

*Consumer Credit Controls*

pousal of a four day cooling off or waiting period and their criticism, though gently voiced, of the hon. Member for Spadina (Mr. Ryan), for failing to cover this particular aspect in his bill. I think it only fair to point out on behalf of the hon. Member for Spadina, who is a member of the Bar, while the other two gentlemen are not, that it is not within the constitutional jurisdiction of this Parliament to provide that kind of stipulation, for reform of rescission of the contract.

Essentially a provision to intervene in a contract already made was what was in issue in the case involving the Ontario Unconscionable Transactions Relief Act, and the Supreme Court of Canada found that a matter of that kind, which would prevent the operation of the contract, or at a later date could involve reform of the contract, was something within provincial and not federal jurisdiction.

**Mr. Barnett:** Would the hon. Member permit a question? Having said that, would the hon. Member be willing to take the appropriate action to allow this bill to come to a vote?

**Mr. Macdonald:** I should like to have the same right as other Members of the House have to express my views on the bill. In particular, having been a Member of the joint committee of the Senate and the House of Commons on the question of consumer credit, which other Members who have spoken on the other side were not, I should like to point out something that emerged most clearly from the proceedings of that committee, and which would have been obvious to hon. Members if they had wished to devote any time to examining its proceedings. In the committee the need for complimentary and co-operative action by the federal and provincial Governments for the purpose of securing the protection of consumers was disclosed very clearly.

I should like to give an example of how intricate and how important a task it is to interlock federal and provincial legislation so as to make sure that all aspects of a transaction are protected. Let us take, for example, a particular transaction where a housewife purchases a sewing machine or a washing machine on time. Jurisdiction between the two levels of government will be fragmented in the following way. With respect to the question of warranty, that is, taking action against the store or manufacturer if the machine does not work, this is a matter for Provincial law. If the machine was bought on time and in

[Mr. Macdonald.]

addition to a conditional sales contract a promissory note was taken and discounted by the storekeeper to an acceptance company, the liabilities of the housewife on that note are defined by federal law. The terms of the conditional sale contract itself, the security which it creates and, more important, the rights of repossession of the machine by the vendor, are determined by provincial law. If there is to be a requirement that the amount owing by way of cost of loan or interest is to be stated in the contract, or if there is to be a maximum interest rate imposed, that is a question for this Parliament because it falls under federal law. If the terms of the contract, as I have already observed, are to be reformed at a later date by the court as being harsh and unconscionable in the way that the Ontario Unconscionable Transactions Relief Act provides, that is a matter for provincial law.

As can be seen, different but closely related aspects of the same transaction fall within the separate legislative fields of the two levels of government and they so fall in a pattern which is known, I confess only imperfectly at the moment, to lawyers. Therefore I suggest that the discussions we at the federal level have had in the committee and the discussions that the Ontario and other provincial committees have had have been very valuable in disclosing the legislative methods which can be followed between the two levels of Government in arriving at a comprehensive consumer's code. I hope that the Government will take early steps to reconvene that committee so that those witnesses with whom arrangements had been made prior to prorogation may appear and deal with the matters we had been discussing at that time.

● (5:50 p.m.)

I suggest that when that committee and the several provincial committees have reported it will be useful then to have the studies made at the two levels of government, so that appropriate interlocking legislation may be adopted by the respective levels of government. I suggest it would be very useful to have this bill available to the committee for study. I regret that the hon. Member for Timiskaming did not see fit to introduce the bill he introduced last session. I am prepared to give him credit for doing so although I suspect it was not an original idea with him. I think it originated with Professor Ziegel of the University of Saskatchewan, but it certainly did provide an