

desirable for the individual or company as well as in the general public interest. Perhaps we could adopt a phrase from the credit unions and extend to a wider group of private consumers the privilege which government has long accorded to specified categories of Canadians, of securing at reasonable rates, loans guaranteed by the Government, to be used for "provident and productive purposes". This credit would not be available to acquire minks and diamonds, or for travel to far-off places, but only for purposes related to the well-being of home and family. A high proportion of borrowing by the hard-pressed low-income wage-earner would clearly come within this definition.

Consumer lending companies take the position that borrowers "who lack readily marketable assets and who are in a relatively weak bargaining position need the services provided by responsible lenders under a suitable regulatory law." We do not quarrel with this, but we believe the time has come when that service must be made available to this vulnerable group not only by the private institutions with which they are now dealing, but by an independent source which would provide an alternative for those who are turned down by commercial lenders. This service element would include much-needed advice concerning the meaning and the cost of credit. The evidence convinces us that the risk of losses on the loans would be very small, and the public interest would be served by preventing low-income families from becoming enmeshed in debt from which they could never hope to extricate themselves unaided.

Commercial banks are already providing consumer credit on a large scale to borrowers who are considered good risks. They also make loans to individuals who might not otherwise qualify, on condition that the Government guarantees to recoup any losses from the Consolidated Revenue Fund. We believe they could be persuaded, with the same kind of government guarantee, to serve the lower-income consumers we have in mind.

If we were to make it possible for farmers and city dwellers alike to borrow at reasonable rates for what could be regarded as necessary expenditures related to the satisfactory functioning of the home, in the same way as we do now for home ownership or farm implements, that could hardly be regarded as establishing any new principle. It is now a matter of official concern to help preserve and strengthen family life, and specifically, to raise the standard of living of families which have failed to share in our general affluence. The strains on family ties that result from overwhelming debt are well documented.