

in these cases. And if you cannot get the proceedings completed in a year after default you cannot make the government take the mortgage, because that is what is said here.

If the banks do not have to lend the money—and I am surprised that my honourable friend (Hon. Mr. Beaubien) even suggests that—then the bill means nothing, and all we need is an amendment to the Bank Act to allow the banks to make loans on real estate. But I know enough about life to be sure that if this bill becomes law and the banks refuse to lend money they will hear from the government.

And who will take the onus when proceedings need to be started? When my office starts foreclosure proceedings for some life insurance company which we represent, in comes a fellow who says, "Well, Haig, I see you have started proceedings against my house". I say in reply: "You haven't paid anything on this mortgage for some time; your taxes are two years in arrears; your insurance lapsed last week and you did not renew it, so we had to pay the premium. I sent a man up to look at your house, and although you owe us \$6,000 he says that your place is worth only \$5,000. Sure, it was a \$12,000 house when the government started in with it, but now it is down to \$5,000. What about it?" He then tells me: "You will hear about it. It will be told up and down this city what a company that is, that as soon as it can get after somebody, that person loses his home." It will be the same with the "grafting" banks. That is what happens every time. Any of you who have been in law practice some years and went through the depression know from actual experience that that is what happened. I know that is what happened in the province of Saskatchewan, where my honourable friend (Hon. Mr. Horner) came from. He has heard all this talk about the loan companies—yes, even about the Dominion Life Assurance Company, of which my honourable friend from Waterloo (Hon. Mr. Euler) is a director, and also about the Great West Life Assurance Company, of which my honourable friend from Churchill (Hon. Mr. Crerar) is a director. They said in Saskatchewan that these companies were grafting companies because they tried to take the farms from the farmers. People said to those companies, "You are stealing our land".

That is the situation under this bill. The onus is put on the banks, which have been trying for years and years to build up a good feeling between themselves and their customers, their depositors or their borrowers. It is feared that this bill might jeopardize that good feeling.

I ask my honourable friend (Hon. Mr. Macdonald) about foreclosure under the bill. If we get into tighter times—if for instance, we cannot sell our wheat—where are purchasers going to get the money to pay the instalments on their houses in the towns? My honourable friend from Blaine Lake (Hon. Mr. Horner) recently told us that rural merchants in Saskatchewan are refusing to sell goods on credit, that transactions must be cash on the barrel-head, or no goods. The merchants say, "What else can we do?" They point out to the farmers: "You have sold only five bushels of wheat per acre to the government, that is all you have been paid for, and the money you have received will pay only a few accounts that you owe us. You owe us a lot of money now, and we are not going to give you any more credit." That is the existing situation, and it can get worse. I hope it gets better. God help our Western country if we do not find some place to sell our grain to. We face the competition of the United States, which are loaded down with commodities and have huge supplies ready to place on world markets. All down the river the boats are loaded with wheat and there is nowhere to unload them. Our elevators in Saskatchewan are filled with grain which cannot be shipped. We have not sold any of the 1953 crop. The only wheat we have sold has come from the 1952 crop, and only 148 million bushels of the 1952 crop was unsold. Now that is the situation that can arise in a country in which there is no depression at all, because surely a carry-over of six or seven hundred million bushels of wheat in Canada does not signify depression. It would mean depression if we could not sell it, though. Well, in a situation like that what are people going to do to raise the money to pay the bank? And if the bank does not get title within one year after default the government does not have to take over the mortgage. That is what the legal language in this bill says.

For these reasons I do not think this legislation should be passed. I candidly believe that the solution is the one I suggested earlier in my address, namely, that the government should advance 75 per cent of the money required for building rental houses at an interest rate as low as 3 per cent, that the provincial governments and the municipalities should advance the remainder in equal proportions, and that the houses should be rented and managed by the municipalities which are closer to this situation than any other level of government. If they had to put up 12½ per cent of the money they would look after the management of things and people would be given homes, and without any foreclosure