

my right honourable friend will say that this is a cheap demagogic appeal when I remind him that some of our provincial premiers have raised the cry that the East is carrying the West.

Honourable members will, I think, find in this Bill a fair distribution of paternalism, if you will, but paternalism applied in the hope of re-establishing a healthier state of affairs. We in this Chamber recall how my right honourable friend described the difficulties of the farming community when he presented to us and endorsed the Farmers' Creditors Arrangement Act. We all sympathized with the situation which he pictured, and said "Amen" as we passed the Bill. He has since repented, saying "Mea culpa, mea culpa, mea maxima culpa."

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. DANDURAND: We voted millions of dollars to assist drought-stricken areas of the Western Provinces, and we did it gladly. The purpose of this Bill is to re-establish a healthier condition in the body politic, and give practical expression to our sympathy for the distress of our people throughout the whole country.

But my right honourable friend says, "We will cut off any help to urban property-owners, and restrict the operation of the Bill to farmers." I do not believe that that attitude will appeal to the country at large. I have mentioned that tens of thousands of our citizens in urban centres in the East and the West stand, like their near neighbours the farmers, with their backs against the wall, and are facing the danger of losing their property. Are we to tell them coolly that they must be satisfied with their plight, and that whatever remains of the taxes to which they have contributed shall be used to help another section of the community? That section can have no objection to this Bill. The whole of Canada's financial power has been used to assist the various provinces. Now, by this measure, a deserving part of the community in the Eastern provinces may be helped to a certain extent.

I would ask my right honourable friend not to insist upon his amendment, because it cuts our country in two as between East and West. It gives colour to the cry which we have heard during the last few years that the East is carrying the whole burden for the West. I would ask that the arguments we have advanced against that cry be not weakened by any apparently egotistical action on the part of the Senate—action which would be tantamount to saying to the East, "Your function is to carry the load of the West, and

we have nothing for you in the way of honest, equitable compensation."

Hon. JOHN T. HAIG: Honourable members, I am persuaded that the conditions depicted by the right honourable leader of the opposition (Right Hon. Mr. Meighen) will be brought about by the enactment of this proposed legislation. I hope the Bill will do what the honourable leader of the Government has suggested, but I fear he is mistaken. In my opinion it will benefit but two classes—the farming community, mostly farmers in the three Prairie Provinces, and the loan, trust and life insurance companies. I know the loan, trust and life insurance companies will say that I am wrong and that if this legislation had never been introduced they would have been entirely satisfied. I cannot see that the Bill will benefit Ontario, except in a few isolated mining areas where the mines have been worked out and houses have become virtually of no value. There the loan companies may get something out of their mortgages. I think the same remarks apply to Quebec. I believe 5 per cent is a fair rate in that province. Certainly Canadian farm loans are being made at a lower rate in all the provinces. I think the Maritime Provinces will benefit to about the same degree. British Columbia will be very little benefited. I candidly admit that there will be some benefit in this Bill for the farmers of Western Canada, especially those in southern Saskatchewan and southern Alberta. By and large, it will help to loosen up frozen assets in the hands of the mortgage, trust and life insurance companies.

My original suggestion to the committee was that farm mortgages should be placed in one category and non-farm mortgages in another, and that the companies applying for an agreement should have the option of asking that it cover both or only one, as they saw fit.

The restrictive legislation in all provinces but one bears very heavily on mortgagors. Let me cite my own province as an illustration, though we were told by the Deputy Minister of Finance and by the Minister himself that similar conditions prevail in all provinces except one. In Manitoba we have a Debt Adjustment Act which allows no proceedings to be taken on any mortgage or agreement for sale without the consent of a board. This applies only to mortgages and agreements for sale made prior to March 31, 1931. Now, this Bill provides that the mortgage companies which enter into the agreement will not have to adjust their mortgages in Manitoba unless the provincial Act respecting mortgages is repealed.