

Q. Do the farmers look after their notes promptly?—A. They do pretty promptly. They are fairly reasonable, and do the best they can.

Q. Mr. Reed, may I ask you this question: my experience with the bank is this; if a customer from whom I take a note, or anybody else takes a note, looks after it promptly, and renews it, either by paying a small amount or a large amount, there is not very much difficulty in getting it rediscounted. But there are some customers who think a merchant like yourself and myself can carry a note indefinitely. They do not come in, and we have to write letters and perhaps go out and see them. You have that same experience?—A. Yes.

Q. Would not that be perhaps the reason why the banks do not want to discount all your paper?—A. Well, there must be—

Q. They do not want to discount paper of customers who do not look after it when it comes due?—A. There must be some reason because they are surely doing it.

Q. I am trying to find out what the reason is?—A. They hold this account, and if it is not paid, they hand it back to me, and I have to put it in my own safe; I cannot get it discounted. Further than that, as I said before, their judgment seems poor. I will tell you one little incident in regard to how they handle customers' paper. I had one man that was doing a little teaming business and he ran his account up to \$160, several years ago. His name was ——. I do not know if he is a cousin of the member in this House. Probably he is not. He was a good teamster, and he was then out of luck, and we gave his note to the bank, and as a result he could not pay for a while on that note, and I was obliged to write off what he owed on that note each time and charge it back on the books in order to satisfy our gentleman across the corner. What happened? I kept doing that. Mr. — was not paying; and one day I got a statement from the bank saying how well this man was paying.

Q. I might say that I can sympathize with you?—A. Now, let me tell you the rest of that story. This was a good teamster and a good worker, and as a result J. B. Reed hired him, and he has been working in his employ for a year and a half now, and after supporting his family he took every dollar he got and applied it to the old bill with the result that two weeks ago he paid us in full very dollar he owes us.

Hon. Mr. EULER: Would I be putting it fairly this way: that relatively for the same amount of security as you had three or four years ago you cannot now obtain the same proportion of loan from the bank as then?

The WITNESS: Yes.

Hon. Mr. EULER: And you would like to know from the banks the reason why?

The WITNESS: Yes.

Hon. Mr. EULER: I would like to know myself.

Mr. WHITE (*Mount Royal*): May I ask who, in your opinion, is the proper judge of security—the borrower or the lender?

The WITNESS: Well, I do not know. There has been a vast change in the lenders in the last four years, because now they are restricting the credit to the tune I have been mentioning here without any perceptible cause or reason. That is what I say. And, now, if our good friend, Mr. Dodds, will tell us why they have trimmed J. B. Reed both on his discounting and on his customers' paper in the last few years, let him speak up.

Mr. DODDS: The last four years? Why his credit has changed? In 1928 he had a credit in his own name of \$2,000 and \$5,000 trade paper and to-day he has a credit of \$1,500 in his own name and \$7,000 trade paper which is a larger sum than he had four years ago. I think it is time to stop discussing his private affairs, but he asked me to say that.

[Mr. James B. Reed]