

Interest Act

have said, "Unfortunately I agree with this bill, but I shall have to vote against it because I understand my party is not prepared to accept it."

Mr. Hosking: That is not the case. Those are not facts.

Mr. Cameron (Nanaimo): Then I am obliged to accept the position that the hon. member for Wellington South has the strangest sense of logic of any hon. member in this house, when he tells us that because of his love of freedom and his love of human rights he is going to oppose a bill which will prevent various individuals in this country from signing documents that commit them to pay interest of more than 12 per cent, or signing documents which will permit companies to charge more than 12 per cent. Our whole mass of law in this country is full of that kind of prohibition which has been found necessary for the proper conduct of our society.

I was interested earlier this afternoon when the Minister of Finance in answer to a question made a statement to the effect that the question asked revealed the soundness of the government's decision that there is too much credit outstanding. I believe the minister said something to that effect, and perhaps he will correct me if I have it wrong.

Mr. Harris: No, no.

Mr. Cameron (Nanaimo): Well, perhaps the minister will tell me what it was he said. I understood him to say he was expressing the view of the government that there is too much credit outstanding.

Mr. Harris: Oh, I beg your pardon. I thought you were referring to the question of the hon. member for Assiniboia of a few minutes ago.

Mr. Cameron (Nanaimo): No, I was referring to something you said earlier this afternoon during the question period. I was pleased to hear the minister say that, because I think we are all in agreement that there is too much credit outstanding. It does appear to me if that is the case—and it is a very reasonable position for the government to take, I think, and certainly it has been the basis of the government's policy with regard to credit restrictions—the government should also examine the position of these instalment purchases which are the basis of a great deal of the credit inflation in the country today.

The enormous rates of interest which are charged do entail what is in fact a very large addition to the price of the article being bought, a substantial inflation of price, which is a very important factor in the general

problem of inflation. I do not think there is really any argument about it that this business of enormous interest charges in instalment buying is becoming more and more a serious problem in our society.

It is not altogether a joke when we hear the remark made, which we do almost every day, that the so and so's are just managing to keep up with their payments on the washing machine, the car, the furniture and the house. We all know that is the case today, and one of the reasons that many family units in Canada are having great difficulty in keeping up with these payments is the iniquitous interest rates they are being charged.

The hon. member for Assiniboia mentioned the reports he has heard of certain firms which try to discourage cash buying. I must admit I was quite frankly flabbergasted last year when I was in Vancouver to discover that there is a large firm there which sells household appliances and household goods, and which has virtually stopped all cash selling. In effect they have turned their institution, which is ostensibly a retail store for furniture and household appliances, into a front for a small loans business at exorbitant rates of interest.

When I mentioned this to a friend of mine in Vancouver, a woman who had spent many years in the retail trade, she told me of her experience in working for another large retail firm in Vancouver. After having retired from work for some years following her marriage she again took a job. After her first week of employment she was warned that her sales book showed altogether too many cash sales and not nearly enough credit sales.

The answer of course is perfectly obvious. These firms make more money out of instalment buying than out of cash sales, and carried to the extent it is today the practice threatens the welfare of people in Canada in two ways. The first and most obvious way, of course, is by the exorbitant prices the people have to pay for the goods they require, the heavy strain on their individual financial resources and also the larger question of the inflationary effect of this large-scale, widespread inflation of prices through exorbitant interest rates.

I must say I am rather inclined to agree with the hon. member for Acadia that the 12 per cent limit put by my colleague the hon. member for Assiniboia is somewhat on the generous side. Like everything else we become accustomed to such things too readily, and I think he had a point when he said that a rate of 12 per cent included in an act of this parliament would tend to become