

Right Hon. Mr. MEIGHEN: Honourable senators, I take the position that there need be no motion for the third reading of the Bill as amended. A motion has been made for the third reading. Then if an amendment is moved and carried, the question before the House, without any further motion, is for third reading of the Bill as amended.

The Hon. the SPEAKER: The usual procedure is as outlined by the right honourable gentleman (Right Hon. Mr. Meighen).

The question, honourable senators, is on the third reading of the Bill as amended. Is it your pleasure, honourable members, to adopt the motion for third reading of the Bill as amended? Those in favour will please say "Content."

Some Hon. SENATORS: Content.

The Hon. the SPEAKER: Those opposed will please say "non-content."

Some Hon. SENATORS: Non-content.

Hon. Mr. DANDURAND: To end the discussion here, we may as well send the Bill back to the Commons and get their view upon it.

Right Hon. Mr. MEIGHEN: I thought so.

Hon. Mr. TANNER: Nobody wants it now.

Hon. Mr. DANDURAND: Carried.

The Hon. the SPEAKER: I declare the motion for third reading of the Bill, as amended, carried.

Right Hon. Mr. MEIGHEN: On division.

The Bill as amended was read the third time, and passed.

At six o'clock the Senate took recess.

The Senate resumed at 9 p.m.

## CENTRAL MORTGAGE BANK BILL

### MESSAGE FROM COMMONS

The Hon. the SPEAKER: Honourable members of the Senate, a message has been received from the House of Commons in the following words:

Resolved that a message be sent to the Senate to acquaint their Honours that this House agrees to their amendments, Nos. 7, 10, 11, 12, 13, 14 and 16 to Bill No. 132, "An Act to incorporate the Central Mortgage Bank," and disagrees to amendments Nos. 2, 3, 4, 5, 6, 8, 9, 15, 17, 18, 19 and 20 for the following reasons:—

1. Because the amendments would make it impossible to accomplish several of the fundamental objectives of the Bill as passed by this House.

2. Because these amendments would deprive tens of thousands of owners of non-farm homes in all provinces of Canada of the privilege of having their mortgages adjusted in accordance with the provisions of the Bill, and particularly of having the interest rate on such mortgages reduced to a rate not in excess of five and one-half per cent.

3. Because these amendments would result in only a relatively small saving to the Dominion Treasury and the cost which the Treasury would still have to bear would be out of all proportion to the benefits obtained by the nation.

4. Because with these amendments the Bill would not accomplish a major objective of the Bill which relates to the permanent improvement of mortgage lending practices in this country. Companies eligible to become member companies of the proposed Central Mortgage Bank now confine most of their lending activities to mortgages on non-farm homes. Consequently, the provisions of the Bill designed to make available long-term funds at low interest rates to be lent in accordance with the principles in subsection 3 of section 22 of the Bill would have little practical effect:

and disagrees with amendment No. 1 for the following reasons:

1. Because this amendment would deprive farmers who entered into agreements for sale during the year 1938 at a time when grain prices were high, and following a year in which there had been a good harvest, of the privilege of having their agreements for sale adjusted in accordance with the provisions of the Bill.

2. Because in many cases the original cash payments made by such farmers were very small and with the decline in prices and poorer crops in the year 1938 such farmers now have little or no equity in their farms.

Hon. RAOUL DANDURAND: Honourable senators, the reasons given by the House of Commons for its refusal to accept certain amendments we made to this Bill are weighty ones, and those reasons, I may say, are endorsed unanimously by that House.

The Bill is comprehensive and is intended to lower interest rates not only to farmer but also to urban borrowers, and in the circumstances I would suggest that it be accepted. It is stated in this message that

These amendments would deprive tens of thousands of owners of non-farm homes in all provinces of Canada of the privilege of having their mortgages adjusted in accordance with the provisions of the Bill, and particularly of having the interest rate on such mortgages reduced to a rate not in excess of five and one-half per cent.

Some honourable members may be under the impression that a large proportion of mortgage loans are carried at a rate equal to 5½ per cent or lower. That may be, but tens of thousands of borrowers in urban centres would like to have the advantage of a lower rate than they are paying. I know persons who are paying 7 per cent mortgage interest on property situated in the very heart of Montreal. We who desire that money should circulate more freely should at least appre-