

Proceedings on Adjournment Motion

Mr. Speaker, we need a monetary reform which would not take away one cent from the "Haves" but would provide for those who do not have enough to live as human beings.

Some will say: Why give more to the have-nots? This is again socialism! Let us be serious. We gave millions of dollars to India, to China, to Africa, even to Communist affiliated countries. Does that make us more socialists in Canada?

Money is not wealth, but it does express wealth and, yet, it is everything. Therefore, we have here a basic economic error. Money must serve the Canadian people and not subjugate it.

Banks are distributors of credit money of which the dollar has only the value of a nickel. Why, they are counterfeiter! The whole build up of the Canadian economic structure managed by a hundred dictators, bank and company managers is based on the ignorance of the people and the unfair and anti-social laws.

We are all subjugated, amazed, dazzled, we are all struck with a sort of fascination for these millionaire czars who exploit to their benefit our dullness, our ignorance, our fear to know and to understand.

Mr. Speaker, that is why it is so difficult to understand the difference between a grit and a tory, but with time in this House, we end up by learning that there is no difference between them.

Mr. Speaker, may I call it ten o'clock?

• (2200)

[English]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

UNEMPLOYMENT INSURANCE—DELAY IN PAYMENT OF BENEFITS—ACTION TO PREVENT LOANSHARK OPERATIONS

Mr. Doug Rowland (Selkirk): Mr. Speaker, last winter it came to my attention that some people in a number of large Canadian cities had discovered a way of profiting from the delays encountered in issuing unemployment insurance cheques and from the desperate financial straits in which many people in receipt of unemployment insurance payments found themselves. These "businessmen" would offer people who were due to receive an unemployment insurance cheque, but who had not yet received it and were in need of money, what was in effect a loan.

This practice is called discounting. An offer of cash would be made, in return for which the recipient would pledge to turn over his unemployment insurance cheque upon receipt to the person making the loan. To guarantee receipt of the cheque the lender would have his client arrange to have the cheque mailed to the lender's office.

[Mr. Fortin.]

The loan was never for the full amount of the cheque. Customarily, also, half the amount of the loan was given immediately and the other half when the borrower signed over the cheque to the lender. A typical transaction would be an \$80 payment in return for a \$100 cheque, \$40 of which would be paid immediately and the other \$40 when the cheque was signed over. The discount was \$20. One can readily see that if the cheque was received a week later, the lender was in effect charging interest at rates in excess of 1,000 per cent per annum. That is usury in anyone's language. The transaction involved absolutely no risk to the lender because he was having the cheque mailed to his address and it was a government cheque.

A further investigation revealed that the people involved in discounting UIC cheques were also engaged in discounting anticipated income tax rebates, pension cheques and other benefits paid by governments. I felt this practice to be odious and accordingly raised the matter in the House on the first occasion which presented itself after we reassembled following the Christmas recess. Accordingly, on Friday, February 25, I asked the following question:

Is the department aware of loansharking operations, the lending of money against unemployment insurance cheques, resulting from the delays in payment and, if so, what action is the commission taking to prevent this occurrence?

The Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) replied:

Mr. Speaker, the situation will be investigated. If indeed such a situation exists it is clearly despicable.

On Friday, March 10, I followed up the matter by moving the following motion under Standing Order 43:

That in the opinion of this House the government should immediately bring forward legislation which would ensure that the practice of discounting government payments to individuals, at usurious rates of interest to the recipients of benefits provided by law, is placed under the provisions of the Small Loans Act.

Unanimous consent was denied. On Wednesday, March 15, I asked the following question:

Has the government yet taken any steps to end the practice of lending money at usurious interest rates against the future receipt of unemployment insurance cheques?

The Parliamentary Secretary to the Minister of Manpower and Immigration replied:

Mr. Speaker, as hon. members are aware, the minister is very concerned about the practice of discounting unemployment insurance benefit warrants. I want to assure the hon. member that consideration is being given to a number of measures designed to halt the practice. I can inform the House that as of now a process is beginning and new regulations are being instituted under the unemployment insurance plan to prevent the use of an address which is not that of a claimant for mailing purposes without the permission of the Unemployment Insurance Commission. I must say—

And so forth. I then asked the parliamentary secretary if the government was considering legislation to end the practice and his answer was a simple yes. My understanding is that the government did indeed take some action. It had the Superintendent of Insurance investigate the practice of discounting in order to discover if violations of federal laws were involved and if prosecutions could be undertaken.