

make sure that you are not making too large a loan but I think the real problem is the tremendous volume of financing that would be required. I think you must appreciate that this field of used housing is now looked after by the insurance companies; they feel that this is an area in which they can do special business and they do it. It is true the maximum loan may only be 60 per cent of the value, but to have the federal Government involved in it, especially if you are going up to a 90 per cent loan, would require very heavy financial contributions. Now, it is true you may be repaid over the next twenty-five years but at this stage where people are living in used houses and find it difficult to sell, if we were to come along and offer a 90 per cent loan there would be a vast turnover for a period of time. People will be finding themselves with a few thousand dollars in hand that they had not expected, and these dollars might go into the purchase of automobiles and other things, they would not necessarily go into housing again. Until you are in a national position, and I think this has nothing to do with us in a corporation, where there is a complete adequacy in the flow of mortgage funds those in Government would have to look pretty carefully as to the timing in making a move of this kind.

Senator WALL: Suppose I ask this naïve question: Private institutions will lend up to 60 per cent of the value of a used house. Suppose we felt that the national policy could raise that figure to 80 per cent and we would somehow guarantee the loan, would there be a danger in that kind of an idea that has not been foreseen?

Mr. BATES: I understand, Mr. Chairman, you have not met with the Dominion mortgage people yet. I suggest that the ones to pursue that question with would be the Dominion Mortgage Investment group when it comes before the committee. They could speak with a great deal more freedom than I on that subject.

Senator CRERAR: Mr. Bates, do you have any serious difficulty with collections?

Mr. BATES: No serious difficulty.

The CHAIRMAN: Any further questions?

Senator SMITH (*Queens-Shelburne*): Mr. Chairman, I would like to have a correction made in the record of the proceedings of July 3. At line 30 of page 114 I am reported to have said that the federal Government's financing for the fiscal year was, "to the amount of \$350 million".

I should have said, and I thought I did say, \$3½ billion. I would ask that correction be made in the next printing of the proceedings of the committee.

The CHAIRMAN: May I extend the thanks of the committee to Mr. Beecroft and his associates, and to Mr. Bates for their fine presentation to the committee today.

Whereupon the committee adjourned until July 17, 1958.