

*Private Members' Business*

What we can do, since several members have indicated an interest, is to put the motion and also agree unanimously to terminate debate, if you wish.

In any event, you have heard the terms of the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

(Amendment agreed to.)

**The Acting Speaker (Mrs. Maheu):** Accordingly, the order is discharged, the bill withdrawn and the subject matter thereof referred to a committee.

(Order discharged and bill withdrawn).

**The Acting Speaker (Mrs. Maheu):** Do we now have the unanimous agreement to terminate the debate tonight, or for the speakers who were on the list to continue the debate until the hour is over?

**Mr. Boudria:** Madam Speaker, perhaps I could assist the chair and propose that for the time remaining for debate that we proceed by unanimous consent to continue debating the issue that was on the Order Paper until we removed it a moment ago, thereby enabling colleagues to address the topic, notwithstanding the fact that it technically disappeared from the Order Paper as of a moment ago.

I would like to seek unanimous consent to achieve that.

**The Acting Speaker (Mrs. Maheu):** That is what I was asking and I thank you. Do we have unanimous consent?

**Some hon. members:** Agreed.

**The Acting Speaker (Mrs. Maheu):** Does the hon. member for Broadview—Greenwood wish to speak?

**Mr. Mills (Broadview—Greenwood):** I will pass, Madam Speaker.

**Mr. Ken Epp (Elk Island):** Madam Speaker, it is with great delight that I stand to speak to this motion. I am one who has long felt that the banks are very important to our society, not only for financing business but also for financing short term interim money people need in order to keep our economy rolling.

As has already been mentioned, many people pay their credit card balances off monthly and in most instances incur no costs at all. Then there are some who do not pay and that is where the problem comes in.

We must first ask ourselves what the object is of having this type of legislation. Probably a very loose term would be that we want fairness. We want those people who use this bank service not to be unjustly charged, not to be charged exorbitant rates. At the same time the banks should have sufficient reason to stay in

that business thereby providing the economy with the necessary little oiling to keep it going.

Once the purpose is decided the next question is how to achieve it and this is where we would come to a parting of the ways. A lot of members on the other side are given to that first hypothesis that unless the government taxes it, subsidizes it, controls it, funds it, regulates it, unless all that is done, it will not happen. I humbly submit that is not true.

The opening of this country was done quite magically before there was any substantial government involvement with respect to the operation of individual businesses and the financing of homeowners.

• (1835)

I reject the idea that we need to regulate this. I really believe that the marketplace can determine a good balance. If we allow the free enterprise system and fair competition to take place, then the rates will be kept down. If there is a lot of money to be made there will be new organizations entering the field. They will compete and bring their service in at a little better rate. Consequently the other ones, those that are in there higher, would have to come down. However it would reach a lower level where it could not go any further because they would no longer be making any money.

The best solution would be for us to not have legislation that would cap the rates, cap the fees, but rather that we would observe. We should have laws that simply monitor the fair disclosure of what the charges are.

This is one of the greatest areas of error in this whole scene. There are irregular ways of reporting interest rates. There is not a good comparison. We must recognize, and I have this on good authority since I have been in the mathematics field for years, that approximately 85 per cent of our population does not feel comfortable with mathematical calculations. It is surprising how many people have trouble with simple things like conversion to metric. When we talk about interest rates and their implications most of them are lost.

If financial institutions will not voluntarily adopt a method of uniform reporting of rates and charges, then there would be a role for legislation.

I would like to briefly indicate three areas where we need to have truth in advertising. First we need some sort of uniformity in declaring the cost of fees. Fees for different cards range all the way from zero dollars per year to the highest one I saw at \$30 per year. Depending on the balance that is carried this can either be a negligible portion of the interest or it can be a fairly high portion and it would be incumbent on the financial institutions to indicate the actual costs very clearly up front.

Second is the use of nominal versus effective interest rates. This is an area a lot of consumers do not understand. We ought to