

there are not many credit unions of which I know that operate at 5 per cent. Most of them would be running at 5½ per cent and 6 per cent; some of them have fairly high costs.

*By Mr. Purdy:*

Q. Before you leave the question of the credit unions, you recommend that this legislation be made available to them. Have you any suggestions as to the mechanics which might be used in order to make this type of legislation available to the credit unions?—A. No, I am afraid I do not. We have not gone into it in detail. We are leaving this to the credit experts to state their case.

The CHAIRMAN: The Co-operative Union of Canada is presently in conference now discussing that very point and that will be in its presentation.

Mr. PURDY: I thought that this witness might have some idea.

Mr. STANTON: Dr. Hope, is it your opinion that the banks and lending agencies take into consideration the character of the individual and lend him that money, or do they stick strickly to the financial ability?

The WITNESS: I am inclined to think now that when they get this guarantee, they will stick a little more now to the financial ability rather than character. I believe I am correct in saying that a bank manager when he lends money to a farmer now on a straight loan—that is he loans the money in the spring for seed and fertilizer—I do not think he really has to question what the farm improvement loan is on that man. That is a very very important thing. In fact, a bank manager told me that they do not necessarily have to consider the fact that a farmer has a farm improvement loan with that bank when they are thinking of a short-term credit for him. What does that mean? To me it only means one thing; the bank is absolutely sure that the farm improvement loan is a guaranteed loan against loss. He will remove it from his consideration and then take a look at the other part of the farm business and character aspects in making a loan. That is very important. When you discuss this with the administration, that should be cleared up because I have been told that that is the case. They do not all do that.

*By Mr. Cardiff:*

Q. I do not think that an age limit should be drawn. You stated a few moments ago that you thought age 21 would perhaps be too young for a man to start up and borrow money. I do not think that should have anything to do with it because you will find many boys at the age of 21 who are much more grown up at 21 than others are even at age 25.

Mr. STANTON: And even at age 60.

*By Mr. Cardiff:*

Q. And if he does not have brains at age 21 he never will have. I do not think that any restriction should be made against him. I can think of myself back in the years when I went to borrow money to buy 25 acres of land which were adjacent to our farm. The man who owned that land had died and the farm was up for sale. The mortgage was reasonable to me and I went down to the bank and the bank manager told me that there was no use asking for a loan because they could not give it to me and that there was no use going to the other bank because they would not give it to me either. I went down to the other bank and, in the meantime he 'phoned the other bank while I was on the way down; I know that because as soon as I went into the bank the other banker knew exactly what I had come for even before I asked. The result was that I tried to tell him what I wanted and he said, "I do not want to know what you want it for". He would not let me tell him what I wanted it for, but he gave me the money. I only wanted it for three months, and I