It should be included in the law that there be no penalty for early repayment, and there should be a benefit or refund for paying early. It should be statutory. There should be no penalty for making payments in advance of a scheduled date and there should be no penalty for making full payment of an indebtedness ahead of time.

If the minister wants other regulations which spell out the credit or benefit that a borrower should receive by way of refund of interest charges, administrative charges, carrying charges or any other, they would be good regulations; but surely it should be included in the law that there will not be any penalties for early payments or an early repayment of an indebtedness.

• (1530)

The minister can have his officials devise regulations which will spell out what kind of benefit shall be given by lending institutions to those who make payments early or make settlement in full ahead of time. If the minister wishes he can prescribe a schedule whereby someone who pays off a loan in one month instead of 12 receives a refund of 11 months of carrying and administrative charges and any other charges that the lovey-dovey finance company might dream up. I find it incredible that this should not be a matter of law in any case because for many years borrowers who were excellent repayers have been penalized for paying back too soon and too well.

In fact, I would like to see a regulation which would require a benefit even on the interest charges. For example, if someone borrows money at 15 per cent for 12 months and pays it off in six months, maybe he should then have to pay 14.5 per cent. What happens is that the money is returned and is available for lending to someone else all the sooner—someone else who may desperately need it. The minister could spell that out by regulation, if he wishes, or he could simply say that the bank shall refund some appropriate percentage of the interest charges. This might be a quarter of one per cent or one-tenth of one per cent, which would act as an incentive to people who repay their borrowings ahead of time. Surely that would be a great incentive for people to make a better effort to repay their indebtedness. Thus, they would not let their loan payments drag on or they would not be consistently late in making them.

Surely that would be of benefit to the financial institutions as well. It would keep their funds available for lending and rotating all the more frequently. So I do not understand why the minister cannot agree to put in the law simply that there shall be no penalty for early payment or early full repayment of an indebtedness. He should decide that no penalties should be applied or collected. Then, by regulation, he can encourage and even help the financial institutions to provide people with refunds on administration and service charges, which quite often are paid the day a loan is taken out.

I recall a particular loan I took out for a certain amount of money I wanted. Added to it were the service charges, and together this constituted the total loan. When I paid the loan off five months later did I get any refund of those service charges? I did not. The service charges were based on a 12-month repayment period, and I paid the loan off within five months. I argued with the manager of that lending institution that I should not be charged administrative costs for 12 months when I had the loan for only five. I asked him why I should not just pay the administration charges assessed on my loan based on five months instead of 12. He said it was not the policy of the company. It may not be the policy of the company, but I thought it would be the policy of fair play that the company would have.

I was not assessed five-twelfths of the total administration charge but the full 12 months. They nailed me for the full 12 months. Why? If that is not similar to the moneychangers who were driven out of the temple, I do not know what is. For goodness sake why can the minister not say that is what should be the law in Canada? It should be statutory that no penalties can be charged for making early payments or early full repayment, and that by regulation the minister may require a lending institution to provide some kind of credit or refund to the borrower.

If we want to do something for people who borrow and who want to manage their own personal financial affairs even better, surely this is a good way to go about it. I hope the minister will reconsider, even though he has not been paying any attention to what I have been saying. I guess he is not interested in the matter. He has made up his mind, and it is a stone wall. I do not know why he cannot talk to his colleague some other time. I thought the minister would be somewhat more courteous than this. Would he mind asking his colleagues to go away somewhere? I would expect him to reconsider and to put in the statutes purely and simply what this amendment says, which is that no lending institution will be allowed to penalize someone.

Mr. Speaker, I wonder if the minister would get that idiot who is sitting with him to move somewhere else.

Some hon. Members: Oh!

Some hon. Members: Withdraw!

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Benjamin: I withdraw that. I am glad the hon. gentleman left.

[*Translation*]

Mr. Cousineau: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): Is the hon. member rising on a point of order in respect of the remarks about himself made by the hon. member? The hon. member for Regina-West (Mr. Benjamin) just withdrew his remarks. Is the hon. member now raising a point of privilege?

Mr. Cousineau: If the Chair feels that withdrawing the remarks is enough, that is fine with me. Thank you, Mr. Speaker.