

Hon. Mr. DANDURAND: This Bill covers all the provinces.

Hon. Mr. HAIG: I said I would use Manitoba as an illustration. The Minister of Finance said the same law applied to eight provinces. I do not know which province is excepted. Probably it is Prince Edward Island.

Before the mortgages of farmers or townspeople in Manitoba who come under this Bill could be adjusted, that province would have to repeal its legislation in so far as it applies to these mortgages. That is a distinct advantage. True, this measure does not provide for all, as I think it should have done; but it goes some of the way.

I want to say candidly that I cannot vote for the amendment moved by the right honourable leader of the opposition, for I really think this legislation should include non-farm mortgages. Furthermore, I think the companies should be allowed to choose whether they will come in as respects country loans only, city loans only, or both.

Remember, this legislation does not affect the individual mortgagee at all. Many house properties have second and sometimes third mortgages on them. These mortgages are not touched. I know that many people in Winnipeg who hold second or even third mortgages will be delighted with this Bill, for while the owner will not get any advantage, the second or third mortgagee will.

Right Hon. Mr. MEIGHEN: Is it not a fact that nearly all the farmers who are in the worst position have second or third mortgages on their farms?

Hon. Mr. HAIG: I think they have.

Right Hon. Mr. MEIGHEN: They cannot be helped.

Hon. Mr. HAIG: I can see that political advantage may be gained by this measure until such time as the people test it out; then, I think, the advantage will be all the other way.

There is much to be said for the statement of the Deputy Minister that we have to start somewhere in order to put a stop to provincial legislation that prohibits the taking of action for the collection of debt. I know the right honourable gentleman (Right Hon. Mr. Meighen) will say: "You are just settling with the burglar. He holds a gun to your head and you settle. You may say you were not robbed, but he has got the money just the same." I admit that; but possibly there is something in the suggestion that a new spirit may be developed. I know considerable pres-

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sure will be required to induce the Government of Manitoba to bring in legislation that will give the creditor any chance at all. After promising in 1931 that there should be no more legislation interfering with mortgages, the Legislature of that province passed a second measure holding up mortgages. When I questioned the Attorney-General about it he said, "When you brought to an end the Farmers' Creditors Arrangement Act, the pressure was so great that we had to do it." I think the Bill before us gives the first ray of hope. It is the first step towards the removal of that provincial legislation.

I quite admit that the right honourable the leader of the opposition was correct in saying that the people of Canada will have to pay out about \$45,000,000.

Hon. Mr. DANDURAND: Over a term of twenty years.

Hon. Mr. HAIG: Nevertheless it is \$45,000,000, and you will have to pay 3 per cent interest on it for the whole twenty years.

Right Hon. Mr. MEIGHEN: Maybe. It may be six.

Hon. Mr. DANDURAND: It is a loan to the companies at 3 per cent.

Hon. Mr. HAIG: Oh, no. Here is what the Bill provides. Take a company which has \$14,000,000 in farm loans. After a valuation is made that amount is adjusted and reduced to \$10,000,000. Immediately that is done the Government will give the company an interest-bearing bond for \$2,000,000, payable at the rate of so much a year for twenty years, and during the whole of that period 3 per cent will be paid on the whole \$2,000,000.

Be that as it may, I still think there is some merit in the argument of the Deputy Minister, that a start is being made towards inducing provincial governments to say their debt legislation shall not apply. I admit that if, after all these mortgages are adjusted, the farmers have a bad crop, they will be coming to the legislatures to ask them to pass more debt legislation. When I asked the Minister of Finance about that, he smiled his well-known smile and said, "Well, there is the power of disallowance." I confess I am very doubtful about that power at any time. Nevertheless, I feel I must vote against the amendment.

Hon. J. A. CALDER: Honourable members, I should like to express again the view I expressed in committee this morning, namely, that this legislation has come to us too late in the session to permit us to give it the consideration to which it is entitled.