

*Government Orders*

Some hon. members: Nay.

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

*And more than five members having risen*

**The Acting Speaker (Mr. DeBlois):** Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

**Ms. Catherine Callbeck (Malpeque) moved:**

Motion No. 10.

That Bill C-19 be amended by adding immediately after line 43 at page 260 the following new clause:

"459. (1) A bank must use plain language in all contracts related to financial services, applications for financial services and related documents which it provides to its customers who are natural persons.

(2) Subsection (1) does not apply to words or forms of documents that are prescribed by law.

(3) Subsection (1) does not apply to contracts, applications for financial services and related documents where the price of the financial service or the total liability assumed or to be assumed by the customer exceeds two hundred and fifty thousand dollars.

(4) Proof that reasonable efforts have been made by the bank to comply and maintain compliance with subsection (1) is a complete defence (a) in a prosecution under subsection (1), or (b) in a dispute about whether subsection (1) has been complied with.

(5) The failure of a bank to comply with subsection (1) does not affect the enforceability of any document referred to therein and may not be asserted by a customer or a company as a defence in an action or proceeding based on a document referred to in subsection (1).

(6) As used in this section "customer" includes a natural person who is a guarantor or provides security to a bank.

(7) Subsections (1), (2), (3), (4), (5) and (6) shall come into force on the day which is two years after the coming into force of section 1 of this Act."

She said: Mr. Speaker, this amendment is the same one that I proposed this morning to Bill C-4, the Trust and Loan Companies Act. It is an amendment which is called the plain language amendment. What it does is require the banks to put several documents in plain language, language that is written so that the reader can read it and understand it.

If you look at a lot of these documents, and I have some of them here, you can pick out any paragraph at all. For example: "To indemnify the insured or any other person who personally drives a temporary substitute automobile as defined in the general provisions of this

policy against the liability imposed by law or assumed by the insurer such other person under any contract or agreement for direct and accidental physical loss or damage to such automobile and arising from the care, custody and control thereof". That is all one sentence and this goes on and on. I am sure we all have seen forms from financial institutions which are confusing. They are very difficult to understand. The sentences are extremely long and a lot of the wording is not in everyday language.

I wanted to acknowledge that certainly there has been some progress made in the industry with taking documents and putting them into everyday language.

Certainly I welcomed that trend but at the same time the industry can do more and certainly it acknowledges it itself.

I am proposing this amendment because I think it is very important that it go into law.

This morning it was said that it is very difficult. It is a difficult thing to do, but it has been done. In the United States, at least 10 states have this in legislation. It was first in New York in 1978. In Alberta the same legislation went through in 1990.

If we look at the New York experience, the results are very impressive but the experts there say that in order to really get the industry to do that it must be put in legislation. That is why I am proposing this amendment today.

I believe it is a reasonable amendment because it gives the financial institutions two years to look through their documents and to put them in plain language. This amendment does not mean that they have to do it for every document. It is only required for small customers who are borrowing less than \$250,000.

I have already spoken on this once today in the House but with those short remarks I certainly would urge all members in this House to support the amendment.

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, I suppose we all would like to make sure that all statutes we pass and all contracts we see drawn are written in plain language. The real question is what is plain language?

Let me read the amendment: