

*Consumer Credit Control*

again before the committee we shall hear constructive suggestions regarding the legislation which this parliament might enact.

This brings me to a second point—the problem of the division of jurisdiction between the Parliament of Canada and the legislatures of the various provinces on questions relating to consumer credit. On another occasion in debate in this house I had the opportunity of giving details of particular consumer credit contracts and describing the various aspects of the transactions. Some fell within provincial law and others fell within the federal field. It appeared to be completely arbitrary. In this regard I should like to echo the hon. member for Danforth (Mr. Scott). If anything has become clear from the work of this committee—and this also applies to the discussions in the Ontario committee which has recently completed its report—it is that complementary legislation will be required at both provincial and federal levels to deal with this difficult question.

The hon. member for Kenora-Rainy River (Mr. Reid) touched on a subject which is also related to the necessity for complementary legislation. I refer to the desirability of providing for those in the community who may have resort to consumer credit some education as to the consequences both legal and financial of embarking on such a course. For my part I am a strong supporter of the proposals in various types of legislation requiring greater disclosure in consumer contracts not only with respect to interest rates but with respect to other rates and obligations arising under those contracts.

The argument was often presented to us in committee that people who came to borrow were not interested in knowing interest rates. It is interesting that those making presentations agreed that as businessmen they would

not finance any transaction without understanding perfectly clearly the cost of the loan and the interest rate. But they were of the opinion that it was not important that the consumer with whom they were dealing should also have this information. Again and again we heard this response: Consumers do not want to know what the rate is; they are not interested.

**Mr. Scott (Danforth):** They said it would only confuse the poor consumer.

**Mr. Macdonald (Rosedale):** One way of preparing a speech on the subject would be to make a list of all the non sequiturs given to us in the committee. As the hon. member reminds us, it was suggested that consumers would only be confused by being given the kind of information which those gentlemen who appeared before us would insist on having before entering into a transaction.

Of course, there are difficulties in persuading the buying public to look carefully at these questions, but I do think the hon. member for Kenora-Rainy River has a sound point when he says there should be an obligation at government level, perhaps a joint obligation on the part of federal and provincial governments, to embark on a program of public education so that people who do resort to consumer credit may have the opportunity of finding out how the effective interest rate is to be calculated, and judge for themselves whether they are entering upon a good or a bad transaction. I see it is six o'clock.

**The Chairman:** Order. The hour provided for the consideration of private members' business has now expired.

At six o'clock the house adjourned, without question put, pursuant to standing order.