

to foreclosure or whatever it may be. Unless there is an escape clause, you might as well figure out the type of foreclosure material you will use; because without any shadow of doubt there will be men who will borrow, and those men will have crop failures, will have failure years. Unless something is done to protect that man against anything untoward happening, you are going to put him in a very difficult position. I might make this suggestion. I do not agree, but I have seen it in one of the papers. I think somebody made a statement in the house here that, if you enter into a year of crop failure, the interest that had accumulated for that particular year should be cancelled. I do not entirely agree with that. The obligation still stands. But if the contract entered into is spread over ten years, and a crop failure season comes to this particular man—it may come to one and not to others—I would suggest that you will set the years onward, that you make it eleven years instead of ten. The obligation still stands. I think fundamentally there is no farmer who wants to renege upon any of his obligations, but he wants the opportunity to fulfill them. You may turn around and say, Who is going to be the judge, to say that there is a crop failure? I do not know.

*By Mr. Kinley:*

Q. Are there moratoriums? Can the dominion government declare a moratorium on foreclosures in the west?—A. No. They have the power on individual moratoriums. They cannot declare a blanket moratorium. That is a power of the dominion government.

Q. That has been invoked, has it not?—A. Yes, it has been invoked; but not so very often. Well, I will even take that back. I believe it has been threatened, but I do not know that the individual moratorium has ever even been invoked. It has been threatened and it has had the desired effect. I think that is one thing that you ought to take into consideration. If a farmer borrows a certain amount of this credit, I think he is borrowing it in good faith. He wants to pay it back. He will want to pay the 5 per cent interest. If he has a crop failure year, if you can find the necessary machinery to decide what is a crop-failure year, provision could be made. We used the sheriff in the judicial district in Saskatchewan under the Farmers' Creditors' Arrangement Act for a little while; and then some of the mortgage companies said it was *ultra vires* of the Act.

*By Mr. Kinley:*

Q. How did the Farmers' Creditors' Arrangement Act work out?—A. We think it worked fine.

Q. You still have it in force there?—A. Yes. Only, unfortunately, we think not sufficient farmers did take advantage of it. A farmer is a rather peculiar animal. He feels that he has worked damn hard to build up that debt, and he wants to hang tenaciously on to it. He has the machinery available if he will make use of it.

Q. He has relief from debt under the Farmers' Creditors' Arrangement Act?—A. I want you to keep this in mind. Whatever people may think, farmers have an obsession to pay their debts, however impossible it is for them to pay them. They will even get to the point where they will actually be evicted from their farms because they would not take advantage of the legislation which could possibly help them.

Q. If they were insolvent, they have the right to take advantage of that, or if they cannot pay?—A. It is very difficult to encourage them to do that. The farmer, above everything else, does not want to let his neighbours know what his debt involvements are.