

*Tax Rebate Discounting Act*

What we have in effect done is said to the people who would like their cash in advance that they can now go, with the passing of Bill C-83, to a discounter, receive their money in advance and have their income tax form filled out for a fee or 15 per cent on the first \$300. There is no interest charged. It is just a 15 per cent fee on the first \$300, which is \$45. That includes the average cost of preparing income tax forms. The discounter then borrows the money in order to pay that person his money in advance and waits until the federal Government makes the refund.

I am sure the Hon. Member will agree, as well as the New Democratic Party, that the odd person in Canada files their income tax and there is a follow-up. There is a change, adjustment or request for further information by the Revenue Canada people. This delays the payment back to the discounter, and we have now reduced the 15 per cent down to 5 per cent on all funds advanced by the discounter in excess of first \$300.

To indicate how the consumers feel about this, I would like to read a letter which was sent to the Minister of Consumer and Corporate Affairs (Mr. Côté) by the Consumers Association of Canada. It says in part: "In particular, we note that you have agreed with the Consumers Association of Canada's position on the need to lower discount rates and proposed a maximum allowable charge of 5 per cent on any amount over \$300". The letter goes on: "You have also accepted CACs view that tax return processing has been too slow and have acted decisively to remedy this situation". This is the paragraph which should be noted: We applaud proposals to pay child tax credit periodically which is in the same piece of legislation by intent in the new tax year to simplify procedures for getting advance loans from financial institutions and to improve the Tax Rebate Discounting Act making it easier to detect and prosecute violators". I feel that Bill C-83, having gone through a series of hearings from interested groups and individuals and from the Consumers Association and the tax discounters that a compromise has been reached. Yes, the discounters would like to make more money and, yes, the consumers would like to get their tax refunds without any cost. However, I respectfully submit that 5 per cent for an advance payment on an amount in excess of \$300 is a reasonable charge for the service rendered. I refuse to accept the arguments of the Official Opposition and of the other Opposition, the New Democratic Party, that 5 per cent is an unreasonable rate to charge with the risk involved and the delays which can occur. The delays are caused, as I have explained before, in some cases because there is extra information required and there is no guarantee to the discounter that that tax refund would be returned within four weeks or five weeks. It is a fact that the return time for income tax returns today is quite a bit shorter than it was in 1978 when the Act was first passed allowing the legalization of discounting for those in need.

I refuse to accept the argument that it is only the poor who require money. I do not suppose there are very many Hon. Members sitting in this House who at some time have not asked for money in advance on a promise to pay from a

banking institution in order that they could meet current costs. Discounting is necessary and this legislation is a fair way to approach it.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, we oppose this measure not because we think what is now in place is acceptable but because we believe there ought not to be the option to charge people who are in need for the money they have coming back from the Government of Canada.

We want to put on the record that it is the responsibility of Revenue Canada, and if there is the need to advance additional moneys forthwith to those who are in the greatest need, then that should be done through the auspices of Revenue Canada. I want to say that this Bill fails to deal with the question of ripping off the poor. There is close to unanimous opposition to what the Minister has brought forward by the majority of those who understand its implications. The Bill legitimizes the exploitation of the poor in a way in which the original legislation had not envisaged. The growth of the business of exploitation has been phenomenal over the last few years, with kiosks springing up in every shopping plaza, and the vast majority of those who undertake the measure are the representatives of a major corporation, in fact two major corporations which operate within the field from the United States, and it is wrong. Those who are doing in Canada what they are doing could not do the same thing in the United States where they come from and they ought not to be allowed to do it here.

[Translation]

Mr. Speaker, the present situation is unacceptable. Adopting this Bill will not change it. Parliament must immediately put a stop to this practice.

[English]

I ask this Parliament to consider the necessity to stand up and admit that it is not enough to say you can charge a little bit, that it is absolutely essential to say that we are going to make Revenue Canada operate effectively and efficiently, and we are going to make sure that those who need the rebates get them without having to pay exorbitant fees.

**Mr. Speaker:** There being no further debate, and it being, for the sake of argument, five o'clock, pursuant to the Order made earlier this day, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of Bill C-79 and Bill C-83 respectively. I propose to commence with the deferred votes with respect to Bill C-79.

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● (1700)

**FINANCIAL INSTITUTIONS DEPOSITORS  
COMPENSATION ACT**

MEASURE TO ENACT

The House resumed consideration of Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Cor-