

work with. He was working and he continued to work with those tools of his trade that were hypothecated and put under pledge to the bank. That is a very difficult position for a man to be working under. We also say:

When our wheat pools overpaid the growers of the 1929 crop, the banks refused to be satisfied with the security they had advanced the necessary credit upon, and demanded further security, governments then stepped in and cleared the banks from any danger of loss.

The point I want to make there is this. I have noticed from time to time that government leaders like to speak glibly of the sound and solid position of the banks in the Dominion of Canada, of the chartered banks, as compared with the banks in the United States and other places. As long as we have a government that will come to the protection and assistance of the banks when they enter into transactions themselves, of their own volition, and they become questionable, they will not have anything else but sound and solid banks; I can tell you that.

*By Hon. Mr. Hanson:*

Q. Did the government not go to the rescue of the wheat pools?—A. The government came to the rescue of the banks.

Q. Of the wheat pools.—A. You can call it the wheat pools or not; the wheat pools would have finally had to meet the obligations anyway. Whether it was to the bank or to the wheat pools does not matter. They still had to meet that obligation and they are still meeting it. If the government did not come in, the wheat pools would still have had to pay it to the banks, and the question arises then who did the government come to the protection of? Was it the wheat pools or the banks? The wheat pools would still have had to pay, and it does not matter to them whether it was the government or the banks. That is one of the points we resent, and we say that when the chartered banks of this country enter into transactions that the government does not force them into, which they enter into of their own volition, they ought to stand by the security they have accepted. In that particular case they accepted wheat as the security for credits that were advanced, and then when they found themselves in a jam, as everybody else was, they were unsatisfied with that security and they wanted more security. The wheat pools in the final analysis decided that they might as well hypothecate the elevators as security to the governments rather than to the banks. The banks would have had the elevators as security, anyway.

I mention here that we did not blame the private banks for refusing to advance further credit, regardless of the fact that they were largely responsible for the situation. Viewing their position in the cold light of reason their first responsibility and duty is to protect the invested capital of their shareholders. If service to the public can be administered without jeopardizing the interest of shareholders then such service would be administered. However, regardless of what may be said to the contrary, circumstances have proved that the investment of shareholders is paramount over service to the public by Canadian private banks. Do you mind if we continue to think that? We will anyway.

We submit that the record of the bank policy in Canada has been a primary factor in retarding the great economic potentialities of our nation, which has now been proven by the astounding industrial and agricultural production, and which is without question the highest per capita production achievement in history. With some assistance from government workers, farmers stepped into this gigantic task in 1940, not with the assistance of banks.