

say, the credit not only increased by the percentages I have mentioned, but the time of re-payment also increased very materially.

Let us take the figures of the retail financing of consumer goods—and there is no doubt that these are consumer goods. The retail financing of consumer goods by finance and acceptance companies in 1948 amounted to \$122,522,000. By 1949 this had grown to \$190,574,000, an increase of 55.5 per cent, which is no small increase.

The balances outstanding with finance and acceptance companies on consumer goods paper had reached \$70,451,000 by the end of 1948, and \$115,977,000 by the end of 1949, an increase of 64.6 per cent.

I submit, therefore, that this legislation, if it has the effect of reducing these instalment purchases to some degree, will do little harm to anyone and will accomplish a useful purpose.

We had some experience with this kind of legislation during the last war, and it may be that the experience gained then will be of very little guidance to us in what is proposed here. Honourable senators will observe that the Act only gives authority to the Governor in Council to specify the commodities and to limit the loans. The Act does not do this in itself, so one naturally turns back and asks what was done during the Second Great War. But it would be a mistake to assume that what was done then will necessarily be done now. If a person bought an automobile at that time he had to make a down-payment of one-third of the price of the vehicle, and there was a minimum down payment of \$25. On other goods a down payment of one-fifth of the total purchase price was required, with a minimum of \$5. The maximum period of credit given in those years was six months for wearing apparel, except furs, ten months for all goods where the amount financed was less than \$500, and fifteen months when the amount financed was over \$500.

Some information as to the effectiveness of the legislation during the war years may also be of interest. Over the period from 1941 to 1945 the total sales of consumer goods in Canada increased by 36 per cent, whereas instalment sales decreased by 41 per cent. There was more than one reason for that decrease. The restrictive elements of the legislation were in existence at that time. There was also a decrease in the amount of consumer goods affected by the legislation because, as honourable senators will recall, manufacturing plants turned from the production of consumer goods to the production of war goods.

I have observed by the press that the United States is introducing legislation similar

to the bill before us. An honourable senator has asked me about the constitutional aspects of this bill. I submit that quite aside from any war powers given to the Dominion Government under the peace, order and good government provision of the British North America Act, there are plenty of powers given under section 91 of that Act. I refer to such classes of subjects as currency and coinage, banking, incorporation of banks, the issue of paper money, savings banks, bills of exchange and promissory notes, interest, and legal tender. Anticipating that some honourable senator would ask me that question, I took the trouble to find some legal authority on the subject. I refer to the Canada Supreme Court Reports, 1938, page 100, under the heading "In the Matter of Three Bills passed by the Legislative Assembly of the Province of Alberta." The headnotes to the decisions read in part as follows:

*Per Duff, C.J. and Crocket, Davis, Kerwin and Hudson, JJ.*—Such machinery, as established by The Alberta Social Credit Act, in its essential components and features, comes under head No. 15, "Banks and Banking."

*Per Duff C.J. and Davis and Hudson JJ.*—Even if such legislation is not strictly within the ambit of No. 14 or No. 15—

That is, of section 91.

—or partly in one or partly in the other, then this legislation is *ultra vires*, as its subject-matter is embraced within category No. 2 of s. 91, "Regulation of Trade and Commerce."

I doubt that head No. 2 of section 91, "Regulation of Trade and Commerce," is one of the factors giving us the right to enact this legislation. However, in the light of the decision I have referred to, I have no doubt at all as to the constitutionality of this bill, quite aside from war legislation.

I may have spoken a little rapidly. My honourable friend asked me whether this was war legislation and I said it was not. I think it is legislation brought about by conditions and anticipated conditions resulting from trouble in Korea and the possibility of trouble elsewhere. The word "temporary" is used in the title of the bill—"An Act to make temporary provision for the regulation of consumer credit." I do not think it is a temporary provision. In my opinion it will last two years, irrespective of whether the Korean situation is cleaned up within the next two weeks or continues and becomes intensified. The legislation will last for two years anyway, and I am under the impression that it will remain in effect after that time. It is social legislation designed for the purpose of holding down the excessive increase in prices which has been so disturbing to our economic life in the last few years, and which gives signs of being more disturbing in the future. The bill is also designed in anticipation of the very