

I should say, however,—and I base this comment in part on what the Prime Minister himself has said—that I hope the legislation introduced will not be of a character to raise false expectations in the minds of those whose interests it is intended to serve. I am afraid there may be obstacles as to jurisdiction; in fact, the Prime Minister has himself hinted at that. Those obstacles may be formidable. It would be unfortunate indeed if by virtue of a measure now to be introduced farmers receive the impression that they are likely to obtain substantial relief, only to discover a little later on that, for reasons over which this parliament has no control, hopes have been raised which are false and can not ultimately be realized. If there is any criticism of the measure on that score I hope the government, and particularly those in whose interests the measure is being introduced, will not feel that such criticism is directed against the objects of the measure but rather that it is in the nature of an effort to avert any disappointment which might serve to make the last state worse than the first and which might be prevented if matters are gone into carefully at the present time.

I believe a measure of the scope indicated by the Prime Minister is almost certain to be involved and intricate, and I doubt if it would be wise to attempt to discuss it at length until we have the bill before us. I rise therefore only to say that I believe the general purpose of helping by legitimate means to relieve the financial embarrassment of farming communities will commend itself cordially to all parties in the house.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I am very glad indeed that the government has at last seen fit to bring down some legislation to deal with this very difficult problem. It is a problem that has been facing us for two or three years, and the government I think would be the first to admit that the problem has been brought to the attention of this parliament on a great many occasions. I would not care to discuss the matter fully at this stage because I think the right time would be when we are in committee, and it may be that the major part of the discussion will have to be left until the bill is introduced.

It does seem to me that in view of the conditions existing in agriculture and the low prices which the farmers have received for their products for the last several years, the legislation proposed, so far as we can gather from the remarks of the Prime Minister (Mr. Bennett) does not go far enough to meet

the existing situation. Might I point out to the house that the index number of prices for farm products generally, as published by the bureau of statistics stood around 100 in 1926, 1927, 1928 and 1929, and fell to 82 in 1930, to 56·3 in 1931, and in 1932 it seems to have averaged all the way from 52 down to as low as 42·7, at which point it stood in December, 1932. The last month which is quoted in the return I have here is May, 1933, when it had risen to 51·2. But that does not tell the worst part of the story; for a large number of our farmers are producing principally field crops and the index number for field crops fell in 1927 to 99, in 1928 to 92; in 1929 it was 93, and in 1930 it fell to 70; in 1931 it fell to 43 and in 1932 it fell as low as 33·6. The farmer was therefore in the position of attempting to carry on with a drop of 65 per cent in the price of his product. He was in a somewhat similar position to that of a man who had been receiving \$1,000 a year and had his income cut to \$336 per year. These conditions are responsible for the terrific burden of debt which is resting on our farmers. In many cases farm mortgages bearing interest at eight per cent are now in arrears for as much as four year's interest, and a great many of them for three years' interest. I know of some cases where the interest and taxes have been paid up to the end of 1932. I have one case here in which the interest and taxes have been paid in full up to the end of 1932, but the interest was not paid in 1933 principally because of a crop failure. There was a frost which froze the wheat in July of that year and there was very little grain to thresh on that farm. The company which has the mortgage, a life insurance company by the way, is insisting on the execution of a crop share lease by the owner of the farm which would give to the company one-half the crop delivered free of all expense to the company to apply on their claim for interest. That is an impossible condition for the owner to live up to, and yet I have letters here from the company to the owner in question insisting that this should be done.

That brings me to one point in respect to which I suggest to the Prime Minister that something should be done in connection with this legislation. Perhaps some change in the bill or some extension of it might be made providing for a reduction of interest rates on existing mortgages. The Prime Minister suggested that it was not clear that this parliament had the power to do that, but we have been told repeatedly by the provincial authorities that they have not the power, that it rests here. The power must rest either in one