

Bills of Exchange Act

sumer bill or note to collect is subject to any defence or right of set-off that the purchaser would have had in an action by the seller. In other words, the equities in the original transaction between the vendor and the purchaser travel with the note and a finance company or subsequent assignee will not be able to claim the special status it has hitherto had. The purchaser will be able to raise, on an action or collection of the note, all the defences against the assignee that he could have raised against the original vendor.

One almost certain consequence of the amendment is that finance companies and others buying promissory notes will have, in order to protect themselves, to exercise greater care that the sellers from whom they are receiving the notes are not engaged in any fraudulent or shady operations. This is, to me, a very healthy development in the law. The new rules will make it more difficult for the "gyp" artist and irresponsible sellers to operate.

It has become a commonplace observation that credit has become a way of life. The growth in the volume of consumer credit since the Second World War has been explosive and is involving an increasingly higher proportion of the population. Many innovations have been introduced in the consumer credit field and the law must be as innovative as the practices in the consumer credit industry. We cannot expect consumers to be fairly treated in the last half of the 20th century if we rely on laws and legal concepts which are outmoded and in some cases irrelevant. I would hope that this bill will receive the enthusiastic support of the members of this House so that it can become the law of the land and provide relief and rights to consumers that they have not had up until now. I would also hope that it will pass and become law, certainly by the end of June.

● (12:40 p.m.)

Mr. James A. McGrath (St. John's East): Mr. Speaker, we find very little to criticize in the principle of the amendment before us. I heard with interest the minister's speech which was an enlargement of the statement he made on April 27 following the introduction of the bill. I do not doubt the minister's tremendous interest in protecting the consumers of this country, but he certainly must be complimented on the tremendous public relations division he has set up within his department. If not every other day, certainly not a week goes by without a most interesting

statement appearing across our desks from the Minister of Consumer and Corporate Affairs (Mr. Basford).

Mr. Basford: I want to keep you informed.

Mr. McGrath: If it is not a policy statement from Vancouver, it is a statement explaining the introduction of a bill before the debate has commenced. My point is that the minister would be better advised to make his statement to the House of Commons first, and use this House as a vehicle for making his statement to the public, especially when he makes a statement following first reading of a bill before the House has had an opportunity to debate it. We are concerned about the tendency of this government to erode, by this device, the traditional rights of Parliament.

In his statement on April 27 the minister said, and he repeated it here today, that the change in the law follows the recommendations made by the Special Joint Committee of the Senate and House of Commons on Consumer Credit, the Consumers Association of Canada, the Canadian Consumers Council, various authorities responsible for consumer credit legislation and various experts on consumer law. I am amazed that the minister did not give credit to the members of this House who during the past years have introduced bills on this very subject. As a matter of fact, it was as a consequence of these private members' bills that the government of the day in 1966 referred this subject to a Special Joint Committee of the Senate and House of Commons which was then established with the minister as co-chairman. Although I was not in this place at that time, I read these bills with a great deal of interest. I read with interest the bill of the hon. member for Essex South. I understand that this was one of the important planks in his election campaign during that year.

I think of the bill presented to this House by the honourable and distinguished member for Spadina (Mr. Ryan) in the same year when he came here as an eager and enthusiastic supporter of the Liberal government. I think also of the bill presented by my colleague in the New Democratic Party, the hon. member for Timiskaming (Mr. Peters). These are three bills which come to my mind, but I believe there were a half dozen at that time dealing with this subject. All these bills were referred to the Special Joint Committee on Consumer Credit when the minister was co-chairman of that committee. I find it strange that the minister did not give any