There is one other point that I was particularly desirous of mentioning, but Mr. Dunning has indicated the intention of the government to move an amendment dealing with the question of the interest rate for the control of future mortgage lending. There are companies whose position is not only very liquid at the present time but normally will continue to be so, and they may be the companies that could make a very important contribution to the adjustment of the existing mortgage debt situation but are not in any need of assistance, or, let me put it another way, it is not likely that they might be borrowing money in the future from the central mortgage bank and therefore there should not be the restriction as to the control in the future except in the case where a company comes in and obtains funds from the Central Mortgage Bank. Then it is perfectly proper that the terms and conditions including the interest rate, and so forth, that that company must charge, shall be subject to the control and direction of the central mortgage bank.

Mr. Chairman, I think that is all I have to present in the way of a general submission. There are details of a number of matters that probably at some other time or at the wish of the committee might be dealt with, such as the question of the term of the mortgage, whether twenty years, and so on. I might mention that twenty years in connection with the adjustment of existing mortgages appears to us to be subject to so many qualifications and exceptions that, instead of being the standard, as indicated by the bill, it should be a much lower time in so far as the general run of mortgages is concerned. There are matters like that about which one might desire to say something further, but as the committee has indicated they would like to hear some general discussions, I have confined myself to the matter of the general principles indicating the major difficulties that now present themselves to the companies in connection with the bill.

By Hon. Mr. Stevens:

Q. On the broad general scheme, Mr. Leonard, might I ask this question—and I do not wish you to specify names of companies because I am speaking in general terms—would it be likely that some companies have already achieved adjustments on a wide scale while other companies may be lagging behind in many adjustments, and would the bill as at present drafted, shall I say, constitute a sort of prejudice against those who have voluntarily made extensive adjustments and favour a company that, perhaps, has neglected making adjustments and would now come under the bill and secure the advantage?—A. Mr. Stevens, if that were the situation, there is no doubt the result would follow: that is, that to the extent that one company might have made more write-offs voluntarily under the same set of circumstances as another company that did not, then this bill would favour the company that had not made adjustments to that extent.

Q. Would you care to intimate whether or not such a situation exists?—A. As far as I know, I could not say—I would not like to express an opinion—for this reason, that notwithstanding there might be a set of figures which on the face of it might tend to bear out that that was the situation, there might be other circumstances as, for example, the value of the security. Now, take one set of mortgages here and you see a set of accounts and you see there is a larger volume of arrears of interest, and over a year there is another company with a lesser amount of arrears of interest. This company over here says they have written off, but what was the underlying security, what were the mortgagors like? Were these men over here in a position where their security was good The mortgages originally were lower in amount to the companies carrying them on, and that is perfectly all right; were these too high over here So, I do not think an opinion could be expressed; at least, I would not like to express an opinion.