

*Consumer Credit Control*

the people get into difficulties so far as credit is concerned because they gradually become poorer and poorer credit risks and thereby have to pay higher and higher interest rates. These people—

**Mr. Reid:** May I clarify what I said?

**Mr. Speaker:** Order, please; the hon. member for Medicine Hat has the floor. If the hon. member wants to clarify what he said there will be an opportunity to do so after the hon. member has completed his contribution to the debate.

**Mr. Olson:** If the hon. member would like to ask me a question, perhaps that would be acceptable to Your Honour and to the house. However, he has made his contribution to the debate and it is against the rules for him to speak again. I would be prepared to answer a question, with your permission, sir.

**Mr. Reid:** I ask the hon. member for Medicine Hat if we would not agree that a great part of my argument was to the effect people get into this position because, first of all, they do not know how the system operates. They lack education in it. Second, they do not exercise the proper restraint. They want things now without having the knowledge or perhaps even the ability, to wait and save.

**Mr. Olson:** I agree completely; but if you follow the hon. member's suggestion through, what would happen to our whole economy? The results would not be very good for the immediate or long range future of our industrial establishment. I should like to suggest to the hon. member that if everyone in Canada waited and used that restraint he talks about before they bought the products of our industrial output, we would have such a slow-down in consumer demand that there would be a slowing down of our whole industrial machinery. I do not believe this would be very good for the nation because it would be reflected in employment and all the things that keeps our economy going.

What I am suggesting to him is that these purchases by consumers in Canada at this level are a good thing for our whole economy. They are a good thing for our standard of living. Anything that would shut that down would not be good. The unfortunate part of it, and I appreciate that the hon. member has looked into this, is that following these purchases of our total industrial output we seem to have this problem of people mortgaging their future income for many years. Surely,

this must mean that there are some very serious flaws in our whole financial and monetary system to cause this kind of effect through trying to keep our industrial establishment going. I should like to suggest to the hon. member, although he may not like this, that I hope he continues these studies because his conclusions are probably very close to what the Social Credit Party has been advocating for a number of years. Whether or not he would like to come over and join us is not important. The thing that is important is that he seriously continue these studies and do whatever he can to impress on the members of his own party that this is a serious problem and that, as the government, they have the responsibility to try to do something to correct it.

Now, Mr. Speaker, I do not want to take a lot more time. I simply wanted to commend the hon. member for Kenora-Rainy River for his serious, and I think intelligent, study of these problems. I should like also to assure the hon. member for Danforth (Mr. Scott) that we support the principle of this bill and perhaps when it reaches committee we can receive a report from that committee that will meet the problems in the consumer credit field.

**Mr. Warren Allmand (Notre-Dame-de-Grâce):** I rise as a lawyer, Mr. Speaker, and with all due respect to the hon. member for Kenora-Rainy River (Mr. Reid), I feel that if he reads his speech in *Hansard* tomorrow he will find it just as confusing as any conditional sales contract. It is notable that he has already felt it necessary to interpret his remarks to the other side.

Without discussing the constitutional validity of this bill I should like to say that I think it is good in principle but I do not think it goes far enough in protecting the consumer. There are many aspects of it which still leave the consumer open to the finance companies. I should like to deal with certain sections of the bill. Section 4 of the bill attempts to restrict the rate of interest to 10 per cent.

The hon. member for Kenora-Rainy River said that if a man wants credit and cannot get it because of his credit rating, he will attempt to get credit at a higher rate of interest than that permitted by this bill. If such a contract did provide for a higher rate of interest, the sanctions in this bill are set out in sections 5 and 6. Section 5 states that the agreement, as regards interest and the payment thereof, shall be void. Section 6