

*Consumer Credit Controls*

I have also read a thesis by a young man who is now a Member of this honourable institution. The thesis is entitled "The Senate of Canada—Political Conundrum". I will only quote certain parts.

No political subject provokes more dissatisfied public comment in Canada than its Senate. Rare is the year that passes when someone of note in this country has not been on his feet voicing criticism and seeking the reform or outright abolition of the Upper House. It is probably fair to say that most Canadians who are aware of the subject feel that the Senate has outlived its usefulness and has become a superfluous appendix to the political system. Indeed, the prestige and authority of the Senate has probably fallen to its lowest level in Canadian history.

Then he goes on to point out that in 1955 the situation had become less than comical because of the make-up of the Senate. He said:

The situation had become somewhat less than comical in the year 1955, when virtually a fifth of the complement of the Senate was vacant, provoking the introduction of a bill (Bill H-10, introduced in the Senate on March 29, 1955, by the Honourable Senator Euler) to provide that vacancies in the membership of the Senate be filled within six months of the occurrence of the vacancy. Needless to say the bill had little chance of success and was killed on second reading.

I simply want to say that I come from a large area of Southwestern Ontario that has no representation in the Senate. If you put a compass on the map and trace from near Goderich on Lake Huron around to Lake Erie, just missing the city of Brantford, you will find there is no Senate representation from that part of Ontario, which has a population of almost three million people. Neither this Government nor previous governments have seen fit to appoint a Senator from that very important part of Ontario. I feel this is one thing we should consider and that should have been considered in the bill. There should have been a form of redistribution, if you want to call it that, in order that Senators would be given districts and would come from certain sections of the provinces. I believe there is a good opportunity for Senators to serve. I know the heavy work load that the Members from Southwestern Ontario have and if we had an active young Senator from that area he could be very beneficial to us in helping us with our work. I do not mean I am not willing to do the work I have to do, but I come from one of the most productive, most diversified and most populated areas of Canada and if the Senate were properly reorganized I believe a Senator representing that area of Ontario could do a great deal to serve its people.

It is five o'clock, Mr. Speaker.

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**Mr. Deputy Speaker:** It being five o'clock the House will now proceed to the consideration of private Members' business as listed on today's Order Paper, namely Public Bills, Private Bills.

● (5:00 p.m.)

**FINANCE****PROVISION FOR CONTROL OF USE OF COLLATERAL BILLS AND NOTES**

**Mr. S. Perry Ryan (Spadina)** moved the second reading of Bill No. C-10, an Act to provide for control of the use of collateral bills and notes in consumer credit transactions.

He said: Mr. Speaker, this bill, an Act to provide for control of the use of collateral bills and notes in consumer credit transactions, was first introduced in the House on November 26, 1963, during the first session of this parliament. It was referred to the Joint Committee on Consumer Credit, of this House and the other place. It was re-introduced and referred to the same committee in the second session, and this committee was still hearing evidence before prorogation of the second session so that consideration of this and other referred bills was not reached, and as yet the joint committee has not been constituted for this session.

Under these circumstances, Mr. Speaker, in view of the luck of the draw that gave priority to this bill, and in view of the crying need for the reform of present paper discounting and credit-sale practices, I feel it is in the public interest and that of the joint committee that I should proceed to cause this measure to be debated without further delay.

The purposes of the bill are threefold: first of all, to give warning to makers of promissory notes given as collateral to deferred payment agreements in consumer credit-sales transactions, that they may become liable for payment of the notes to third parties who are innocent purchasers of the notes for value, and without notice of the warranties and equities of the sale of goods transaction; second, to make it practically impossible for finance companies and other financial institutions to claim with success that they are innocent purchasers without notice of any equity in the buyer of the goods; and, third, to control and limit the interest rates that may be charged if a vendor elects to use this method of collaterally securing his deferred payment sales agreements.

It will be argued that this bill should not be passed until interpretations have been handed down by the courts which would