

they could do. Therefore, I desire to amend this section by striking out sub-section 3, not only for the reasons which I have given, but for this additional reason, and largely on account of the fact drawn to my attention the other evening by my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), and the definition which he read. The American Standard Dictionary defines a 'ranch' as follows:

An establishment for rearing or grazing cattle and other stock in large herds; as a sheep ranch; a cattle ranch.

That was the meaning I had in view when this sub-section was drafted, and I think that is the generally accepted meaning of the word 'ranch.' There is another meaning which the word has taken on which is synonymous with 'farm,' because the second meaning given by the American Standard Dictionary is 'a farm'. That is the original meaning, probably from the word 'rancho,' which I think is from the Spanish word. Therefore it is perfectly clear that the word 'rancher' is ambiguous. It has always meant to me a man engaged in the rearing of cattle and other stock in large herds; and, if he is engaged in farming, it would only be incidental to his main occupation. From this definition it is clear that the word 'rancher' may mean a farmer engaged in mixed farming. It was not the intention of this legislation that we should extend to bankers the right to take a lien upon the live stock of farmers throughout Canada, for two reasons. In the first place, it is not necessary. The evidence before the committee showed conclusively that any farmer of good standing and reputation, who is entitled to a loan by virtue of his credit, is able to obtain all the advances he requires without specifically hypothecating his live stock to the bank. As I pointed out on Friday last, it has always been the principle underlying the Bank Act that banks should loan upon the personal credit of individuals rather than upon collateral security so as to become the pledgees of chattel property throughout Canada. I think that is a sound principle. The second reason, which is a very important one is this: if a bank is to be permitted to take liens from farmers throughout Canada upon the security of their live stock, then without question, having regard to the rights of creditors and landlords who are able to distrain for rent, I think it would follow that the lien must be registered so as to give public notice. That is in accordance with the principle underlying the provincial legislation of all the provinces with one exception, which is a very important one indeed, namely the province of Quebec. In that province the chattel mortgage is unknown. I think the theory of the civil law of Quebec is that a man is deemed to be the owner

of property of which he is in visible ownership or possession. So far as outsiders are concerned, they have the right to treat him as the owner of chattel property in his possession. Therefore it is not legal to give a chattel mortgage in the province of Quebec. It accordingly follows that there is no machinery in that province for the registration of chattel mortgages. Consequently it is not possible in the province of Quebec to register a lien which might be taken by a banker from a mixed farmer upon the security of his stock. For these reasons it has appeared advisable that sub-section 3 should be struck out. We think that mixed farmers in Canada will be able to obtain such accommodation as they require without hypothecating or pledging their stock as security to the bank. That will dispense with the necessity of having the last sections providing for registration which were added by the committee to section 88. The section would then be left in this way; that, so far as threshed grain is concerned, the banker would be allowed to take a lien without the necessity of registration; that so far as cattle are concerned, the law would remain precisely as it is. I am assured that those who raise cattle in the West on a large scale and who, properly I think, are called ranchers, according to the more popular definition at all events, would continue to be able to get from the banks the accommodation which they require. Members of the legal profession have assured me that that right of banks was undoubted. On these grounds I think it will clarify the situation and get over some of the difficulties that were adverted to in the discussion of Friday last, if we strike out sub-section 3; and further, if the committee so approve and subject to discussion of it, sub-sections 9 and 10. I therefore move that sub-sections 3, 9 and 10 be struck out.

Sir WILFRID LAURIER: For my part I have always thought that this attempted legislation was not in the right direction. My opinion, however, is not shared by a good many people. They argue that it is proper to give the small farmer the privilege of borrowing upon his movable property. My hon. friend will not allow the farmer to give a pledge upon his cattle, but he will allow him to give a pledge upon his grain. What is the reason of the difference as between one and the other?

Mr. WHITE: My right hon. friend asked me that question on Friday, and I am afraid I did not make it clear to him. I think he and I would probably agree—at least I gather from his opening remarks, that we should agree—that legislation should not be passed to permit the banks to become chattel mortgagees for either farmers or retailers. Let us commence from that. Now, whether wisely or unwisely—and there is much to be said against the change to which I shall refer—we have de-