

liable to prosecution. I think you would very effectively stop this pernicious practice of issuing bad cheques if you were to provide by an amendment that a man who issues such a cheque, without funds or without sufficient funds at the bank, is liable to prosecution and conviction. In its present form I fear that the bill will merely invite issuers of bad cheques to proceed as they have been doing in the past, and will render the operation a little less hazardous.

Mr. ANGUS MacINNIS (Vancouver South): I have had a great many communications from business men of the city of Vancouver, endorsing this amendment. After carefully reading the bill I thought it was so framed that at least it would not work a hardship upon anyone; I thought the words "within a reasonable time" would take care of any contingency of that kind, and I was prepared to support the amendment. But after listening to the Minister of Justice (Mr. Guthrie), and admitting that he knows much more about these matters than I do, if he believes this would rather open the way for that which we are trying to prevent, then I have nothing further to say. If the mover can so amend his bill as to accomplish what we have in mind, I shall be pleased to support it.

Hon. IAN MACKENZIE (Vancouver): I find myself very much in the position of my hon. friend from Vancouver South (Mr. MacInnis). I also have received several hundred communications supporting the principle of the bill introduced by the hon. member for Comox-Alberni (Mr. Neill), and I may admit quite frankly that I have not received a single representation in opposition to it.

With all due respect to the very considered opinion of my hon. friend the Minister of Justice (Mr. Guthrie), I do not think he described in exact detail the purport of section 1 of the bill, the purpose of which is to amend section 405 of the criminal code, which deals with obtaining goods by false pretences. With the permission of the house I should like to read exactly the words of the amendment:

Everyone who draws and issues a cheque on a chartered bank in Canada for the payment of money and at the time he draws and issues the cheque has no funds or insufficient funds on deposit in that bank to meet the cheque, and has no reasonable grounds to believe that the

[Mr. Guthrie.]

cheque will be paid by the bank, and to whom no credit has been extended by the bank at the time of the presentation of the cheque

If the section stopped there I believe most of the representations submitted by my hon. friend the Minister of Justice would be justified, but the sponsor of the bill goes further and says:

. . . . and who, upon the refusal of the bank to honour the cheque does not, within a reasonable time, deposit in the bank to his credit a sufficient amount to meet the cheque

In other words, according to my interpretation of this section, there is a double opportunity offered here. The innocent, bona fide issuer of a cheque without sufficient funds in the bank to his credit has a second opportunity after the refusal of the bank to honour the cheque. The section proceeds:

. . . . does not, within a reasonable time, deposit in the bank to his credit a sufficient amount to meet the cheque or pay the amount of such cheque to the holder thereof

If he does not do this he is guilty of an offence. I consider that while the section may not be perfect it provides a very reasonable protection both to the issuer of a cheque in good faith and to our retail merchants. All the representations I have received have come from the city of Vancouver, not only from retail merchants but from many organizations, all of which are members of the Vancouver board of trade. My hon. friend told the house that he had received representations against the principle of this bill from boards of trade and banks, and of course I accept his word. I am quite prepared to believe that representations against this section might come from banks, but I do believe that at least the principle the hon. member for Comox-Alberni seeks to establish would meet with the approval and sanction of ninety per cent of the business organizations throughout Canada, and would be approved also by ninety-five per cent of those who issue cheques in the ordinary course of business.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): My hon. friend from Comox-Alberni (Mr. Neill) should be congratulated upon bringing in this amendment, but when one reads it carefully it will be seen that it would be rather hard for a magistrate to apply the law. Who can say that a person had no reasonable grounds to believe that the cheque would be paid by the bank? A distinction should be made here between a man who has an account at the bank and one who has not.