

reference to the Central Mortgage and Housing Corporation; if it is over 23 per cent, the loan can be made only after it has been considered by the corporation.

I must admit that I do not know the cost of houses, and I do not think I am the person to answer my honourable friend's question.

Hon. Mr. Haig: Who puts the valuation on the house, and who makes the estimate of what the taxes will be?

Hon. Mr. Macdonald: My understanding of the bill is that the Central Mortgage and Housing Corporation will fix the lending value. I assume that the estimate of taxes will be made by the municipality.

Hon. Mr. Haig: Another question: what will happen in a province where, as in Saskatchewan, proceedings against a home owner cannot be taken without the order of a judge? If certain conditions arise, similar laws may be passed in other provinces. In Saskatchewan, if a home owner defaults the provincial law prohibits action against him for one year. Is there any provision in the bill which would enable the lender, under such circumstances, to get his money back? As I understand the law of Saskatchewan, unless he can give title to the government he cannot demand from the government the payment of the loan. The law of Saskatchewan may be duplicated elsewhere—for instance, in Manitoba—should a recession occur.

Hon. Mr. Macdonald: That is another question which I suggest my honourable friend should ask the president of the Central Mortgage and Housing Corporation. My information is not sufficiently detailed to enable me to give an answer. The question may have arisen during the hearings before the Banking and Commerce Committee of the House of Commons, but if it was asked I have not found in the record any reference to it.

Hon. Mr. Haig: I do not think it was asked.

Hon. Mr. Macdonald: Nor do I. The point is a very interesting one, and I hope the honourable Leader of the Opposition (Hon. Mr. Haig) will raise it in committee.

Hon. Mr. Haig: I will ask another question: Is the \$250 included in the mortgage over and above the amount of the loan, and how is it paid?

Hon. Mr. Macdonald: That is, the insurance premium?

Hon. Mr. Haig: Yes.

Hon. Mr. Macdonald: The insurance premium is added to the amount of the

mortgage, and is paid by inclusion in the monthly payments over the period of time that the mortgage is in effect.

Hon. R. B. Horner: Honourable senators, as might have been expected, the honourable Leader of the Government (Hon. Mr. Macdonald) has gone to some pains to emphasize the benefits which this bill will provide to the lenders. I am concerned about the people who are going to borrow money under this scheme. I never like to advise anyone to enter into these commitments; in fact, I regret to see anybody bind himself to a contract running over twenty-five or thirty years.

Another reflection which occurs to me is this. At the present time, in my opinion, rentals from one end of the country to the other are excessively high. This condition has given an opportunity to the Central Mortgage and Housing Corporation; and if the scheme which is now proposed should be successful, as the honourable Leader of the Government (Hon. Mr. Macdonald) thinks it will be, there may be a general exodus from many of the high rental blocks, rows upon rows of which have been and are being erected in various parts of the country, and a good many people will take losses.

Another phase of this matter which concerns me is, just how long we can afford to build up our cities and deplete the farm population of this country. In the past few years the percentage of the people on the farms to the whole population has fallen from about 60 per cent to a little over 30 per cent. Yet the greatest hope for Canada's future is in her being a food-producing nation. Too many of our farms are uneconomically large: it would be much better if there were a larger number of farms and more people living on them. Only thus can we hope to support the bigger cities and maintain employment in the urban industries.

Too many farm houses are not modern. In this connection I might mention that recently I have been trying, in the three towns nearest to where I live, to get plumbers to instal the best equipment possible in two of my farm homes. I agreed to buy the best appliances I could get, but the firms I approached have other work on hand and cannot do anything for me. Not so many years ago houses were being moved out from these towns to the farms; now the movement is the other way.

Reference has already been made to the cost of the national housing scheme. When the bill goes to committee I shall want to know exactly what the lender will stand to get by way of interest, including the costs