major movements among important American banks to lower their prime rates. Their prime seems to be settling in this week at about 10.5 per cent. Again we would have to go back about four years to find a rate that low.

With our low inflation rate we know that we will be in a position to take advantage of these declining American rates. Our inflation has been showing very good trends over the last six months. In May, our rate was at 11.8 per cent. Today, on a 12-month year-over-year basis, it is 8.3 per cent. In the last six months it has been at 6 per cent. We can see not only that it is lower, but that recent experience will pull it down even more. In January, prices fell by .3 per cent. We have lower prices in our economy. We have lower inflation, combined with lower American rates. The two factors together will give us lots of room to get Canadian interest rates down and to leave them down.

There has been much talk on the other side about Government deficits and how the Government will crowd out other investors in the market. I am reminded of a story appearing in *The Globe and Mail* today that indicated that federal bonds which were put on the market this week have sold very, very quickly; in fact, they sold at a premium. The bond market seems to be in a very good position.

Mr. Dick: Perhaps you set the interest rate too high.

Mr. Fisher: If we look at the availability of funds, there is plenty of room for the federal Government to go out and borrow money without crowding out private sector borrowers. I know that Conservatives like to claim otherwise, but it is important for us to reassure Canadians that federal Government borrowing at this time will not crowd out the private sector, nor cause any kind of resurgence in interest rates.

Today it seems we have the ingredients for some better long-term response on the interest rate front. We have lower inflation. We have lower rates abroad. We do not have a lot of competition on the market for money. We can anticipate that interest rates will be a little more favourable for consumers, home buyers and business people over the next few months. Let us welcome that as a sign that our recovery is on the way.

We can see a few results from all this. The Hon. Member for St. Boniface pointed out, quite rightly, that mortgage rates have come down dramatically ever since the Government introduced its six and five program.

Some Hon. Members: Nonsense!

Mr. Fisher: For example, an average $55,000 one-year mortgage is now $250 cheaper every month since the six and five program came in. Housing starts all across Canada have responded to those lower rates. In my own City of Toronto, housing starts in the last month were 75 per cent higher than they were a year earlier. People are getting back out on the market because houses are affordable and because they know that they will be affordable for a longer period of time. We can see through Christmas retail sales patterns that consumers are coming back out on the market and that consumer confidence is reviving.

If people took the time to read it, an interesting story appeared in yesterday's edition of *The Toronto Star* which quoted a man named Douglas Peters from the Toronto-Dominion Bank who indicated that the consumer response in this period of short inventories will have an immediate impact upon factories and manufacturers. This revival of consumer demand can indeed lead to people being recalled to the job and to a return of greater economic activity. Lower interest rates and the six and five program generally have given us some confidence.

However, we have not forgotten the individual who is in trouble. We have not forgotten the person who has really been pressed by high interest rates. In November, 1981 and in June, 1982 we continued the program of $3,000 grants for people with high mortgages who had to renew them. The people in the greatest despair, the people who were spending more than 30 per cent of their total family income on mortgages, were eligible for $3,000 grants to reduce those carrying costs to a more affordable level. We did that for a category of people who needed the help the most, the people who were spending 30 per cent or more of their family incomes on their mortgages. We want to help those people carry those mortgages and stay in their homes. In the same way we renewed the small business bond and we increased Farm Credit Corporation funds by $400 million.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member's time has expired.

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I am pleased to have the opportunity to speak for a few minutes on this Bill. I must say that on reading it I am somewhat ambivalent about it. I feel it contains some good things, but also some that I question.

The Hon. Member for St. Boniface (Mr. Bockstael) said that it created more problems than it resolved. I am not sure whether I agree with that, because in general I support lower interest rates and the idea of paying off a mortgage as early as possible.

I should like to refer to the Explanatory Note which in part reads as follows:

> The Interest Act at present grants mortgagors the right to pay out a five-year mortgage at the expiration of the five-year term, subject only to a penalty of three months' interest in lieu of notice.

It says, "in lieu of notice". Actually that term is usually written into the mortgage, and I understand it. I think it would be most unfortunate to have a one-year mortgage and still have to pay the same bonus, whether it is in lieu of notice or whether it is written in the mortgage papers that one is required to pay three months' interest bonus. As I understand it, if the interest rate were 12 per cent, the three months' interest bonus would probably bring it up to 15 per cent. Thus one would be really paying a very high rate of interest, almost a usurious rate, to pay off the mortgage at the end of the one year.