

should like to read from the annual report of the Dominion Mortgage and Investment Association as follows:

Mortgage and agreement for sale debts of farmers in the three prairie provinces declined 21 per cent in 1946.

This estimate is based on the experience of thirty life insurance, trust and loan companies which have a substantial investment in farm mortgages and agreements for sale in the prairie provinces.

They then show the total amount owing to the thirty life insurance, trust and loan companies on farm mortgages and agreements for sale, and those amounts for Manitoba were as follows:

|            |              |
|------------|--------------|
| 1937 ..... | \$29,560,000 |
| 1943 ..... | 18,478,000   |
| 1944 ..... | 13,041,000   |
| 1945 ..... | 9,722,000    |
| 1946 ..... | 7,479,000    |

The statement continues:

In percentage reduction in the total amount owing Manitoba farmers were in the lead in 1946, the decline in that province being 23 per cent. Alberta was a close second with a reduction of 22 per cent and Saskatchewan was third with a reduction of 20 per cent. As already indicated, the reduction for the three prairie provinces combined was 21 per cent.

As will be seen from the table above, the decline in farm mortgage debts in 1946 was a continuance of a trend which has been evident for some years. The reduction which has occurred since the end of 1937 is remarkable. It is doubtful if any other group in Canada has been as successful in reducing their liabilities during the past nine years as have the farmers of the prairie provinces. As the above table shows, the amount owing on mortgages and agreements for sale by farmers in the prairie provinces is now less than a third of what it was at the end of 1937, the percentage reduction being 69 per cent. In Manitoba, the decrease since the end of 1937 is 75 per cent; in Saskatchewan 66 per cent; and in Alberta 73 per cent.

Then they show the total number of farm mortgages and agreements for sale in Manitoba held by these companies, as follows:

|            |       |
|------------|-------|
| 1937 ..... | 8,364 |
| 1943 ..... | 6,141 |
| 1944 ..... | 4,778 |
| 1945 ..... | 3,925 |
| 1946 ..... | 3,184 |

At the end of 1946 there were 4,694 fewer farmers in debt to these 30 companies than at the end of 1945. As compared with the end of 1937, the reduction in the number of farmers in debt to these 30 companies is 32,365, or more than 59 per cent.

To my mind, it is of great importance to the consolidation of the provinces and to the dominion that these debts should be paid off as rapidly as possible. A clause in the income tax act to encourage this trend still further, and I submit it with all deference to the present Minister of Finance, would go a long way.

I could go on and make more specific recommendations, such as the setting up of a board of arbitration, and herds being recognized as capital assets, but I know we shall have opportunities to do that at a later date. I know the minister is fully aware of these recommendations and, on the last point, the only reason it was not brought in last year was technical difficulties.

I wish to refer to dominion-provincial relations. My purpose in doing so at this stage is twofold. First, everyone recognizes the importance of the problem because so much of the most important legislation of the federal government depends upon agreement with the provinces and we have seen so many provincial budgets pending agreement with the federal government.

Another reason I bring it up at this time is that I believe more interest in this great problem should be awakened among individual citizens. This is not the problem of the premiers of the provinces; it is not the problem of the ministers of the cabinet or of members of parliament as a whole. It is the problem of every man and woman in Canada. Every organization, all governments, municipalities, school boards, civic clubs, yes, and young people's clubs should understand the full significance of the problem. It was brought to the fore in 1940 when the Rowell-Sirois report was published. It is unfortunate indeed that it came out at the time that it did, because it did not get the publicity it should have received and it was robbed of its publicity by the rapid advance of the German army in Europe.

Furthermore, the fact that it came out just at the beginning of the war made it appear as a report to meet wartime conditions when it is really a peacetime report. It is good to remember that this report was started in 1937 and that the work was completed before the war started, although the report was not presented until 1940, in the first year of the war. This report was not just another report. Usually royal commissions are instituted to look into one phase and one phase only of a particular subject and are necessarily restricted to that one phase. But the Rowell-Sirois commission had the widest possible powers and latitude; there were no restrictions whatever and they went into every phase of our economy, travelled thousands of miles and came back with, I suppose, thousands of pages of evidence, with the result that the twenty-nine appendices to the report constitute our greatest historical document. It contains a complete statistical picture of the evolution of this country from confederation to the second great war.