

*By Hon. Mr. Cahan:*

Q. I suppose you cannot give us a percentage for all of Canada, as it must be very different in different provinces? But take urban cities like Montreal or Toronto, there must be some percentage that might be fairly easily estimated of the total mortgages outstanding which are not serviced from year to year by the payments of the mortgagors. It is not general; there is no general collapse on the part of mortgagors in urban centres such as those, is there?—A. The nearest information that I think we can come to on that point is the report that runs in my mind of the registrar of loan corporations which was issued several years ago.

*By Hon. Mr. Dunning:*

Q. Of Ontario?—A. Of Ontario. There was a questionnaire sent out to institutions to find out how much of the interest due in the year was paid, and the average figure for the year 1936 of collections, payments on the amount of interest, that fell due in that year for all institutions was 85 per cent. I may be out in my decimal points, but that is what runs in my mind, and that would represent a volume of business that would be predominantly urban. Then, there would be a higher percentage paid on urban mortgages than on farm mortgages.

*By Hon. Mr. Cahan:*

Q. Before this bill was even announced, before there was any discussion about it, before I had ever heard of the intention of the government to introduce it, in conversation with one of the higher officials of a large insurance company, he told me offhand—perhaps he had not sufficiently looked into it—that less than 10 per cent of the principal sum of the mortgages outstanding in favour of the company were either in default or suspected as likely to go into default. Is that a high estimate?—A. That might not only be true of that particular company, there might be individual companies with a better position than that. There will be other companies whose position will not be as good. I was just trying to come to the nearest that I could to an average picture, which must be built up of your extremes, and of course the better the classification of the mortgages of a company, the less likelihood of its coming here, unless the plan is something that it can justify to its shareholders or debenture holders or policy holders.

Q. Now, with regard to mortgages on real property, that is farm property, which of course necessarily is in rural districts. Take a province like Ontario. There must be a great deal of difference between the volume of the annual default in a province like Ontario and the annual default of principal or interest in recent years in a province such as Saskatchewan?—A. Yes.

Q. I can quite understand, as the Minister of Finance suggests, a large percentage of default has occurred in southern Saskatchewan in view of conditions which prevailed there and which we all believe to be most distressing; but in a province like Ontario, can you give any information as to what percentage of the volume of mortgages outstanding are in default or in respect to which the security is so doubtful that they are rendered suspicious?—A. No, I have not any information on that as related to the farm mortgages in Ontario.

Q. Is there any way of which you have knowledge by which we could obtain definite information in that respect?—A. Yes. I think we could, Mr. Cahan. I should like to explain that in speaking on behalf of the institutions, we are not trying to deal with this matter on the basis of whether it should or should not be done. It is simply that, in so far as the bill, if passed, depends