

a decided disadvantage in relation to the things which farmers have to buy. In December, 1932 the index number of farm products was 42.7 and the index number of field products, 33.6. The figure for retail prices and the cost of services which the farmer has to buy stood, on the other hand, at 80. Interest charge in most instances had not fallen at all but remained fixed, and in many cases it took three times as many products to pay the interest as it did in 1926. The farmer can pay interest and taxes only with his farm products and he has no way of monetizing those products at what he considers a proper level; he can only sell at prevailing prices. The discrepancy in the drop in these different items which I have specified explains the need for legislation such as this, and I can only say in conclusion that we shall have to wait until the bill is brought down to determine whether it is adequate to meet the situation. If it is not I trust that the government will be willing to consider suggestions for widening the scope of the proposed legislation.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

Mr. MERCIER (St. Henri): I listened carefully to the explanation of this resolution, and while I know that the resolution speaks for itself, I think the Prime Minister must be aware that the position of farmers in the province of Quebec is perhaps a little different from elsewhere. Most of them have invested money in the large cities. They have saved money and through their agents have loaned it on property in the cities, up to one, two, three or four thousand dollars, sometimes on second mortgage. The property has depreciated, and in most instances the second mortgage has been wiped out. The farmers in that province also own immovable property in the city, and you will find the real estate owner on a small scale with property valued at five or six thousand dollars. He cannot make both ends meet; he cannot pay his taxes, and receives practically none of his rent, even though this has been guaranteed by the city of Montreal and the provincial and federal governments.

This resolution is intended to help the agrarian. Is it not possible to provide in the bill when it comes down for some assistance to people in the cities, not only in Montreal but in the cities throughout Canada, who are trying to save their property? I am not speaking from any political motives when I say that in Montreal, just as in western

Canada, the people to-day are being strangled by debts and taxation, and even those who have invested money in tenements in which they occupy one flat and rent the others, hoping to pay their taxes and improve their property, in addition to saving a little for themselves out of rent, find themselves on relief because they are obliged to wait for their cheques from the city. Those cheques have to be contributed to by the provincial and federal authorities, and the money which these people get from this source is fully needed to pay their taxes. Most of them have been obliged to ask the Montreal civic authorities for permission to pay their taxes in monthly instalments, \$30, \$40 a month and thus escape the sheriff's sale, and the civic authorities being in need of money are inclined to accept this. Industry and farming are the cornerstones of the nation, and while we are glad that the farmers will be helped by this legislation, the government should come to the assistance of those who own real estate in cities such as Montreal and help them to save their property which otherwise will surely go to ruin.

Mr. BENNETT: The circumstances to which the hon. gentleman alludes are not unknown to the government. The fact is that the small home owner in the cities of Canada has been very hardly hit. In his endeavour to make for himself a home he usually has acquired a lot and then built upon it a house, this being made possible by a mortgage to either a building society or a loan company. Now, with conditions as they are in the cities and with taxes increasing instead of decreasing, he has been unable to find profitable employment to enable him to pay the taxes or the interest on his obligation. The provinces, speaking through their legislatures, have taken steps to deal with one phase of this matter; in most provinces they have provided for a moratorium and no proceedings can be taken to enforce by way of foreclosure claims arising under the mortgages. That is not so in all the provinces, but it is practically true in them all. Over that we have no jurisdiction; that is solely a matter within the competence of the provincial legislature. They have the making of the statutes and limitations; they have the control of the courts; they have the right to determine whether the courts may be used for the purpose of foreclosure or otherwise, and in the exercise of that undoubted power practically all the provinces have gone a very long distance.

On the question of taxes there is nothing that I can usefully say beyond what the hon.