

**CBC – SELINGER TRANSCRIPT - JAN 12, 2005**

**Reporter:** Before we talk to Eileen, we have Finance Minister Greg Selinger on the line, Manitoba Finance Minister. Hello to you Sir.

**Manitoba Minister of Energy, Greg Selinger:** Hi, how are you today?

**Reporter:** Thank you for joining us and being a part of this discussion, what do you think needs to be done in regards to payday loan companies?

**Greg Selinger:** Well, I think it needs to be regulated. I think right now it's really a wide open market and I think there needs to be some legislation brought in by the Federal government that will regulate this specific industry. The precedent for it is what they did about 20 years ago, in regulating tax discounting. It used to be a wide open market as well. They brought in legislation to regulate it and to ensure the consumers didn't pay exorbitant rates for the services they were getting.

**Reporter:** What kind of legislation do you think the Federal government should introduce to the industry?

**Greg Selinger:** Well, I think that they should regulate the total amount that could be charged for a payday loan and make sure that it is something that's affordable and reasonable for the person that requires that service and in addition, I think the Federal government that controls banks, and the legislation controlling banks, should require the banks to provide services to low-income Canadians that are affordable and give them access to legitimate financial institutions for regular financial services.

**Reporter:** And what can the province do or what does it plan to do?

**Greg Selinger:** We can't control the industry, that's Federal legislation but what we can do is under consumer protection legislation look at things like making it illegal to roll overs of loans where you stack one loan on top of another and build up to enormous amounts of interest on a very small amount of original loan principle so we're going to take a look at this Spring at what things we can do in the consumer protection act to protect consumers from those kinds of practices that put them behind the eight ball pretty quickly.

**Reporter:** Now when you're looking at it this Spring, I understand that is a committee of both Federal and Provincial committees that will look at that.

**Greg Selinger:** No, that's in addition. This is an initiative we'll just take to the Provincial Government but when I chaired the Federal Provincial Consumer Affairs Minister's meeting in Winnipeg last January, I initiated a request for a Federal Provincial committee with the province's participating in the Federal government to look at what could be done across the country. That committee's supposed to report this Spring. There's a new

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Minister, Minister Emerson, I've written him a letter in November asking him to expedite that process and get ideas in place soon because I wasn't getting the sense that he was paying attention to this issue. He's got a lot of things on his plate as a new Minister but I wanted to draw this to his attention and I've asked for a conference call with the Ministers across Canada and the Federal Minister to discuss how we can keep the ball rolling on this thing.

**Reporter:** And what's the feeling of your counterparts in other provinces?

**Greg Selinger:** Some don't want to do anything right now. They feel that their own circumstances are under control in a way they would like. Other provinces are interested in it and I've recently last week, just before Christmas, I talked to the Minister of Consumer Affairs in Ontario. He expressed an interest in working with our government to see what could be done. It's a situation that's growing rapidly down there too. So we've been, I've been, reaching out across the country to sort of build support in other jurisdictions and awareness. I mean, we're fortunate in that the other guests you've had on the show did some research specific to our jurisdiction that hasn't been done in other jurisdictions so there wasn't quite the same level of awareness across the country, but we're trying to get these civil servants, federally and provincially, to come up with concrete proposals of what we can do, but the province of Manitoba will take action that they can do within their own legislative framework this Spring without waiting for the Federal working group to report.

**Reporter:** And what action can they take within that framework?

**Greg Selinger:** Well, the most important thing would be for the Federal government to show some leadership in starting to regulate this industry in a way that ensures consumers across the country are treated fairly when it comes to this kind of loan activity.

**Reporter:** Does the province, or even the city, have the power to ban these kinds of places?

**Greg Selinger:** I don't think so. I think what we can do is control some of the consumer protection parts of it. The legal rate of interest is set in the criminal code which is federal legislation.

**Reporter:** When you said that some of your counterparts felt that they had this under control, does that mean that they had legislation in place that made a difference, or what did you mean by that?

**Greg Selinger:** In Quebec, they brought in legislation which was quite strict but my read on that is that even though pay day loans haven't expanded there, that what has happened is that it's driven this kind of activity into the hands of organized crime and so that is one of the dangers. If you overdo it and wipe out the possibility of this kind of activity without the banks and the credit unions or the casse populaires moving into the field, people will seek out credit in other venues which are maybe more underground venues

and what we don't want to do is create a whole market for organized crime in our jurisdiction.

**Reporter:** We're going to talk a little bit later to a woman who has used these companies and she has been involved in rollovers of payday loans which is an issue other people are worried about, as you are.

**Greg Selinger:** That's the one we think we can regulate this Spring.

**Reporter:** Would regulations come in in the Spring or you're just discussing it in the Spring?

**Greg Selinger:** Well, I have to get this through my process of caucus and legislative review committee but I am confident I'll get support to start controlling rollovers and I'm pretty sure we'll be able to bring legislation through this Spring but I have to go through the process with my colleagues at the legislature first.

**Reporter:** Minister Selinger we thank you for your time today.

**Greg Selinger:** Thanks for the interest.