

with debt that they can never repay. If they were given a chance to make a fresh start they would yet prove to be good farmers and good citizens. C. 95572

In the same Debate, Mr. Coote, (page 2603) pointed out that farmers in the West were paying from 8% to 10% on long term loans and from 8% to 13% on short term loans. Many farmers could profitably use a small loan if they could obtain it at a fair rate, "but if he has to pay 9% he had better do without it". "It would mean a reduction of 2% in the interest and that would be equivalent to 3¢ or 4¢ a bushel added to the price of the wheat." (2% reduction from 9% would give 7% interest, although elsewhere in Mr. Coote's remarks he mentions 6% as a possible rate.)

On page 2613, in the same Debate, Mr. Beaubien, (Provencher) stressed particularly the need of an amendment of the Bankruptcy Act to assist those farmers now hopelessly in debt in making a fresh start.

The principal discussion of last session arose over the second reading of the Bill, introduced towards the end of the session.

Mr. Garland (Bow River) (p.5072).

The measure is not ample to meet the requirements of the West. In Saskatchewan over nine million dollars had been loaned without producing any effect upon the level of interest rates. Dr. Tory had stated that it would require 16% to 20% of the total amount of outstanding mortgages to produce much effect in reducing interest rates and, taking the total mortgages at \$250,000,000, this would mean at least \$50,000,000 of low rate money.

(It is interesting to note here that during the first year of the operation of the American system, loans to the amount of \$150,000,000 were made. At that time the total volume of farm loans in the United States was estimated at \$4,000,000,000, so that the ratio of Farm Loan Board loans to the total farm loans was less than 4%. The Board, however, in its second annual report, states that the system "has been of indirect benefit to every applicant for a farm loan through private agencies. A distinct reduction, not only in the rate of interest on such loans, but also in the accompanying charges and commissions was manifest almost immediately after the passage of the Act.")

Mr. Caldwell (Victoria & Carleton, N.B.) (p.5074) criticized the feature of the Bill requiring co-operation with provincial governments. He stated that it was probable that many of the provincial governments would

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