

burying officials under tons of paper, which does not make for efficiency at all.

That is why it seems important to me that we pass legislation in this field, especially with regard to that economic problem and to the fact that Canadians are indebted for more than 10 billion dollars. It seems to me that in such a situation the government has to protect consumers against all these means used to squeeze money out of them.

That is why we shall support Bill C-22 and we hope that it will be passed as soon as possible.

● (5:30 p.m.)

[English]

**Mr. B. Keith Penner (Thunder Bay):** Mr. Speaker, since pre-confederation itinerant sellers have performed a very real service to the Canadian housewife. This has been particularly true in rural areas, where the periodic visits of the man selling spices, thread, brushes or other household articles were social occasions and a great purchasing convenience. I remember my own experience as a boy visiting my grandparents on the Prairies. I know how it was when itinerant salesmen came with their horsedrawn vehicles and later on with their automobiles and trucks.

In the early days, the salesmen were usually small-scale merchants without any ties to large suppliers. Gradually, however, a number of companies saw opportunities for expansion in this field of endeavour and some of the enterprises which developed became very large and profitable. Many of these companies also acquired a high reputation for the quality of their products and the probity of their salesmen. There was always a small representation of rascals, however, who were overendowed with persuasive ability but not heavily burdened by conscience.

**Mr. McGrath:** Carpetbaggers.

**Mr. Penner:** These people regarded the farmers and housewives as fair game. The lightning-rod salesman of another day usually had the gift of the gab and it was said that he could sell lightning-rods to people who had never heard thunder. In more recent times these unscrupulous individuals have concentrated on more obvious symbols of affluence such as aluminum siding, encyclopedias, freezer plans, fire alarms, vacuum cleaners, correspondence courses and an amazing variety of get-rich-quick schemes.

Purchases of this type normally involve large expenditures and it was not long before some of the disreputable operators in the field of itinerant selling discovered the convenience of conditional sales contracts and promissory notes. It was typical of the shady operators to sell the promissory note as quickly as possible to a finance company or other financial institution which would normally acquire the status of a holder in due course. This meant that the purchaser was obliged to pay the holder of the promissory note even though the original transaction may have turned out to be completely unsatisfactory.

#### *Bills of Exchange Act and the Interest Act*

I have here an account of an actual case which illustrates the problem. It concerns an elderly lady who was crippled and living with her disabled husband on a small pension. A salesman called to try to sell them a mattress. She said the salesman was very nice and acted as if he were sincerely interested in helping her because it was apparent that she was crippled. The lady told the man that she did not need a mattress but had been thinking about getting a rug, which he said he could get for her with no difficulty. She had been prepared to pay \$125, but after she had signed papers which the "nice" salesman offered she discovered that she would be paying \$300, plus \$30 down, plus a \$10 delivery charge.

● (5:40 p.m.)

She realized she had made an error but felt there was nothing she could do about it because she had signed a contract. When Christmas and New Year came and she had no rug, she tried to cancel the order but was told this was impossible. The outcome of it was that she did not receive her rug and a finance company was trying to garnishee her husband's income for the amount of \$300.

This kind of scandalous behaviour has, naturally, provoked a good deal of dissatisfaction and there has been increasing legislative action in recent years in providing a so-called cooling off period for transactions conducted by door to door salesmen. This whole matter was looked at in considerable detail by the Molony committee in Great Britain in 1962, which received a good many complaints on the subject. The committee reported that the activities of door to door salesmen provoked greater wrath and indignation among the witnesses than any other subject. As a result of this, the Molony committee recommended a change in the law which would permit a purchaser to withdraw from a so-called "doorstep sale" within 72 hours. The British Parliament accepted the principle and it was incorporated in the Hire Purchase Act in 1964 and 1965. Specifically, the British act allows the purchaser four days from the receipt of a notice to advise the seller that he has rescinded the agreement.

In the United States, statutes providing the right to cancel were passed in Pennsylvania and Michigan, but they were limited to contracts dealing with home improvements, a field which has been the focus of a good deal of fraudulent activity. About five years ago proposals for cooling off provisions of a more general sort began to appear and a number of statutes now provide for the cancellation of itinerant sales contracts. This issue was dealt with in the Uniform Consumer Credit Code which was drawn up by the National Conference of Commissioners on Uniform State Law.

In the final draft of this code, dated 1968, there is a recommendation that any buyer should have the right to cancel what they describe as a "home solicitation sale" until midnight of the third business day after the day on which the buyer signed the contract. The most recent development in the States has been the issuance of a proposed rule by the Federal Trade Commission which would impose a cooling off period quite generally. The brief presented to that commission specifically indicated