

Interim Supply

house that where there is foreclosure action and the houses are not yet complete, the joint mortgagees will refund to the purchaser the amount of his equity. Where the purchaser is in possession, the lending institution and Central Mortgage and Housing Corporation will jointly increase the amount of the mortgage and extend the term of payment so that the purchaser may complete the house. Where there is full possession, it is not felt that any increase in the amount of the mortgage is either permissible or warranted if foreclosure action is necessary because of payment delinquencies.

Mr. Johnston: I do not desire to prolong the debate, because I know the house is desirous of finishing its business; but I hesitate to allow the statement to stand as it is on the record at the moment. The minister has said, and it is a fact, that the mortgagee, together with Central Mortgage and Housing Corporation, has made certain promises or agreements with the builders to reimburse them for some of the losses which they are to suffer. The minister mentioned two instances, one in which the house was not occupied; and he said that the government or the Central Mortgage and Housing Corporation, together with the Manufacturers Life, would pay them their equity. This is decidedly unfair. The fact is that these men contracted to get a house at a certain set figure, which was stipulated by Central Mortgage and Housing Corporation. In one instance, out of a total of forty, the amount involved was \$6,500. It is through no fault of the owner that he is not to be allowed to get a house. He may be given back the amount of the investment, or of his down payment, but he wants a house. He contracted to get a house. If he is denied that right, and he wants to buy another house, it will cost him at least \$2,000 more, because the government, through its failure to get a competent contractor, through its failure to have proper inspection, has caused this man to lose the house. Therefore, no matter what happens, the owner stands to lose at least \$2,000 in the first instance.

Let me point out the other instance, that in which the house is occupied. The condition we mentioned a moment ago does not apply where the house is occupied. In my view every one of these houses which is occupied is unfinished. The position of these owners at the moment is that they have a house which is partly finished—I will put it a little stronger than that—which is almost finished, but the entire amount of their down payment is spent. It will cost them \$2,000 to finish the house. They have liens running anywhere from \$500 to \$15,000 on some of these houses. They have other obligations which are regi-

stered against the title, and which amount to some \$2,000 or \$3,000; but in some cases the liens and the executions against the title amount to as high as \$10,700. That is a very large amount, and yet all that the mortgage company is to say to the owners, as the minister indicated a moment ago, is: All we will do for you fellows is to increase your mortgage and amortize it over a longer period of time; but you have to complete the house; you have to take care of the liens; you have to take care of all of these other encumbrances registered against your title. That is the way the thing stands at the present time. Personally I do not think the minister would like to see that happen, and I hope he will do all in his power to see that there is a fair and equitable solution to this problem.

Certainly as it stands at the moment these people are in for a terrible beating. Mind you, Mr. Chairman, these are all veterans of the last war. These are the men who went over to fight for this country, and we promised them something different. The government should make every effort to settle the case out of court and give these men their due.

Mr. Winters: Like the hon. member who has just taken his seat, I do not wish to prolong the discussion, but I think I should simply say that the relationship is the normal one between a purchaser of a house and a contractor. I do not believe there is a clear understanding on the part of some of these purchasers as to just what the relationship of the government is. There is no contractual relationship on behalf of the government in the deal between the purchaser of the house and the contractor.

Mr. Johnston: Is not that a doubtful point?

Mr. Winters: No; that point is clear. Nevertheless the government is fully aware of the situation. I can assure the hon. gentleman that every possible effort is being made to find a suitable, just and adequate solution. The same problem has arisen elsewhere, and solutions which have been mutually satisfactory have been worked out.

Mr. Fraser: Hon. members should realize the fact that the \$480 million which we are passing at this time is within a few million dollars of the total budgets of previous years. This is for four months only. It is within a few million dollars of the total budget of 1939. It is a tremendous amount, and we should have had a chance to criticize it.

Mr. Moore: I wish to direct to the government a question which came to me just this morning. It arises out of government-owned property which is at Port Nelson in northern Manitoba. When the Hudson Bay railway ran to Nelson there was a steel bridge across