

project in United States—Request for Canadian efforts to secure moratorium on construction.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, private bills, notices of motions.

PRIVATE MEMBERS' PUBLIC BILLS

[English]

The Acting Speaker (Mr. Penner): Order No. 8, the hon. member for Windsor-Walkerville (Mr. MacGuigan). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): The motion stands at the request of the government. Order No. 34, the hon. member for Yukon (Mr. Nielsen). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): The motion stands at the request of the government. This guarantees that it will retain its place.

Mr. Lefebvre: Mr. Speaker, I think you will find that there is general agreement to taking the bill standing in the name of the hon. member for Toronto-Lakeshore (Mr. Robinson), Bill C-203, an act to amend the Criminal Code (loan sharking).

The Acting Speaker (Mr. Penner): I thank the hon. member for Pontiac (Mr. Lefebvre) for that information.

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● (1700)

CRIMINAL CODE

SUGGESTED AMENDMENT TO INCLUDE LOAN SHARKING AS A CRIME

Mr. W. Kenneth Robinson (Toronto-Lakeshore) moved that Bill C-203, to amend the Criminal Code (loan sharking), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am indeed pleased that finally Bill C-203, to amend the Criminal Code under the term loan sharking, should be before the House of Commons. What it means, in effect is that the Criminal Code would be amended by adding immediately after section 305 the following:

305.1 (1) Any person who, in respect of any loan directly or indirectly, charges, exacts or receives, or stipulates for the payment by the borrower of a sum of money as a result of the payment of which the whole of the cost of the loan of the borrower exceeds or would exceed twenty-four per cent of the amount advanced, is guilty of an indictable offence and is liable to imprisonment for ten years.

I point out that there is an error in the bill and that it should read "twenty-four per cent per annum", which may

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be considered rather low. However, I point this out so that if anyone in replying takes exception to the bill, it will be understood that it is meant to be 24 per cent per annum in so far as this bill is concerned.

If you permit, Mr. Speaker, I would like to quote a few lines of Shylock's in "The Merchant of Venice", Act 1, Scene 3:

If you repay me not on such a day, in such a place, such sum or sums as are expressed in the condition, let the forfeit be nominated for an equal pound of your fair flesh. To be cut off and taken in what part of your body pleaseth me.

These lines, aside from demonstrating the timeless and universal quality of William Shakespeare's works, underline the fact that usury has existed for a great many years. However, in the past five or six years loan sharking has become an increasingly serious problem which must be faced. Government inquiries into organized crime, both in Canada and the United States, support this contention. Testimony from the Quebec Crime Commission hearings, and from United States commissions at both the state and federal level, have furnished abundant evidence.

It is estimated that loan sharking is the second largest source of revenue for organized crime. However, many feel it will or already has surpassed gambling as the number one source. On Montreal island alone it is estimated to be a \$700 million business. This relatively recent but at the same time massive intrusion of organized crime into this field has given the problem an entirely new dimension.

The Encyclopaedia Britannica defines usury as the charging of interest in excess of that allowed by law for a loan of money or for the extension of the maturity of a debt. However, it is commonly used to define any credit situation where an unconscionable and exorbitant rate of interest is charged. For the purposes of this bill I define criminal usury as charging, taking, or receiving any money or other property as interest on a loan or forbearance of any money or other property at a rate exceeding 24 per cent per annum.

The harmful effects loan sharking has on society can no longer be limited to the financial bankruptcy of a few individuals, but are now a vital matter of concern because of economic and social effects on all elements of society. However, we should not minimize the financial ruin, physical hardships, emotional strain and sometimes suicide and murder suffered by individuals.

An example of this can be found in a front page story in the September 24, 1974, Montreal *Star* which tells about a woman who borrowed \$300 from a Montreal loan shark and repaid, in weekly payments or fines, a total of \$3,770 over a period of three years.

Indeed if we are to understand loan sharking, we must attempt to understand the victims of loan sharks. There are three identifiable classes of borrowers: first, the small businessman whose credit position is too poor to support a legitimate loan; second, the urban poor who, even if steadily employed, may be in desperate need of money; and third, heavy gamblers whose propensity for indebtedness is great, regardless of their business or background.

In addition it should be noted that organized crime often chooses victims whose abilities or contacts can be of use to