

Consumer Credit Controls

salesman did reappear he was informed that he could not collect the money or enforce the contract because the young lady was under age and did not have her parents' consent to enter into such a contract. The salesman finally agreed to tearing up the contract, but in the process of explaining its terms to the young lady he almost convinced her that she should sign another contract. I was only listening to the conversation with one ear because I did not wish to become involved, but I was able to ascertain the type of high pressure salesmanship that he used.

What would a fellow in the country do after he had signed a contract to purchase aluminum siding for his house, which had been sold to him under similar circumstances, but which he could not by any stretch of the imagination afford? I am aware of one case of this kind where an individual agreed to the purchase of aluminum siding for his house only to find afterwards that it was going to cost him \$3,300. This individual is now applying for welfare because he cannot afford to make the payments.

I suggest that the examples I have given are not unusual cases. On the contrary, they are taking place every day in various parts of Canada. The kind of bill proposed by the hon. Member for Spadina, if passed, would do a lot to protect Canadians from the tactics of salesmen of companies of the kind to which I referred. Surely we do not need more study of this subject. I am sure that if the hon. Members in attendance today were asked to raise their hands if they were not completely aware of this kind of situation there would not be a hand raised. It is high time that we had in Canada legislation of this type, and I am sure that the Minister, who is in the House, would support me in this regard. If we pass this bill I am sure we will do a great deal to eliminate this kind of hoodwinking and dishonesty by shysters who travel throughout this country selling products of no real value, on the basis of no down payment and so much a month. These companies are not bona fide companies, but fly by night operations which, after selling an area and completing their campaigns, in turn sell these promissory notes to third parties.

By allowing a cooling off period in respect of these so-called discount transactions we would do a lot to eliminate this type of business. This would allow at least some time for an individual to reconsider the proposition and talk it over with his wife, if not also give him enough time to make an intelligent decision as to the actual value of the product

[Mr. Peters.]

involved. In my opinion the hon. Member for Spadina will have done Canada a great service if this bill is passed. I hope there will not be a suggestion that it be referred to a committee for further consideration. The hon. Member for Spadina I am sure will agree to amending the bill to include a cooling off period, and I hope that this can be done this afternoon and the bill passed without further discussion. I am sure that the Cabinet Minister who is here will obtain unanimous consent of the House if he asks for an extension of time this afternoon to complete the consideration and passage of this bill.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to express my congratulations to the hon. Member for Spadina (Mr. Ryan) for the introduction of this Bill, which represents an attempt to deal with a very serious problem in respect of consumer financing in Canada. At the commencement of the hon. Member's remarks I got the impression that he was concerned more about the purchasers of these promissory notes than about the individuals who signed them in the first instance. Perhaps there is some validity to his argument in that regard, that these people also need to be protected, but I am sure that they do not accept any promissory note that is not capable of collection. I am sure that the majority of individuals involved in the purchasing of these promissory notes, or this type of collateral, are experts in this field and do not purchase something that under the law cannot be collected.

As far as I am concerned, I am more interested in protecting the people who sign these promissory notes. This type of activity is widespread in Canada. These organizations campaign in various areas, the salesmen work very hard in selling their products, and then in turn sell these negotiable promissory notes to third parties, and then move out of the area.

In addition to what the hon. Member for Timiskaming (Mr. Peters) has suggested, I think there should be some provision in respect of the sale of this kind of collateral given in exchange for merchandise, and some responsibility attached to the individual who transfers this collateral, after selling the merchandise. In other words, there should be some responsibility on the part of the original company transacting this business. While I realize the truth of the maxim, let the buyer beware, it is very difficult for a buyer to beware under the pressure of these specialized salesmen.