

to be better to try to work for a larger volume than to deal with the real problem which undoubtedly in the minds of all of us does exist, even though with regard to the other matter there might be some disagreement.

*By Hon. Mr. Dunning:*

Q. Have you considered, or have your members considered it from this standpoint. I can understand, of course, that each company must look at it from the standpoint of its own welfare in relation to the scheme. Of course you tell me, and you told me this morning, that a company that had a large volume of urban mortgages and a relatively small volume of farm mortgages would tend to stay out. Do you think you have attached in that regard sufficient weight to what the provinces may do by way of legislation? I may frankly tell you that I expect that a number of the provinces will say, yes, we will legislate with respect to mortgages adjusted under the terms of the federal act, which would mean that the company which comes into this scheme will be relieved of certain disabilities with respect to its whole activities in a province; whereas, if it does not come in, it will remain under those disabilities. You are thinking in terms of tangible values which can be added up on a sheet of paper. I am going now beyond that into the general field involved in getting this mortgage situation more or less rationalized.

Mr. TAYLOR: Into the historical tendency?

Hon. Mr. DUNNING: Well, perhaps that has a bearing, too.

Mr. TAYLOR: I think that is one which Mr. Leonard should bear more carefully in mind. He is avoiding it, I fancy.

The WITNESS: I am not avoiding any aspect that you want to ask and on which I have any information. Dealing with Mr. Dunning's point, there is no doubt that the companies have considered the factor that he mentioned. It is not from any angle of what another alternative might be that the submission that I have made has been made. They have reached the point where they have to consider the question of can you or can you not do that, and that is the point upon which the submission is made. It has been made upon the point that the decision of the company is going to be reached on this point, can you or can you not do it?

*By Mr. Landeryou:*

Q. The only way we can get that information is to have some of these companies in Canada come here and give all the facts?—A As I understand, Mr. Landeryou, I do not think any of them can tell you that.

Q. How much of this \$580,000,000 has been loaned out in the last five years in western Canada? Has there been any substantial loans made by these companies with whom you are associated in western Canada in recent years?—A. Oh, very very little.

Mr. DONNELLY: It is all loaned now.

The WITNESS: Yes, it is all loaned already.

Mr. DONNELLY: And you cannot get it back.

*By Mr. Landeryou:*

Q. A substantial portion of it has been loaned out maybe ten, fifteen or twenty years ago?—A. Very little loaning done since 1929.

*By Mr. Quelch:*

Q. Is it true that quite a large number of the farmers took advantage of the Farmers' Creditors Arrangement Act prior to 1936? Since that time a lot of them have lost their farms owing to their inability to keep up their