

Saskatchewan lost less than the others, because that government administered the money pretty carefully and handled the loans in a pretty businesslike way, but they all lost money, including this old province of Ontario. Then, not satisfied with that, public pressure came to the highest government in the land, the federal government, and induced it to go into the loaning business. That was started in 1927, with perfectly good intentions. Just as the legislation of last session and the session before, in regard to the Farmers' Creditors Arrangement Act, and the enlargement of the amount available under the Farm Loan Act, was intended to adjust farm debts and make farm loans, so the original federal Farm Loan Act of 1927 was introduced primarily not so much with the intention of doing a lot of lending but for the purpose of controlling interest rates, and it achieved that purpose. In Saskatchewan we have an act called the municipal hail insurance act that has been on the statute books for nearly a quarter of a century. It does not pretend to do everything in the hail insurance business, but it is a great factor in controlling the rates of private companies. It was with much the same idea that the federal farm loan board was created in 1927, not to make many loans but to control interest charges.

Then two years later came the smash, and all commercial companies loaning money to farmers disappeared. I do not know where they went; they scooted out of sight and were not to be found. To-day I do not know of any corporation or individual throughout Canada making a business of lending money on farm mortgages. The result is that we have unconsciously, unwittingly, drifted into the same position with farm loans as we did in regard to the nationalization of our railways. It was not with deliberate intent that the railways which now form the national system were taken over as a government proposition. There was an alternative, as we all know—put them up at auction, get what you could out of them. But that course was not taken. I am not criticizing that, but I am pointing out that inadvertently they came into the hands of the government, and now this government is pledged to give them a fair chance. That is our policy; now that we have them, give them a fair opportunity to make good.

I do not know whether I am in a position to say that about the farm loan board. I have a great many complaints about the farm loan board, about the amount of money borrowers are getting. The mania for borrowing has become so impregnated into the very fibre of our people that a great many seem to think

[Mr. Motherwell.]

the best way out of one hole is to get into a deeper one. That has been tried all too often and has nearly always failed. We have exhausted every commercial means of borrowing. Surely the collective wisdom of the cabinet can devise some better way to assist agriculture than by the state lending money to its subjects. I submit that for consideration by the cabinet. It is said that fools rush in where angels fear to tread; well, on the other hand it was also said by the red men of yore that you cannot scalp a bald man. Believe me, it is in the interests of the country that we should hesitate at this stage before we go too far, and find out—but I am not suggesting another commission—whether there is not a better, a more abiding, a more effective way of helping distressed agriculture than by the state lending its subjects money. I cannot state what attitude I took in the Saskatchewan legislature except to accept my full share of responsibility back in 1917; I think my obligation as an adviser of the crown forbids my stating that; neither can I make it plain what attitude I took here in 1927. But I am at liberty at least now to warn the house of the danger, not only to the treasury—because half the money will be lost if provincial loaning experience goes for anything—not only is the treasury in danger of being smashed, but every government that administers a lending policy like that is itself in danger of being smashed, and the ultimate result will be of very doubtful benefit to the farmers themselves. Why? Because it is perpetuating the same idea, that the only way to get along is to borrow oneself into prosperity. That is wrong. A little borrowing may be a great blessing, but unlimited borrowing such as we have had is a great curse. I have sometimes used strychnine as an illustration; it is a great heart tonic, but if you double the dose you will soon turn up your toes. It is the same with debt. A moderate mortgage may be made helpful, but if we ever get on our feet out of this morass of debt I hope that whatever authority is in charge will see that there is a maximum limit put upon the mortgaging of farms, something that in reason can be paid back. If we do that we shall reap the blessing, but as it is now, we are reaping the curse. We have sown the wind in the past, and are now reaping the whirlwind. Canada is a young country; it is only a little over a hundred years since this city was founded, since Colonel By dug the Rideau canal. That is only a tick of the clock compared with the age of the old countries of Europe. We can easily correct these mistakes that have been made if we