

to carry on with was, "I am sorry, but not only can I not lend you any more, but I have got to get more security for the amount you already owe."

Mr. BLACKMORE: Hear, hear! That happened everywhere.

The WITNESS: And they demanded and got second mortgages on some of the property and chattel mortgages on the tools that they had to work with. I do not care who the bankers are, if they make the charge that credit was available, freely available to the farmers, it is not true, except in one way. A banker may say to you, "We have credit available as long as you can show us the same security that you could show us in 1928 or 1929."

Mr. BLACKMORE: Hear, hear!

The WITNESS: When the bottom had dropped out of everything, when wheat had dropped from \$1.47 a bushel, as it got to at one time, and where by the middle of March it was down to a dollar a bushel, and within twelve months of the end of 1929 it was down to 50 cents a bushel, then the security that could be provided for the use of credit had gone; and there was not a farmer in the country who could show the same security in 1932 that he could show at the beginning of 1929; not anybody.

Mr. BLACKMORE: Hear, hear!

The WITNESS: Then it was simply a case, as I have stated before, that the banks consistently operated the way the umbrella man did. You could get the loan of an umbrella when the day was fine, but when the day was wet he needed it and you could not get it at all.

By Mr. McNevin:

Q. You would not suggest that any institution could lend as much money to a farmer in western Canada when wheat was only 40 or 50 cents a bushel as they could when it was \$1.40 or \$1.50 a bushel?—A. Oh, no.

Q. That is a point I want to be clear on.—A. What the banker wanted was the man's statement, and the man's statement involved his land, his chattels, his integrity to work and everything else. It involved all that.

Q. The point that I wished to make, in fairness to the bankers, was this. It was a condition that the bankers did not create or were not responsible for the depressed grain prices.

Mr. BLACKMORE: They were responsible for it.

The WITNESS: I merely repeat this. You can go back into the evidence of the Macmillan Banking Commission, and I said were I a local banker and my responsibility first was the protection of the investments of the shareholders, if a farmer came to me, I would not loan him one dollar. Why? Because that farmer could not show that he had any equity in anything. He had not any equity in anything. His asset over liability was shown with a great big round "O". It had dropped to zero. He had nothing. If the first charge against a local bank manager was the protection of the investments of his shareholders, then I say that he would have been remiss in his duty if he endangered those investments. Then it comes to this: are these people not in charge of servicing the people of the Dominion of Canada with whatever the medium of exchange is to the extent that the dominion government exercised their power over them? I say this. The proof is there. It did not function.

By Mr. Blackmore:

Q. You mean the banking system?—A. The banking system did not function for a period of time, however short that period may have been. Where was the dominion government? They were not in the position, apparently, or did not take the position that they could enforce the functioning of the credit and money system of the country. They did not, anyway.