

obligation could be enforced out of other assets. It seems to me that the number of such cases would be very small indeed. That is, if the person was worth the money and well able to pay it seems to me that the likelihood is that he would have been paying steadily the amount owing and this mortgage would be almost of necessity less than the value of the property. If that is not true I should like you to indicate your opinion as to the volume that would be affected by the condition you state, because the mere statement that there might be somebody like that is surely not a basis for us to change the whole basis of our legislation?

The WITNESS: It is quite proper that I should try to explain that to you, Mr. Tucker. In dealing with such mortgages broadly throughout Canada, they do undoubtedly have a depreciation in value of real estate, so that even where a man is drawing a good salary and perfectly able to pay his interest, and if necessary pay his principal and reduce it, he has questioned whether it was good business on his part to do so. He considered that it would be better business perhaps to leave the mortgage at its full amount, not reduce it—

Mr. HILL: Why should he be relieved?

The WITNESS: That is the suggestion that we are making.

*By Mr. Tucker:*

Q. You are assuming that there is a man who is well able to pay but you have let him go on and not forced him to pay. Do you do business like that?—

A. The moratoria have been protecting him.

*By Mr. Landeryou:*

Q. Which provinces?—A. Every province in Canada except New Brunswick.

*By Mr. Tucker:*

Q. You suggest, Mr. Leonard, that in any province in this country a man is protected who is well able to pay and refuses to pay?—A. Undoubtedly.

Mr. THORSON: Thousands of them.

Mr. TUCKER: It is certainly not true of Saskatchewan.

The WITNESS: Where the bigger volume of city mortgages is, that situation is quite prevalent.

Mr. TUCKER: I am surprised to hear it, because it is not true in Saskatchewan.

Hon. Mr. DUNNING: That is true, to my knowledge, also. I have no doubt as to the truth of that, Mr. Tucker, unfortunately. I have to have to admit it, but it is true.

Mr. TUCKER: Elsewhere.

Hon. Mr. DUNNING: What Mr. Leonard says is true.

The CHAIRMAN: Are there any others who desire to give evidence? Have members of the committee asked Mr. Leonard all the questions they have in mind? Then, Mr. Leonard, I think you are excused.

Witness retired.

The CHAIRMAN: Are there other representatives of the borrowers or lenders?

Hon. Mr. DUNNING: Is any one else going to speak?

Mr. LEONARD: Not from our group, Mr. Dunning and Mr. Chairman.

The CHAIRMAN: Shall the preamble carry?

Some hon. MEMBERS: Carried.