

In addition, I understand that UIC regulations were altered so as to make it more difficult for a client to have his cheque mailed directly to a loanshark. But no legislation was forthcoming. Accordingly on Wednesday, March 29, I myself introduced a bill the purpose of which was to make it clear that the practice of short-term discounting of payments of governments to individuals such as UIC benefits, pension cheques and income tax rebates were to be considered loan transactions and subject to the provisions of the Small Loans Act.

Maximum interest charges allowable under that act are 24 per cent, or 2 per cent per month. The practice of discounting, if subjected to such regulations, would end because the rate of return on a loan lasting a week or two only would be so little that it would not be worth the trouble of undertaking the transaction. I have yet to receive any comment from the government on the contents of the bill.

Finally, on Monday, May 8, I asked the following question:

A while ago there was some trouble with loansharking associated with unemployment insurance cheques. At that time the minister's parliamentary assistant who was being questioned in the House indicated that legislation might be prepared by the government. Is the government considering the preparation of such legislation and if so, what form will it take? Will it be by amendment of the Small Loans Act?

The minister replied:

Mr. Speaker, preliminary investigation shows that if there is any weakness in the act or law it lies in the provincial jurisdiction. We are suggesting now that perhaps we should be concentrating in that area, with the co-operation of the provinces of course, in order to bring an end to this type of situation.

What the minister's reply means is that the federal government believes that the practice of usury through short-term discounting is one which must be regulated by legislation at the provincial level. The provinces still say that this is a federal responsibility. So we have another jurisdictional dispute, another constitutional argument, while Canadians continue to be gouged daily by loansharks. My advice to the federal government is: take a chance, introduce legislation to control discounting and if someone wants to challenge the constitutionality of the legislation to let him take it to court. The odds are better than even that the federal government would win such a case.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I am pleased to answer the question the hon. member for Selkirk (Mr. Rowland) asked during the question period on May 8. I listened with interest to his observations this evening. I assure him, again, that the minister and the department are considering actively the problem he spoke about again this evening.

By order in council PC 1972-667 an amendment to the unemployment insurance regulations was made which reads as follows:

Section 145 of the unemployment insurance regulations is amended by adding thereto the following subsection (8):

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A claimant making a claim for benefit shall, unless otherwise permitted by the commission, supply the mailing address of his normal place of residence.

This, the hon. member will observe, will prevent claimants from advising the Unemployment Insurance Commission of a change of address which could be that of a lender. Most hon. members know that loansharks oblige people about to receive benefits to have them mailed to their civic address, to ensure that they get back the moneys lent plus the extravagant interest rate for which they are asking.

In addition to this amendment to the unemployment insurance regulations, investigations of which the hon. member is aware have proceeded for some weeks. These investigations may lead to additional measures to protect the interests of the unemployed of this country. Indeed, active consideration is being given to possible actions. I hope it may be possible to make further announcements later.

One of the findings that has emerged from the investigations is that there is not necessarily a relationship between delays in unemployment insurance benefits, for whatever reason—those mistakes might be on the part of the claimant or the commission or anyone else—and the so-called loansharking operation. Indeed, loansharking began long before changes were made in the unemployment insurance regulations of this country. Nevertheless, that practice is deplored by the minister, by the department and certainly by the government. Any useful suggestions received from any part of the House will be welcome and will be given careful and attentive study by the minister, to make sure we can end this practice.

HUMAN SCIENCES—PROGRAMS TO INCREASE PUBLIC EXPENDITURE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on April 17 I asked the Secretary of State (Mr. Pelletier) to take note of statistics which had just come to my attention from Statistics Canada indicating that the government of this country spends 15 times more on the natural than on the human sciences. I asked if the government was so totally committed to technological efforts that it was not contemplating further expenditures on the human sciences.

• (2210)

From my university background I have noted over many years that the relationship between the human sciences and the engineering and natural sciences is something like that of Lazarus to Dives, but I was appalled and disturbed that the gap had widened between these two with the assistance of government. The document which stimulated my concern is entitled "Federal government expenditures on the human sciences," catalogue 13-545, published by Statistics Canada. One quotation is startling. It reads as follows:

The expenditures on activities in the human sciences are rather modest when compared to the expenditures for the engineering and natural sciences. For instance, the current expenditures on R & D in the human sciences represent only 7 per cent of the equivalent in the natural sciences in 1969-70. Moreover, this proportion drops to 6 per cent if capital expenditures (important in