted to ask a question.