

Adjournment Debate

tional and international information program using the most effective approach to both prevalent opinions; second, an education program for hunters to make sure that Canadian hunters are better informed about all aspects of the issue; and, third, a research program to develop more humane trapping methods adjusted to Canadian conditions.

Cabinet approved the use of an amount of \$5 million to develop and implement the federal strategy during the upcoming three years. Cabinet also asked the Departments of Indian Affairs and Northern Development, Environment and External Affairs to assume responsibility for the development of the federal strategy in consultation with the other Departments, the Provinces and representatives of the private sector.

I would like to point out that, before taking any direct action about information campaigns, the federal Government intends to assess fully public opinion both in Canada and internationally in view of the sensitive nature of this issue.

Abroad, to make sure that the Canadian Government will make timely interventions, for instance, at the recent Frankfurt fur fair—

I am sorry, Mr. Speaker, but if I had a few seconds more, with unanimous consent—

The Acting Speaker (Mr. Herbert): I am sorry, but there is no provision to extend the allotted time. The time of the Hon. Member has expired.

[*English*]

HOUSING—MORTGAGE RATE PROTECTION PLAN

Miss Aileen Nicholson (Trinity): Mr. Speaker, on May 1 I asked the Minister of Finance when he expected to introduce legislation to give effect to two measures announced in the last budget speech; first, the mortgage rate protection plan and, second, the proposal to give borrowers the right to prepay their mortgages at any time. In his reply the Minister said he hopes the legislation will be introduced this month. He stressed that there have been extensive consultations with the housing and construction industry, with consumer groups and financial institutions. The Minister also said that those who have taken out mortgages since March 1 would be eligible under the new program.

I am pleased that there has been such extensive consultation, because the measures will depend for success on the active participation of all involved, in particular the financial institutions. We have heard of at least one trust company which is now asking people renewing mortgages to waive any rights they may acquire under the new legislation. There is no lack of funds on the money market for mortgage loans at this time, and there is no need for borrowers to agree to waive their rights since many other financial institutions are willing to co-operate with the Government in enhancing security and opportunity for homeowners.

• (1820)

The Budget encouraged Canadians to anticipate stronger rights for mortgage borrowers, a wider choice of mortgage instruments, a more flexible mortgage market, greater stability in mortgage costs and fewer risks in taking out a mortgage. These measures are eagerly awaited not only by homeowners and prospective home owners, but also by realtors, construction workers and those involved in producing the goods associated with new homes, such as furniture and appliances.

The consultations and discussions to which the Minister referred have, I trust, removed potential problems and ambiguities in what admittedly is a complex undertaking. I trust that we will soon have the legislation before the House in a form which will facilitate general acceptance and speedy passage.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Minister of Finance (Mr. Lalonde) has indicated that he anticipates that legislation for the mortgage rate protection program and for amendments to the Canada Interest Act will be introduced in the House of Commons toward the end of this month. Over the past several weeks, the Minister of Finance, the Minister responsible for Canada Mortgage and Housing Corporation (Mr. LeBlanc) and the Minister of Consumer and Corporate Affairs (Mrs. Erola) and their officials have been actively involved in intensive consultations with the provinces, with the housing industry, with consumers' representatives, with lenders and with life insurance representatives. This consultative process is surely the best way to develop and implement these budgetary proposals.

The basic purpose of the government's proposed mortgage rate protection program is to offer security against severe financial disruption due to sharp increases in interest rates. By limiting an individual's exposure to extreme volatility in mortgage rates, the program will add to stability in mortgage costs and thereby increase the ability of individuals to plan their financial affairs with confidence. The degree of protection provided by the program can be very great if mortgage rates should increase dramatically.

The proposed amendments to the Canada Interest Act will ensure that mortgage borrowers have complete disclosure of all terms and conditions regarding their mortgages, including those relating to the prepayment of their loans. This initiative responds to the needs of borrowers for full information, and will improve competition in mortgage markets by helping consumers to compare the terms and conditions of mortgages offered by various lenders. The amendments will give borrowers the right to repay their mortgage at any time, at penalties that are fair to both borrowers and lenders. In addition, the proposals in the Budget would facilitate the introduction of mortgages with terms of more than five years and increase the number of alternative mortgage instruments that are available to borrowers.

In considering these measures, the various Ministers involved have attempted to ensure that the mortgage market