

*National Housing Act*

I point out that the contract entered into affects the builder or subsequent owner. Then paragraph (b) provides:

(b) that the rents to be charged in respect of the units of the project shall not exceed, during the first three years after the completion of the project, an amount to be determined by the corporation.

There again I point out that the section refers to a contract entered into between the corporation and the builder or subsequent owner. Then (d):

(d) that the contract, with the approval of the corporation, may be assigned to subsequent owners.

And (e):

(e) for such other matters as the corporation may deem necessary or desirable to give effect to the purposes or provisions of this section.

So that the contract is extended to the subsequent owners. The explanatory note on the opposite page states:

(e) this paragraph provides for the inclusion in the contract of such other matters as the corporation considers necessary.

It is one of such other matters which the corporation may consider necessary that I want to draw to the attention of the committee. Last year the act to amend the National Housing Act, 1944, was up for first reading on May 1, 1947, and I spoke on the question of contracts at that time, and again brought it to the attention of the house this year. I wish to elaborate a little on that point. After I had spoken on it last year, other parties in the country became interested. The government paid no particular attention at the time to the point I raised, but I want to read what the press had to say about it.

Mr. HOWE: Is my hon. friend familiar with the legislation of his own province which protects the owner of the property and the mortgage holder?

Mr. JOHNSTON: That may be so, and I shall deal with that in a moment.

Mr. HOWE: My hon. friend is wasting an awful lot of time. I can give him the facts if he will permit me to do so. He has already spoken on this subject and I know what he is driving at. My hon. friend is not a lawyer, is he?

Mr. JOHNSTON: No, thank goodness.

Mr. HOWE: Let me give you a legal opinion.

Mr. JOHNSTON: Are you a lawyer?

Mr. HOWE: No, but I have a legal opinion here, which I will read:

The contract that is used by Central Mortgage and Housing Corporation in the sale of Wartime Housing units contains the usual or [Mr. Johnston.]

standard clauses of the agreement for sale that is in use in the province in which the project or house is situated. We consulted local solicitors when we first prepared the contract, and were so advised.

The hon. member for Bow River has objected to some of these clauses which, on their face, appear rather harsh. I am advised, however, that notwithstanding the wording of the agreement, home purchasers are protected from possible hardships by provincial laws concerning property and civil rights, which have been hedged about them. I understand that the clauses which have been used fit into the pattern of the protective legislation, and their effect is known in relation to the local laws. For this reason lawyers are reluctant to depart from these standard forms and the customary phraseology.

I am further advised that if an agreement for sale goes into default, the purchaser cannot be removed from his home without a court order, and that such court order is not granted until the facts have been examined into by a judge. In all cases, a purchaser is given a reasonable time in which to remedy or redeem the default. The hon. member for Bow River knows that in his province this reasonable time to redeem has in the past been stretched over many months.

It is not clear from *Hansard* whether the hon. member had reference to agreements for sale only, or to the mortgage deed used by lending institutions, as well. I may say, however, that the remarks I have made about the agreement for sale apply in principle to the mortgage deed.

So my hon. friend will see that the agreement contains the standard clauses in use in the province in which the house is situated, to protect the mortgagee or licensee.

Mr. JOHNSTON: I am pleased that the minister has read the legal opinion which he has just given.

Mr. HOWE: Now we will get your opinion.

Mr. JOHNSTON: All right, I will give you mine as given to me by your legal department.

Mr. HOWE: Let us have it.

Mr. JOHNSTON: The Department of Justice gave me this opinion. Some of the outstanding lawyers of the country are in the Department of Justice.

Mr. HOWE: Have you it in writing?

Mr. JOHNSTON: I do not think I need to have it in writing. I can interpret—

Mr. HOWE: I gave you mine in writing.

Mr. JOHNSTON: I did not know that the minister would demand it in writing. I see that the minister came into the chamber prepared. I am glad he did, because I can see now that he has given a little consideration to the matter. Before I deal with that I shall mention again the legal opinion to which I just made reference. I was about to say,