

real effect of that is something more than a simple amendment. It is indeed a repeal. I am delighted that the Hon. Member has referred to this issue because we are being confronted with the repeal of sections which would be renumbered Sections 10 and 11 of the Interest Act.

If we believe in the process, then Parliament, assuming that the Liberal majority in the House has its way, will provide under Section 10 of the Interest Act that interest is not payable on a variable principal increase in a mortgage amount. We are also told that in the event that Clause 11 passes, interest will not be paid which would otherwise be payable on a fluctuating rate of interest under a mortgage document. However, once Parliament has done all of that, the Governor in Council may, with the snap of his finger, repeal both of those sections.

We in this place have on many occasions witnessed the regular delegation of the authority of the House to the Governor in Council. Until today, I had yet to see the ability to repeal absolutely by Order in Council the Bills that this House passes. That is exactly what this offensive provision would do. I am indebted to my colleague for drawing this matter to the attention of the House. He may indeed wish to make some observations with respect to both of these provisions and deal with them at some greater length.

Mr. Kempling: Mr. Speaker, I thank my colleague for recognizing the impact of Section 11.1. Quite correctly, one of the great dangers in a parliamentary system is that the power of the Parliament is eventually eroded away. This is one of the ways in which that is done. Bills are drafted and sections of old statutes are amended and these amendments are couched in the language of the drafting officers to the extent that the average individual does not understand what he is reading and becomes confused after a period of time. Consequently, a Bill passes and no one pays that much attention to it, particularly when it passes on a Friday afternoon or near the end of a session.

Parliament and the country are in danger when we pass Bills that are not debated. As well, we are in danger when we pass Bills that we do not thoroughly understand. That is when the people of the country lose power and that is when the Parliament of the country loses power. That is something against which we must fight at all times.

The enabling power that this clause will give to the Governor in Council means in effect that he can dictate to whom this section will apply and to whom it will not apply. He can put things in and take them out. As recognized by my colleague, the important thing is that we are giving the Cabinet and the Governor in Council the right to amend an Act of Parliament without further reference to the Parliament of the country. That is something against which we are going to fight and we will see that it does not happen in this Bill.

Mr. Blenkarn: Mr. Speaker, the Hon. Member for Burlington (Mr. Kempling) told me that he lived at one time in Dundas, Ontario, a relatively small town. He said that, in most cases, people who lived in Dundas never went to a trust

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company or a mortgage company for a loan because, in fact, most of the trust companies and mortgage companies in Dundas did not lend. When seeking a loan, those people went to see their local lawyers.

As someone who was a very prominent citizen of that town at one time, I was wondering if the Hon. Member could tell me whether or not he thought that the people who went to see their local lawyers would be prepared to understand or would be able to understand the following, and I am quoting from the Government's press release:

To account for the fact that the lender can reinvest the penalty at prevailing interest rates, the future values of the interest differences must be brought back, or "discounted", to present value terms. This "present value" of the differences will equal a lower figure than would result from simply adding them up, and it is this lower figure that will constitute the maximum penalty that can be imposed.

I was wondering if the Hon. Member thinks that an ordinary person who was a client of a law office in Dundas that was lending money on mortgages could understand that.

Mr. Kempling: Mr. Speaker, I thank my colleague for his kind references to my former place of residence. One of the tragedies of the mortgage field is that the local lawyer was the source of much of the funding of mortgages in the past, but that field has virtually dried up for the lawyer. The lawyer ends up doing a legal service for a mortgage company, a bank or a trust company and receives a stated fee.

With all due respect to the people I know who live in Dundas and in the areas around Dundas who practise law, I do not think that they have the necessary staff to comprehend the meaning of that statement. It will be so confusing to them that they will feel that they cannot be involved in that field any longer. It is a tragedy that the mortgage field is being narrowed down to include only larger institutions and banks and trust companies.

The private mortgage field built this country, and up until probably the mid-1950s the bulk of mortgage money came from private small lenders and local lawyers. These people are now being excluded and the mortgage field is being pushed toward the big money market. I think that that is a tragedy and something that we must stop and even reverse.

Mr. Deputy Speaker: The House will now proceed to debate.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome this opportunity to enter the debate on Bill C-36—

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. Several matters have been raised. I was wondering, Mr. Speaker, if you did not see anyone from the government side rise to speak. I would have thought that someone from the government side would have wanted to speak in order to answer these allegations of incompetent draftsmanship—

Mr. Deputy Speaker: Order. That is hardly a point of order. The Hon. Member for Winnipeg-St. James (Mr. Keeper) caught the Speaker's eye.