the manner in which the cost of borrowing and, if applicable, any rebate of interest shall be disclosed to a borrower; prescribing the manner of calculating the cost of borrowing; prescribing the circumstances under which the cost of borrowing is to be expressed also as an amount in dollars and cents; regulations specifying any class of loans or advances that is not to be subject to specified subsections of section 202; prescribing also the manner in which any rights, obligations, charges or penalties are to be disclosed to the customer; regulations prohibiting—and I am reading, Mr. Speaker, the new provisions of this legislation approved by the House—prohibiting the imposition of any charge or penalty referred to in this section or providing that such charge or penalty, if imposed, shall not exceed the amount prescribed in these regulations. The minister may also make regulations prescribing the manner of calculating the amount of repayment of a loan. If we examine motion No. 38 of the hon. member for Broadview-Greenwood, we find the following:

● (1520)

A borrower who tenders or pays to the lender all or any amount of the principal amount outstanding under a loan transaction is not liable to pay any penalty on the amount tendered or paid.

Under paragraph 8 of clause 202 of the proposed legislation, Mr. Speaker, we can see that the government has accepted this proposal, with the exception that instead of being a set provision of the legislation, until the new act is reviewed, the Minister of Finance (Mr. MacEachen) will achieve the same results by regulations made under the act. And why did we choose to act by regulation or to provide this flexibility rather than imposing the rigidity of a statute? We did so because we negotiate regularly with the provinces concerning this whole aspect of consumer protection, especially as concerns the relations between consumers the financial institutions. Moreover, as it has often been noted during these discussions, this area is even changing. The activities of banking or financial institutions are changing, and so that the purpose of sections or provisions of the act will adapt more easily to such changes, we have decided to proceed by regulations. As for the intent expressed in the motion of the hon. member, it will be met by us through the provisions of paragraph 8 of clause 202 which I have already read.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I agree with the minister there. This particular point as well as others relating to the global issue have been considered at considerable length in committee and I must say that all sides agreed to eliminate certain practices that have become unfair, namely, the 1978 regulation and others. The proposal made by the hon. members of the New Democratic Party was one of those the government had accepted. I would like it better if the minister had already prepared the regulation, if we could see it. I gave some advice to the minister because he is a young man. It has become a practice to listen to civil servants. They must give in to the House. It must not be the other way around, that is the House and Parliament agreeing to the policies put forward by the civil servants. If we demand something, they will do it. Having said that, I wish to stress one thing. We did it very successfully in the past. When a minister presented a piece of legislation which was rather complicated, and if there were any regulations resulting from the act, everybody worked hand in hand not only to write the act itself, but also the regulations. So I can certainly assure the minister that we could have saved five to ten days of discussion in committee on the Bank Act, had we had the regulations at the same time as the bill. There is always that same old feeling that prevails among hon. members, that kind of mistrust of officials. Because we never know, as experience taught us, whether the regulations will indeed conform with the letter and the intent of the legislator and whether there will not be an about turn. Perhaps a certain tendency always remains.

That is why I for one would have liked it better, and no doubt the hon. member for Comox-Powell River (Mr. Skelly) would have agreed to withdraw the amendment put forward by his colleague from Broadview-Greenwood (Mr. Rae), had the regulations been available to us.

One of my colleagues asked me, what are we going to do here? My answer was, we accept in principle the thrust of the amendment. But in view of the regulations and the authority, we accept, and I accept in good faith on the one condition that we will shortly see the regulations in agreement with the intent of section 202(8).

Mr. Speaker, I would like to caution the minister about our expectations for the future, and I say this to all ministers. Where regulations are to be implemented simultaneously with the legislation or shortly thereafter, these regulations should be made available simultaneously with the legislation. It is as simple as that.

In this respect, I would like my colleagues to accept my comments. In my view, the amendment is not necessary.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise to support the amendment. I remind the minister, who is a very nice man and a man of the people like myself, that there is a parable in the Bible about the moneychangers being driven from the temple, but since then I think they have "snuck in" the back door.

Many years ago I had a personal experience of borrowing money from a lending institution, which was to be repaid in 12 months. I paid it off in five months, and I was still required to pay the full service charges. I was penalized for paying it off early. The financial institution was very unhappy with me. It could not get away with charging me the full interest for 12 months, but its service and administrative charges applied as if I had taken the full 12 months to repay the indebtedness.