

Bank Act

member for Kootenay East-Revelstoke (Mr. Parker) had the floor on motion No. 39.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, when I was interrupted at five o'clock, I was speaking about foreclosures and the Federal Business Development Bank. Concerned about the fact that the Federal Business Development Bank was affecting the borrowing of many people, I contacted its offices in an attempt to trace down how many loans in my riding it had foreclosed in the last year. I was told that this information was not available to me. It would appear the number is quite serious.

I would like to get back to the amendment introduced by my hon. friend from Broadview-Greenwood (Mr. Rae). It is very important that this amendment be given serious consideration by both sides of the House. I urge all hon. members to take the initiative and support the amendment because it would stimulate the housing industry to such an extent that the small entrepreneur would become involved in housing projects. I can foresee farmers coming forward and making use of the lower interest rates which would result. Small businesses would become more competitive and more involved once again, and there would be more economic development.

Rather than increasing unemployment, taxes and costs in general, the economy would be stimulated and more challenging, particularly in the business sector, the farm sector, the housing sector and the economic development sector. I do not wish to carry on the debate any longer, but I would encourage hon. members to take a serious look at the amendment and then support it.

[Translation]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I shall be very brief. The proposed amendment would allow the members of the New Democratic Party to give us a really exhaustive view of the kind of bank act that would meet the requirements of the socialist philosophy. Unfortunately, I must take exception with most members who have spoken for their failure to develop that socialist philosophy, as the amendment proposed by the hon. member for Broadview-Greenwood (Mr. Rae) provided them with a wonderful opportunity to do so.

As concerns our government, it has no intention at all to legislate and to control bank activities. It feels that the Bank Act establishes the framework and limits the operations and the activities of these institutions called banks in the best interests of Canadians. We are not ready to nationalize banks through the back door or in a round about way by saying to the banks: You are going to make mortgage loans to such and such a category of people rather than to another. You are going to make loans at a preferred rate to such and such a type of industry rather than to another. This amendment would nationalize chartered banks in a round about way, which this government is not ready to do.

● (2010)

[English]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negated on division.

Motion No. 39 (Mr. Rae) negated.

The Acting Speaker (Mr. Blaker): The House will now proceed to the consideration of Motion No. 40.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 40

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 28 at page 225 the following new section:

"202.2(1) A bank shall inform its customers who may be eligible, of any federal government financial assistance programs offered through the banks.

(2) A bank may not require a borrower to provide collateral in excess of 100 per cent of the value of a loan.

(3) A bank shall provide a borrower who has applied for a loan and been turned down with a clear statement of the reasons why a loan was denied.

(4) Where, on an application to, and in proceedings before, a superior court of a province, a county court or any court of competent jurisdiction in a province, it is determined by the court, that

(a) the credit charge rate in a lending transaction was unwarranted, or

(b) the refusal of a bank to lend to a borrower was unwarranted,

the court may reopen the transaction, set aside, either in whole or in part, revise or alter any agreement made or security given in respect of the transaction in the case of the transaction in the case of paragraph (a), require the lender to enter into a loan transaction, in the case of paragraph (b)."

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea!