

The *Confederation of National Trade Unions* with a combined membership of all affiliates numbering some 150,000 at the beginning of 1965, spoke from the experience of its members. They stated their conviction that "... credit buying is a social evil." They say it "creates the illusion that the majority can readily obtain goods they cannot acquire otherwise under the present economic system." The low salaries of many make this unrealistic; the high cost of interest further erodes their already precarious standard of living.

So convinced is the union of the need to protect families with low incomes, that their inclination would be to recommend abolition of the consumer credit system altogether. However, before suggesting such a radical step they say a good deal might be done to eliminate abuses and give the consumer more protection.

It is pointed out that, "Finance companies borrow at a low rate of interest and lend this same money at exorbitant rates." Misleading advertising and unnecessarily obscure contracts make it difficult for the borrower to find out what obligation he is assuming. It is argued that merchants and finance companies, interested in "profits beyond the sale profit" co-operate to bring this about. The high cost of "the multiplication of middlemen and agencies" is paid indirectly by the consumer.

The union has taken practical steps to educate its own members, and has offered the same help to the general population. Many working people have taken advantage of this. The union has organized a "family budget service" to protect the workers' limited purchasing power by (1) making clear to him the cost of credit, and (2) bringing about a better way of administering the family budget.

They feel that to make their work more effective, what is needed is better protection from the law. They say that the power over consumer credit is now in the hands of the financiers; that it should be reorganized in the interests of preserving the purchasing power and standard of living of consumers, and in the interests of the economy.

The *Confederation of National Trade Unions* agrees with the recommendation of the Royal Commission on Banking and Finance that the scope of the Small Loans Act should be extended to cover loans up to \$5,000. They would fix a maximum legal interest rate of 9 per cent.

Specifically, the *Confederation of National Trade Unions* recommends:

1. That "the vendor be obliged to clearly indicate in a sales contract":

- (1) the cost of the product,