

(21) Bankruptcy and insolvency

(27) Criminal law

Provincial governments: Section 92,

(13) Property and civil rights

91 (15) He considers that this section would cover "all aspects of consumer loans made by the chartered banks." He would have the position of the banks clarified, permitting them to charge more than 6 per cent, but requiring that actual, all-inclusive charges be stated in one rate. He would lay down regulations concerning advertising, and proclaim the right of the consumer to prepay a loan and save on interest payments, something that the banks now permit as a courtesy.

91 (18) He would make it impossible to deprive a consumer who is being sued on a note, of the right to raise defences which could be raised against the original seller. The businessman already has this kind of protection.

91 (19) He supports the principle of a disclosure law "which would require the finance charge component in every consumer credit transaction to be stated both in terms of dollars and cents and in terms of a percentage rate on the declining balance of the principal." He adds his support to the recommendation of the Royal Commission on Banking and Finance that the limit of the Small Loans Act be raised from \$1,500 to \$5,000, and that the rate structure be reviewed. He would extend the Act to cover "all other consumer credit transactions involving a sum not exceeding \$5,000."

The supplementary brief discusses the need to clarify the extent of the federal government's power to legislate concerning interest and matters incidental thereto, but be that as it may, Dr. Ziegel points out that "if the federal government has no power to regulate finance charges under this head, then the provincial governments do have it."

91 (21) "Provincial legislation frequently authorizes a county or district court judge to order the payment of a judgment debt by instalments." However, it has been held that legislation to permit consolidation of debts is beyond provincial jurisdiction. It rests with the federal government, because it deals with bankruptcy and insolvency, a subject within the exclusive jurisdiction of the federal government. Dr. Ziegel urges the federal government to exercise this power so that consumers who over-extend their financial resources can make plans "to rehabilitate themselves expeditiously and with minimum expense." (See p. 14.)