

Criminal Code

Imagine the result if the recommendation of the hon. member for Middlesex-London-Lambton were accepted and a sentence of one to five years' imprisonment was imposed upon anyone who failed to pay debt. The Canadian people would ultimately pay the \$15,000 to \$18,000 per year it costs to keep that person in prison, not taking into account the moneys that would have to be paid to maintain any dependants. That does not seem to be a very good solution.

● (1732)

The solution, and it is a difficult one, is to impose upon people the responsibility to live within their means. That is not an easy task to perform and this is why, for people who experience difficulty, you have to have budget counselling which sets forth a proper budget which enables them to live within their means.

I would hope that we could refer the subject matter of this bill to the committee on justice and legal affairs and go into depth with regard to what should be done with persons who pass on NSF cheques. Certainly it hurts many people, small businessmen, landlords and so forth. It creates quite a clog on the banking system, on the criminal law system and on the law enforcement system. So I give the member for London East credit for bringing forth this matter at this time, but I respectfully suggest, Mr. Speaker, that his solution is not a good one. It does not take care of the total problem. I think we have to have the experts give us their recommendations based on their experience with regard to what should happen to a person who passes on an NSF cheque. Should that person be imprisoned? At this time I would say no. Should that person be forced to take budget counselling and eventually repay the amount of the cheque?

I think that if we were put to the ultimate test, the New Democratic Party would have to vote against the bill as it is presently constituted. But I would hope that the Parliamentary Secretary to the Minister of Justice (Mr. Young) will get to his feet and in his own persuasive and eloquent way say: "Well, the New Democratic Party has brought forth the idea that this subject matter should be referred to the committee, that we should have advice from experts and should get a report." Based on that report it may be that there should be changes to the Criminal Code affecting this situation.

[Translation]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am pleased to discuss Bill C-215 introduced by the hon. member for London East (Mr. Turner). I would like to congratulate the hon. member for having introduced this bill dealing with NSF cheques. I would only mention an idea I had while listening to the hon. member who explained the bill, the hon. member for Middlesex-London-Lambton (Mr. Condon).

The hon. member for Middlesex-London-Lambton said that people who are responsible for or who write NSF cheques should be imprisoned, that we should have a bill providing that we can imprison such a person as soon as we are certain that he is acting in bad faith by passing NSF cheques. I for one, Mr. Speaker, would like to know which one should be impris-

[Mr. Gilbert.]

oned. Is it the one who writes such cheques because he is caught in the system or is it the system which drives him to do that by encouraging him to buy too much? Here is what happens. I have been in business for some 20-odd years and—

Mr. Deputy Speaker: Order, please. The hon. member for Middlesex-London-Lambton on a point of order.

[English]

Mr. Condon: Mr. Speaker, I would just like to clarify one point that seems to have been brought up twice. The assumption was that if somebody passed a bad cheque he would be put in jail. I was pointing out that in France, if a bad cheque is written and the person writing the bad cheque is guilty of an offence, the term is from one to five years in jail. I must have been misunderstood if it is suggested that I would throw a person in jail for this offence. It was the law of France I was referring to.

[Translation]

Mr. Beaudoin: I thank the hon. member for Middlesex-London-Lambton for his explanation but I must say that they have a different system in France. The system in France does not relate to consumption as much as ours does here in Canada. In France they do not send credit cards right and left to heads of family, whether they are solvent or not, and then allow sons and daughters and wives to go and buy at Eaton's, Simpsons and so on with the head of family having \$450, \$500, \$600 of bills to pay. In France they have a different system. But to explain Bill C-215 one must start with our system and not take the example of France where they have a different system.

I think small businessmen in Canada are certainly threatened by NSF cheques from their clients. I agree with what the hon. member for Middlesex-London-Lambton suggested earlier, but they are the ones who suffer the most but, on the other hand, you also remember that the small businessman often has a certain margin of credit. He too belongs to the group of people writing NSF cheques because the bank, without warning him or warning him at the last minute, cuts off his margin of credit. He has post-dated cheques for a month, two months, three months, up to 12 months to pay for a house, a car, this and that but the bank tells him: You have a client who has been refused a cheque in your name so we can no longer maintain your margin of credit.

Take an example of \$5,000 or \$10,000. His margin of credit is cut by 50 per cent. He too becomes a victim of the system in which we are stuck. And I say that the main culprit is the bank which did create its own problems, first by issuing credit cards to nearly everyone, second by overlapping every which way the credit of its clients or those of other branches, third by lending money it never did receive. I think banks lend money on the stroke of the pen, then revalorized that money by giving it a certain value which is purely fictitious in my mind because a chartered bank only has to deposit a fractional reserve of 16 per cent with the Bank of Canada, and as soon as it has a 16 per cent reserve with the Bank of Canada, it can then lend a client 100 per cent.