

Farm Indebtedness—Mr. Coote

parliament or in the other, and I think in view of the years of low prices which the farmers have endured it would be only fair for this parliament to include such a provision in the bill which is to be introduced.

It may be said that the loan companies are not responsible for the low price levels for farm products. That may be, but the farmers are not responsible either. They are the innocent victims. They have no way of protecting themselves against those low price levels. It is true that the provincial governments in many cases have passed legislation protecting the farmers against the loss of their homes through mortgage foreclosures. Sometimes that is called paternal legislation, legislation which has been objected to by banks and by loan companies, but what would be the condition if we had not had this protective legislation? If the protective legislation is to be lifted or withdrawn as a result of the legislation we are passing here, I think that this legislation should cover the cases I have referred to where the interest rates on farm mortgages are as high as eight per cent. It is going to be impossible in many cases for these people to get the amount of the mortgage to tender to the mortgage company so as to get a lower interest rate. I do not think they can get relief in that way. I do not see how it can be done, and therefore while we are attempting to deal with this debt problem we should deal with these cases. Some of these people have kept the interest paid up to date, but it has only been by the hardest kind of struggle, by enduring great privation, by lowering the standard of living of their own family and by doing without hired help and working very long hours. Are we going to leave them in a position where they will have to continue to do that, where they will be, I think it is only fair to say, at the mercy of the company, the loan company or the life insurance company that holds the mortgage? In view of those circumstances I think that before this legislation is passed some extension of it should be made to deal with that particular situation.

I would also like to point out one other matter to the Prime Minister.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. COOTE: When the house rose at six o'clock I was about to direct the attention of the government to the difference in the position of the farmer and the ordinary business man in connection with bankruptcy

[Mr. Coote.]

proceedings. This is the difference. For most business people, bankruptcy proceedings do not affect their homes; as a rule the business man's home is separate from his business property; whereas, in the case of the farmer, in almost every instance the mortgage covers his home as well as his farm land. I suggest therefore that any provision we make for extending to farmers the advantages of bankruptcy proceedings must take that fact into account.

A little pamphlet issued by the Department of Agriculture contains this statement:

Canadian agriculture is essentially made up of farm homes. The common form of tenure is ownership, although this state is decreasing slightly at the expense of tenancy and part tenancy. Still in June, 1931, 586,299 farms or 84.4 per cent of the 728,664 farms in Canada were owned by their operators. Another 67,942 farmers (9.3 per cent) were part owners and part tenants. As a charge on the owned farms in June, 1931, stood mortgages to the amount of \$677,564,100. The total farm mortgage debt of Canada at that time is estimated at about \$726,000,000. This is not an excessive burden in normal times, but there is evident need for liquidation when farm revenues are so low and when farm products have such a small fraction of their usual purchasing power.

I quote now from a recent work published in the United States by Mead and Ostrolenk, dealing with the plight of American agriculture, and I quote this because it is applicable to Canada as well:

Agriculture has continued its downward course until its products, still flooding in undiminished volume into saturated markets, are selling at the lowest prices in recorded history; until bankruptcy is an almost universal phenomenon; until farm wages have fallen to pre-Civil war levels; until the largest of American industries is prostrate.

Speaking generally, practically the same thing is true of Canadian agriculture. This is very well illustrated by figures I put on Hansard about six weeks ago, in which I showed that in Canada the net farm income was estimated by the bureau of statistics as about \$600 per farm, and out of this there must be met interest charges, which we were discussing this afternoon, taxes and all other cash expenditures. That is really at the root of the farm problem.

One of our great farm problems is that of prices of farm commodities. I do not wish to delay the house at this stage because most of what we have to say can be better said when we are in committee; but I would point out in connection with the figures I gave this afternoon in regard to the index number of agricultural products, that for nine out of the last thirteen years farm products have sold at