

Routine Proceedings

• (1020)

Mr. Rodriguez: What is new? What is the difference? They all sing to the same master for their supper. I suppose at this time when we are on the eve of an election, they have to really pat the banks because they need to protect their donations and their contributions.

The other thing we said in our minority report was that all partial payments should be applied and should be fully credited to the amount owing and that the interest charged should only be on the amount owing.

The province of Quebec has legislation that says for every partial payment made the interest can only be calculated on the remaining balance. I want to mention an interesting situation. That is the law in the province of Quebec for consumers. That is the kind of law I wanted the federal government to adopt in the Bank Act. Then the benefits that Quebec consumers get with respect to credit would apply to all Canadians. I think it is an exemplary piece of legislation.

In fact, the National Bank, the bank in the province of Quebec, was following the rules of Quebec. When it joined the club, the bankers association, I bet you dollars to doughnuts the pressure was put on it to conform to the way the other banks do it. The club made the club member conform.

Therefore, it seems to me this is one of the things that we should be concentrating on, never mind trying to ram NAFTA through here in two days with limitations on freedom of speech in the House of Commons. Why do we not really deal with the things that will provide benefits to Canadians, rather than taking them away? Even now with the NAFTA as it will apply to the banking system, those will never be touched now. They will never be touched, once they are locked into a North American continental financial institution structure. That is the problem.

Therefore, we said to them: "Look, every partial payment that is made should be deducted from the balance owing and the interest should only be calculated on the balance owing".

An hon. member: That makes sense.

Mr. Rodriguez: Oh, no, they go back and charge it from the beginning, if the payment date has passed.

An hon. member: Even on members of Parliament?

Mr. Rodriguez: Well, I know on this member of Parliament. I do not know about all members of Parliament.

I say that is the most unfair way. We suggested that all credit card issuers be compelled to calculate the interest charges in a consistent way. Every one of them should calculate the interest using the same process.

We said that there ought to be a financial services ombudsperson. That person would monitor credit card rates and the abuse of financial service charges. In all my case-load a good 25 per cent of it deals with credit card complaints and service charges imposed by the banks on their customers.

Now, what does that make the member of Parliament? It makes the member of Parliament an ombudsperson for financial institutions. The member of Parliament now becomes the ombudsperson and has to phone and try to get the banks to let up.

As I watch I notice these service charges and the credit card interest rates are often used to bail out the banks from some of their terrible investment decisions. I have watched small businessmen in my riding, small entrepreneurs who have gone hat in hand to the banks saying: "Carry me through this recession". Here are these banks, the pillars of the community. When things are going well and the money is rolling in it is happy days are here again. They break out the champagne. When the economy shrinks in the community, who are first on the Greyhound bus to Mexico? Who are first on the Greyhound bus to the Cayman Islands? The banks, closing up.

• (1025)

It is amazing. They are there when the going is good. When things get tough, they tighten down the hatches, but they do not tighten them down on the big guys. No, when Mr. Reichmann phoned up, he said: "Look, I need \$100 million for Canary Wharf". Or is it Parrot Wharf, the bird sanctuary in London. When he said: "Can I get \$100 million", the Royal Bank president said: "Mr. Reichmann, are you sure you do not want \$200 million? It is the same price. You can get \$200 million and we do not want to see your books. Security? We do not need security. We will take your word for it".

Now, do you see the difference? If the entrepreneur goes to the banks, the banks say: "No, you cannot have credit. You do not have any collateral. You do not have any security, not even for a \$25,000 loan, not even for a \$40,000 loan".