Mr. HOWE: You are trying to represent that you are an authority on this situation, and I am sure that you are not, because you are quite mistaken.

Mr. JOHNSTON: I am not trying to represent that at all. I leave it to the opinion of the committee. I can understand English, at least. Let me read to the minister what this contract says. He may be quite disgusted and walk out of the committee, but that will not deter me from making this presentation to the committee. It seems to me that this matter is so important that even the minister, although he may be tired and busy, might retain his seat and listen to the argument. We do not all profess to have the same status as he has. I do not say that in a disparaging manner at all, but we are endeavouring to do the best we can for those who are concerned.

I turn to page 5 of this agreement and read this section. Perhaps I had better read the whole section because I may be accused of taking a part out of its contents. The paragraph starts in this way:

And the purchaser covenants that he shall not permit or commit any waste upon the said land and shall not assign these presents without the consent in writing of the vendor.

Mr. McILRAITH: That is the usual clause in all these transactions.

Mr. JOHNSTON: Yes. I am exceptionally grateful to the parliamentary assistant for telling me that what I am reading is customary in all contracts. That is what I was trying to tell the minister until he got huffy and walked out. He said it did not apply to other provinces.

Mr. SINCLAIR: On a point of order, the minister did not walk out; he is here.

Mr. JOHNSTON: I was saying this is the contract that is used, and the parliamentary assistant agrees with me.

Mr. McILRAITH: I did not say that the contracts were the same in all provinces. I said the clause the hon. member just read is a standard clause in that type of contract.

Mr. JOHNSTON: That is exactly what the Central Mortgage and Housing Corporation said in the letter which I read.

Mr. McILRAITH: You will find it in every sales agreement prepared by every selling authority.

Mr. JOHNSTON: Let me go on and read the remainder of this section. This is the written contract entered into between the Central Mortgage and Housing Corporation and the purchasers of these houses, and neither the minister nor the parliamentary assistant can tell me that this contract is not valid once it is entered into; otherwise, what would be the purpose of entering into a contract of this type? It goes on to say:

And also that he will give up possession of the said lands on breach made in all or any of the covenants herein set forth without any notice to quit and without the vendor bringing any action for ejectment. And that, on such breach, these presents (at the option of the said vendor) shall be void without any recourse whatsover by the purchaser either at law or in equity against the said party of the first part for or in respect of any matter or thing in those presents contained for the recovery of any moneys paid by the purchaser under or in pursuance of this agreement which payments, in the event of any breach by the purchaser of any of the covenants aforesaid hereby declared, shall be retained by the vendor as and for liquidated damages and not as a penalty.

This is a legal document entered into by the two parties. Certain stipulations are made in the agreement which the man is forced to sign before they will enter into the agreement with him, before they will make any loans for the construction of houses. Before they will make a loan for the construction of a home, he has signed a document which waives his rights to go to the court to secure retention of any equity of moneys which he has paid into this concern. He may have the right in law to go to the court to ascertain whether or not he has broken any of the covenants, and in my judgment that is what the court would decide, whether or not he had broken any of the covenants of the agreement. Once that is decided, then the court will of necessity take into consideration the agreement into which he has entered and which declares definitely that he gives up the right to go to law in order to retain his equity.

I discussed this matter with some of the legal minds in the Department of Justice. The opinion I have just given is the opinion they themselves gave me, and I am sure that any fair-minded lawyer in the house would agree with me in this regard. The other day the minister himself made a statement which I will quote from *Hansard*. I am afraid he is himself a little bit foggy on the question. At page 3773 of *Hansard* of May 10, 1948, he said:

So far as equity insurance is concerned, I do not know any way in which a man can preserve his equity other than by keeping up his payments.

I agree with him there, but I am not so much concerned about that statement, because, so long as he keeps up his payments, he has not broken any of the covenants of the agreement. Then the minister goes on:

No one can take away a man's equity in his home except the courts, and in a case of hardship the court will appreciate the representations made.