

the banks. I regret to see a drawing away of resources represented by a combination of small savings; and it is to be remembered that most savings accounts are small, because usually, when they grow bigger, the money is put into bonds. Three months ago I asked a nurse, "What do you do with the money which you save?". She said "I put it in the bank until I have enough to provide a reserve in case I am sick". I said "Yes; and then what?". "Then", she said, "when I have saved another \$100 I ask the bank manager what bond he would recommend me to buy, and he tells me, and I buy it." But she keeps a certain amount in the bank for emergencies. Now, the banks are to lend that emergency money. I think—taking the case in point—the young woman should do the lending of her own money. If she wants to invest it in a bond, let her do so; if she wants to purchase a mortgage company bond, she should have the right to buy it; if she prefers the bonds of some life insurance company, and such securities are available, let the choice be hers, not that of someone else.

So, I repeat, I am opposed to this legislation. It does not meet the need it is supposed to meet, and it permits the taking of money from a source which should not be tampered with at all.

**Hon. Cyrille Vaillancourt:** Honourable senators, if I agreed with the arguments of the honourable Leader of the Opposition (Hon. Mr. Haig), and were forced to oppose the bill, I would be in a very pessimistic frame of mind. But for myself, I approve the bill, and am ready to vote for it. I do not deny that the honourable senator who has just spoken has had some experience in these matters, but we in Quebec, with our local organization, the *caisse populaire*, have had fifty-four years' experience. I might also point out that my honourable colleague from Grandville (Hon. Mr. Bouffard), who is connected with savings banks in Quebec, has had some experience with mortgages in the last six or seven years. He has no apprehensions about this legislation; neither have I.

The honourable senator who has just taken his seat mentioned, I believe, that as far back as 1867 banks were prohibited from lending money on mortgages. But the situation has changed. Our *caisses populaires* in Quebec have now over \$130 million loaned on mortgages. Formerly, when a mortgage was arranged, the mortgagee was required to refund annually a certain sum of money. For example, on a loan of \$1,000 the repayment might be \$100 plus interest, payable once a year. But the system has changed.

The borrower is required to refund each month a certain amount, and, because thousands of people who borrow money to build houses are repaying month by month sums running into millions of dollars, that money is no longer held in certain hands for twelve months, but circulates continuously through the agency of the banks. I am happy to be able to publicize these facts, because it was Mr. Desjardins, the founder of the *caisse populaire*, who first organized the system of refunding money each month. I believe that this method is largely responsible for the fact that, although our local organizations have had fifty-four years' operations in receiving savings and loaning money, and have advanced over \$1 billion by way of mortgages, our losses have amounted to no more than one-hundredth of one per cent. I do not fear the results of the entry of the banks into the mortgage field, because the large amounts received by the banks are derived, not from poor people but from the workers, and it is reasonable that a certain amount of this money shall be available, not only for business expansion, but for the ordinary needs of the local population.

It is said that this law is not perfect. I agree. It is not perfect because people are not perfect, and imperfect people cannot make perfect legislation. The purpose of this bill is to assist a great number of low-salaried citizens to own their own homes, and it is for this reason that I approve the legislation.

I feel that this legislation can be improved, and I hope that it will be improved while in committee. For instance, I hope that the clause which entitles limited-dividend housing companies to derive certain benefits, when they are erecting multiple-family dwellings, will be amended in favour of housing co-operatives. We are told that certain people will never own their own homes, that they are not called upon to fulfil this social role. This may be so, for some people have never owned anything. But if people were offered the opportunity of owning a small piece of land, no matter how small, I am sure their whole way of life would be altered. I have some experience in this matter, for during a period of over forty years I have been dealing with *caisses populaires* and such charitable organizations as the St. Vincent de Paul Society.

I could cite cases where poor families of eight, eleven and even thirteen children have been evicted from houses because the rent had not been paid for several months. Charitable organizations were eventually able to place these families in houses that had been more or less poorly maintained, but within a few weeks these people put in gardens and