Little is done, however.

On the statute books of Ontario there is a law giving redress to victims of unconscionable transactions. This law is most useful and has had a salutary influence in the past. The trouble seems to be that it is not used often enough.

When a man robs a bank of a few thousand dollars and is caught, the penalty is fairly swift and certain. When a shark cheats a man or woman of his or her life's savings, it is a far different matter.

The victim is hooked on a signature placed on a contract lightly read if, indeed, read at all.

This is not a problem for which an easy remedy is apparent. It resides in the twilight zone of finance and commerce. But surely it is reasonable to call upon our legislators to hasten the work of our committees studying the matter and to give the very highest priority to remedial legislation.

In the meantime, our law enforcement agencies might make more frequent and vigorous use of the laws, upheld by the Supreme Court, on behalf of people who are prey to the unscrupulous and the avaricious.

When crooks are at large, we expect our law authorities to be vigilant and stern.

Lawyers are just sick when they are asked to defend a suit on a collateral promissory note obtained in the manner of the water softener case. Usually they are required to waste a great deal of their time defending without hope of success, and without recompense, out of sheer sympathy for these unwary buyers. Occasionally a judge will become so annoyed in these cases that he will simply refuse judgment or hold that a finance company is not a holder in due course, but such decisions can be appealed from and the finance companies have the money for appeals. Meanwhile the buyer of the water softener or used car, as the case may be, finds that he has a useless article with a useless warranty on it.

The Government must awaken a new awareness among Canadian consumers of the true cost of credit. I believe the joint committee on consumer credit under able leadership is doing a great deal and will do more in this regard. I would like to see this bill strike the first blow in the war that must come against the finance companies. At the end of June 1964, finance companies in this country had balances for consumer goods financing of $942 million, department stores $419 million and furniture and appliance stores $188 million, for a total of over $1½ billion. The State of New York passed credit service charge legislation in 1957 based on percentage calculations. Since it did this 12 other states have passed laws to limit interest charges on instalment purchases and/or revolving credit accounts. So legislation of this kind can and should be passed.

In the case of the appeal of the Attorney General for Ontario *v.* Barfried Enterprises Limited, the Supreme Court of Canada handed down its momentous decision on December 16, 1963. An applicant for relief under The Unconscionable Transactions Relief Act of the Province of Ontario applied to have revised a certain mortgage transaction with the respondent lender. The mortgage was for a face amount of $2,250 with interest at 7 per cent per annum. The sum actually advanced was $1,500 less a commission of $67.50. The difference between the $1,500 and the face amount of $2,250 was made up of a bonus and other charges. The County Court Judge who tried the case set aside the mortgage in part and revised it to provide for payment of a principal sum of $1,500 with interest at 11 per cent per annum. No constitutional issue was raised before the trial judge. The Court of Appeal for Ontario held that The Unconscionable Transactions Relief Act of Ontario was ultra vires, being in direct conflict with section 2 of the Interest Act of this federal Parliament.

The Acting Speaker (Mr. Batten): I must advise the hon. Member that the time allotted to him has expired. Does the House give unanimous consent for the hon. Member to continue?

Some hon. Members: Agreed.

Mr. Ryan: Thank you very much.

The Supreme Court of Canada reversed the finding of the Ontario Court of Appeal and held the Ontario Act to be intra vires of the Province of Ontario in that its main purpose was to effect rescission and reformation of unconscionable transactions whether interest was charged or not.

True the interest jurisdiction of the federal Government was affected in this case, but only incidentally they said. Two out of the five judges dissented, holding that there was direct conflict between the two statutes and that in such circumstances the Interest Act of the Canadian Parliament validly enacted must prevail.

Neither the Appeal Court of Ontario nor the Supreme Court of Canada dealt with the merits of the case, but in effect the judgment of the County Court Judge was upheld. This would seem to indicate that the interest rate in practically every conditional sales contract presently held by finance companies in the Province of Ontario, whether or not collaterally secured by a promissory note, could be revised downwards if application to an Ontario court were made under the