

During this inflationary period there was a tremendous development in western Canada. The farmers borrowed large sums of money to purchase land and machinery at high prices and to develop farm operations to meet the call of the allies for foodstuffs. During this inflationary period prices were always high. When this money was borrowed the farmer could expect to pay it back to his creditor with wheat selling at from \$1 to \$2 a bushel, and with comparable prices of other commodities.

In 1920 and 1921 a depression set in, and then we had the depression of 1929 which was more severe. Other non-monetary factors, such as the embargo on cattle, and tariff and trade restrictions of one kind or another, entered into the picture. To-day we find that the farmers of western Canada are required to meet their obligations, incurred during an inflationary money period, in terms of money that is worth three times the value of money at the time the debts were incurred. We find that all through western Canada—I believe the same holds true of other sections of Canada but I am more familiar with the position of western Canada—farmers who have borrowed \$5,000 to \$10,000 or more have paid back in interest and principal the total of the original sum borrowed and yet still owe the amount that they originally borrowed. The same thing holds true of many home owners. People bought and built homes when they knew they could secure work, when money was inflated. They now find that their wages have tumbled and their position is similar to that of the farmers. In the years from 1914 to 1928 these people could secure a dollar for one hour's work, but now they have to work for three hours to secure the same dollar.

This situation has created great hardship among the home owners and farm owners of western Canada and other sections of the country, and it is about time the government brought down legislation of this kind. It does not go as far as the legislation introduced by the government of Alberta, which was declared ultra vires by the court, but from what I can gather from the statement made by the Minister of Finance (Mr. Dunning) the government at least recognizes that this problem exists and realizes that there should be an adjustment between debtors and creditors in the Dominion of Canada. We shall have to wait until the bill is introduced before we can properly understand what benefits will accrue to these people. We shall then know what protection is going to be given to the creditor.

As I pointed out, after making a careful analysis of the situation confronting the farmers and the home owners, the government of Alberta took steps to deal with the problem. However, this federal government saw fit to criticize that action, as did the newspapers of this country, but apparently this government now realize in the dying days of this session, which may be the last session of this parliament, that this matter should be dealt with. I commend them for at last recognizing the need for this legislation. As my hon. friend says, it is in line with the policies advocated by the government of Alberta. However, we shall have to leave any further discussion until the bill is before us.

Motion agreed to and the house went into committee, Mr. Sanderson in the chair.

Mr. MANION: Mr. Chairman, I have just a word to say. This resolution has been allowed to pass so that we may have the bill before us and have an opportunity to study its provisions. At the same time, I submit with all deference that the position of the individual is so important that the government should give a little thought to the matter over the weekend. It is for that reason that I mention it at this time. I have in my possession many pitiful letters complaining of the operations of the Farmers' Creditors Arrangement Act. For instance, a widow may have as her sole support the income from a mortgage. Under the Farmers' Creditors Arrangement Act the mortgage may be cut down to such an extent that she is left without sufficient upon which to live. We are taking steps to protect some of our great financial institutions; I am wholly in accord with that, but I do not think we should forget the individual lender who has everything he or she possesses tied up in a small loan.

It strikes me that this is most urgent. The minister was good enough to tell me that the government have given a great deal of thought to it. I will admit that it is a difficult question. The minister says that the small lender can go to a loan company, but I doubt very much if he would have much success. I do not mean that he could not apply, but in my opinion he would receive very little consideration from the loaning companies. It seems to me that some other method should be set up whereby the widow, we will say, who has a mortgage of \$5,000 or \$10,000—it would have to be less than \$7,000—would be protected. Suppose she has a mortgage of \$5,000 upon which she is dependent and it falls into arrears, and consequently she gets into