

*National Housing Act*

and all the nonsense surrounding that. We would not have the trust companies spouting such terrible rhetoric as, "You see, we have some money out there and we only have it in a GIC for a year or for five years and that is the money we are going to give you on a three-year or five-year mortgage". That is nonsense. Anyone who knows anything about GICs and how they are invested knows that that is just nonsense. However, that excuse is still being used today. I talked to a banker the other day and he gave me the same story.

Therefore, when I say to the Minister that I am disappointed in this Bill in the way it has been presented, I am serious. We are going to pass it on into committee, I am sure, and I hope that we can make some changes to it in committee which will give it at least a bit of life. However, I am terribly disappointed that it is not going to do what I thought was the intent of the Minister and his colleagues, the Minister of Consumer and Corporate Affairs (Mrs. Erola) and the Minister of Finance (Mr. Lalonde). It just does not address the problems with which many people are still faced. I am still receiving letters from people who are trapped in five-year mortgages with interest rates at 17.5 per cent or 19.5 per cent which they cannot get out of.

I talked to the Minister of Consumer and Corporate Affairs and the Minister of Finance at various times about this. I was particularly incensed at some of the verbiage in the mortgage renewal contracts. I do not see anything in Bill C-37 or Bill C-36 which is going to stop similar verbiage from being put into new mortgage renewal contracts. I was incensed that these institutions would put in their mortgage renewal contracts clauses which made the granting of mortgages conditional upon the mortgagees waiving rights which had been established for them by the Parliament of Canada and by the legislatures of at least two provinces in this country. It cut me to the quick to think that a corporate body could insert a clause into a renewal contract for a mortgage which says, "You waive your rights under Section so and so of such and such an Act", or that they could change the dating of a contract and thereby wipe aside a judgment of the Supreme Court of British Columbia.

I am at a loss for words to describe what I think of that. It is beyond credibility that these institutions would do that. I took the two particular clauses in the mortgage renewal agreements to people who I thought were very learned counsel, who practised in the high court, and asked their views on it. Their view was that it would not stand up in court. That is fine, but it is no consolation to a person who has signed the mortgage renewal agreement. It is no consolation whatsoever.

As late as a couple of weeks ago, the Superintendent of Insurance was before a committee of this House and I asked him about this. He agreed with me that these clauses should not be in there, but they were in there. The legal opinion he had received from his authorities was that those clauses, if they went to court, would not stand up. What a terrible thing to put a mortgagee through. If someone goes into the investment community and asks what is the best thing to invest in, he is told, "If you own a home, pay off your mortgage. You

cannot have a better investment", and here we are allowing corporate bodies, trust companies, banks and others, to put these kinds of clauses in contracts and we do nothing about it.

We are allowing corporate bodies to take an Act of Parliament and just brush it aside. They can take an Act of the provinces and just brush it aside. They can take a judgment of the Supreme Court of British Columbia and brush it aside. This Parliament, the Government, the Ministers and the officials who are charged with that responsibility, do nothing whatsoever about it. They say it is too bad. They say it will not stand up in court. However, that is no consolation to the person who takes the mortgage. That is my point. We have failed the Canadian home owner. Some of the trust companies, I must say some of the smaller ones, have recanted. A couple of the larger institutions, when pressed to the wall with court action, recanted and allowed mortgages to be rewritten at a lower rate of interest in payment of penalties as prescribed in our legislation.

However, this legislation falls far short of what I thought it was going to do. I cannot really see anyone going out on the basis of this legislation and buying a five-year mortgage. I just cannot believe that they are going to do that. There are some other features in this legislation which we are going to get into in committee and I will tell the Minister now that he had better be well primed and briefed, as I know he usually is. I am sure he will have his officials there. There are going to be some pretty hard questions put to the Minister at that time because I am not at all convinced that this legislation is really going to do that much. It will generate a good deal of publicity if people do not read beyond headlines such as, "Government introduces a mortgage protection plan". It sounds great until you read the fine details, and when you do, you find it is really not going to help that many people.

I will conclude by saying that I believe our intention is to let this legislation pass on to committee at the appropriate time in the hope that at that point we can convince the Minister that some changes should be made in the legislation which will give a break and a benefit to the mortgagee and not just give the mortgagor more and more protection.

**The Acting Speaker (Mr. Guilbault):** Are there any questions or comments?

**Mr. Evans:** Mr. Speaker, I was reading something here for a moment when the Hon. Member was speaking and mentioned a Bill that he was quite taken with. I believe it was in the Thirty-first Parliament?

**Mr. Kempling:** The Thirtieth Parliament.

**Mr. Evans:** In 1976? Was that the Bill of the Minister of Consumer and Corporate Affairs called, "The Borrowers and Depositors Protection Act"?

• (1640)

**Mr. Kempling:** I do not believe it was called that.

**Mr. Evans:** C-69?