

REPORT FROM QUEEN'S PARK — BY — GEORGE A. KERR HALTON M.L.A.

This week, the interim report of the Select Committee on Consumer Credit was presented to the Legislature. The terms of reference of this committee as directed by Premier Robarts are: "to examine into, study and report on all matters relating to the actual cost of credit to consumers, such as installment purchases, borrowers and mortgages in the province. Particular attention is directed to investigation of means by which total charges for borrowing money may be reduced in regard to land mortgages, chattel mortgages, conditional sales agreements, credit retail purchases and similar transactions."

Soon after the Committee was set up, an advertisement was inserted in newspapers through out the province and letters were circulated inviting the presentation of briefs from chartered banks, insurance companies, acceptance corporations, finance corporations, departmental stores and other retail and financial establishments, credit unions, mortgage lenders, solicitors and others extending credit to consumers. In addition, submissions from individual consumers and consumer groups were invited.

I think the reason for setting up this committee is obvious. Notwithstanding the fact that many consumers are just beginning to learn to use the many forms of credit available, total retail credit outstanding at the end of 1963 was in excess of five billion dollars. However, I should point out that the ability to obtain credit is a sound and valuable benefit when credit is used properly. Economic advancement has gone hand in hand with expansion of credit and the consequences on our economy are readily apparent in the high levels of industrial production and employment, together with high standards of living.

On the other hand the excessive and unwise use of credit, along with the inability of individuals to meet financial commitments is a matter of concern to everyone including the selling and lending agencies themselves. It is a distressing fact that credit privileges are not always used with care and certain individuals suffer with financial hardship because of over-pending, ignorance, or misunderstanding and, to this extent, the difficulties may be self-incurred.

Deceptive Practices
However, it is clear that the consumer has at times been the victim of misleading and deceptive practices. In our present day environment, money is not unlike a commodity in that the use of it is bought and sold. Advertisements proclaim this fact abundantly through radio, television and news media. All sorts of attractive gimmicks are used to entice the public to borrow; buy now, pay later is the popular theme. Credit on this continent has become so easily obtainable that the public feels it belongs to them as a right. Therefore, education and encouragement of old-fashioned standards of thrift, sound management and personal responsibility are not inconsequential with consumer credit and the interests of the consumer are of essential and paramount concern to the Government.

Reasons for Borrowing
The Select Committee learned that the main reasons for borrowing were:
1. renewal or re-financing of mortgages.
2. purchase of an automobile or other consumer goods.
3. home improvement.
4. consolidating debts.
5. vacations.
6. education.
7. emergencies and illness.
It was estimated that 90% of all homes are mortgaged initially and that possibly 60% of the homes have a second mortgage

when bought. It was also estimated that about 80% of total car purchases are financed at one stage or another.
Rates of interest charged for various loans in Ontario were found reasonable as compared with other Provinces and countries. The interest on mortgages and some installment purchases were found to be exceptionally high — rates of 37%, 45% and in one extreme case 87%. Steps are being taken by the Attorney-General to investigate and control abusive practices in this phase of lending.

The important thing is to require that the lender reveal in detail the cost of borrowing to the customer. Many people do not understand what the complete charge will be in installment borrowing and it was recommended that a form indicating this should be shown and signed by the borrower and such form to include all bonuses, fees and charges added to the amount of the loan.

Many people are shocked at the net amounts they receive because they are not aware of these charges and would not have borrowed in the first place if they were.

One suggestion made by a Member of the Legislature is that some control be exercised over door-to-door salesmen. He was not talking about the Fuller Brush Man or Rawleigh Man, but the type of salesman who introduces himself by saying that he wants to give you something for nothing. Usually this sales pitch includes a contest whereby you are asked to involve your friends and neighbours and if a certain



ACTION WAS FAST Saturday during the Four Town hockey tournament at the arena but teams from Georgetown won the trophies in novice, pee wee and bantam classes. Two Action teams made it into the finals but lost out to the Paperstown boys. Referees had a taxing job keeping up to the youngsters racing up and down the ice.

number of them take part, the vacuum cleaner or storm windows are free.
This type of solicitation has been common in Halton County and has caused a great deal of concern and hardship. Many people when they realize the true facts of the contract and after making a substantial deposit, try to return the merchandise without using it and before making any further payments. However,

usually at that point the agreement has been purchased by an acceptance corporation and the original seller, having his or her money, is no longer interested in the customer's complaints.
Should be Licensed
In my opinion such salesmen should be required to obtain a licence from the municipality in which they peddle their wares and in this way some control could be exercised over this type

of selling. A further suggestion has been made in the House that after the breadwinner or his wife has signed a contract to purchase equipment or to take part in a "happy" contest, there should be a period of two or three days in which the purchaser can revoke the agreement after he realizes just what the agreement means. During this period, the seller would be unable to
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HARLEY...to HALTON

The Columbia River Treaty and the protocol has been referred to the External Affairs Committee after approximately one week of debate. During this debate it became obvious that the only party opposed to this legislation is the New Democratic Party. The protocol improves the financial position of Canada. We hope that the Committee will report back to the House of Commons so that the final legislation will pass before the summer recess. It is urgent that Canada act on this immediately before the Americans decide to go ahead with their side of the Columbia and before atomic power replaces hydro electric power.

This allowance to be 33 1/3%, the N.D.P. on the other hand want it to be less. The allowance is to give the commission some allowance because of natural boundaries, rural areas etc. This point will be voted on during the discussion of the Bill. The composition of each Provincial Commission is to be four members. One will be the Representation Commissioner, Nelson Casson, the previous Returning Officer. One other will be an appointment of a Court Judge made by the Chief Justice of the Provincial Supreme Court. The other two members are debatable. The Bill suggests

the Prime Minister appoint one and the Leaders of the Opposition the other. There is some feeling, however, that it would be better to have these commissions named by office — such as the President of the University or Electoral Officer for the Province.
The Special Committee on Food and Drugs has been set up, but the members have not yet been named. It is anticipated that the first subject will be the safety of drugs. The cost of drugs will probably be investigated after the Royal Commission on Health Services have reported. They have gone into the cost question fully, and to reduplicate their work would be a waste of time and money.
A man who causes fear, can not be free from fear. — Epictetus

Lays Down Procedure
The bill to set up redistribution of electoral seats is now before the House of Commons. This legislation will not be considered on party lines, confidence in the Government is not involved. This Bill lays down the procedure to be followed after each census is taken. The national census is taken every ten years (1961, 1971, etc.). Each province will have a boundary commission, that is a total of 10 commissions. Some parties wish one commission but ten should save time. The main thing is that the commission is an independent body and will not be political appointments. At the present time a 20% discrepancy is to be allowed in either direction between average populations of ridings. The Conservatives wish

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