The only alternative would be to stop accepting cheques altogether. I think all of us would hate to see that happen because of the hardship that would result. The provisions of Bill C-215 would give the writer of an NSF cheque 30 days to satisfy the debt after notification by the business concerned. If the cheque is not covered in the bank by that time, the purchase involved would be presumed to have been obtained by false pretences, and court procedures would be the next course of action.

This bill would go a long way toward deterring individuals who have habitually passed bad cheques. This bill would help all businessmen who have frequently been stung by fraudulent and unscrupulous individuals. I urge hon. members to support this bill so that it can become law as quickly as possible.

Mr. John Gilbert (Broadview): Mr. Speaker, the hon. member for London East (Mr. Turner) should be commended for bringing this matter forward in the form of Bill C-215, and the hon. member for Middlesex-London-Lambton (Mr. Condon) should be congratulated for setting out the problem in a very precise and persuasive way.

● (1722)

There are certain dangers in Bill C-215 which I should like to discuss, Mr. Speaker. Before doing so, I should say that I think this bill may be of sufficient importance to have the subject matter referred to the Standing Committee on Justice and Legal Affairs where expert witnesses could be called. Businessmen, bankers, and law enforcement officers, for instance, could focus on the problem and make recommendations.

The bill gives a 15-day grace period after the bank has notified the person who issued the cheque that there are not sufficient moneys in the account to cover it. If the amount set forth in the cheque is not paid, then the presumption of false pretences applies and if it cannot be proven that the person who issued the cheque did so without any intention to deceive the payee, there would be the possibility of imprisonment.

When I heard the hon. member for Middlesex-London-Lambton, who introduced the bill on behalf of its sponsor, say that in the case where someone was duped out of $20,000 on a mortgage he recommended imprisonment for one to five years, I thought that illustrated the importance of this discussion.

It would be trite to say that we live in a credit society rather than a cash society, Mr. Speaker. Our parents would never buy anything unless they had the cash to pay for it, but we are a different generation. I notice that my children lean to credit buying. In a credit society with the tremendous advertising pressures that there are, many people buy things they cannot pay for and sometimes issue cheques hoping that by the time they are presented to the bank they will have had a chance to deposit the money to meet them. In many cases this does not happen.

I think businessmen and bankers have a responsibility to tone down advertising aimed at young people today. We hear of things like "the red convertible loan." Young people borrow money, buy the red convertible, and then find they cannot pay for it. There is constant radio and television pressure on young people to buy, without impressing upon them their responsibility to pay. I think there is an onus on businessmen and bankers to ensure that young people are not pressured into over-buying.

This bill puts the onus on bankers to notify anyone who issues an NSF cheque that, if it is not covered within 15 days of the notification, there will be a presumption of false pretences. Again, it is trite to say that most businesses include in the cost price of an article the cost to them of loss through theft and loss suffered as a result of bad cheques. Of course 95 per cent of people in the community pay for those two cost factors.

As it stands, Bill C-15 would impose a tremendous workload on the courts with charges of false pretences as a result of NSF cheques. The present trend is to unclog the courts and not bring to them matters which are of a personal nature—squabbles between neighbours and so on. There is an attempt to refer such matters to places other than the courts so that they can devote their time to cases where violence has been committed against the person rather than assault on the pocketbook.

I could have said shed tears over the example given by the hon. member for Middlesex-London-Lambton about the uneducated immigrant who invested his life savings of $20,000 in a mortgage and then, when the mortgagor did not pay, lost his money. It would have been interesting if the hon. member had read the reply given to that person by the Prime Minister (Mr. Trudeau).

Sometimes greed brings about loss, Mr. Speaker. This uneducated immigrant put his whole life savings of $20,000 into a second mortgage without any appreciation of what happens upon default, and without any appreciation of his responsibility for taking up the payments on the first mortgage and so on. It seems to me there is a moral obligation upon the lawyers who write these mortgages, upon real estate agents, and upon the community in general, to tell people who want to invest in mortgages, especially second mortgages, that they must be very careful not to invest their whole life savings, as they face possible loss.

When it comes to housing there should be a moral obligation on all of us to provide decent housing for Canadians at reasonable cost. We should take the profit out of housing. There is no reason why that immigrant should put his $20,000 into a second mortgage at a very high interest rate to be paid by the owner of the house. He should have directed his money into Canada Savings Bonds, or even into a bank, for lesser interest and greater security. In the final analysis, greed overcame caution.

Legal history shows that a hundred years ago we still had debtors' prisons. People who could not pay their debts were put in prison and then, of course, they could not pay their debts at all. We wisely got rid of debtors' prisons and gave people an opportunity to pay. Thank goodness we did get rid of them because they imposed an impossible burden on the debtor.