

say that I am not in favour of high interest rates. The bill we are now discussing I opposed when it was before the house last year, and if there was any merit in passing the small loans bill it does not mean that the same merit attaches to the bill now before the committee. The argument used in favour of the small loans bill was that it would reach provincial companies which were charging rates of 100 to 200 per cent, and bring them within the act so that they could not charge more than two per cent a month. But if we pass this bill we give this company the right to charge two per cent a month, and I am absolutely opposed to that. I do not think enough information has been given to this committee. I object strongly to allowing a company which has its head or parent office across the line, and which, by the way, I understand pays astoundingly large salaries, over \$100,000 to the president, to come across here and obtain Canadian rights. For what purpose? So that they can exploit the Canadian people and use United States broadcasting stations to advertise this Canadian company. I do not think the committee is seized of what they are endeavouring to put over at the moment. So far as I am concerned I am going to oppose this bill to the best of my ability, because it is not in the same class as the small loans bill that we passed a short time ago.

Mr. LANDERYOU: As I understand the matter, this bill would grant a special privilege to one of these companies which as the hon. member who has just spoken has said, had its head office in Chicago or Delaware or somewhere else in the United States. The point is that they bring capital into Canada from the United States and, I understand pay 7 per cent interest for it to the head office; they fasten themselves upon the industrial areas in Canada and lend this money out to needy borrowers, those who have deficit incomes and who find themselves in need of small sums of money to tide them over an emergency. I cannot for the life of me understand why we should bring in private bills extending privileges to these companies rather than requiring them to come in under the act that we have passed. This bill would not come into force until January, 1940, the same time as the act which has already been passed dealing with small loan companies. No good reason has been shown to me why we should grant this special privilege. Is it to pull some chestnut out of the fire for these companies because of some decision that is to be handed down by the supreme court, or what is the reason why these bills are before us?

71492—229

Mr. MACDONALD (Brantford): In the first place let me assure the hon. member for New Westminster that there is no attempt to put anything over on this committee. There is nothing hidden whatsoever, and the procedure in bringing this bill before this committee is, I can assure him, absolutely regular.

He mentioned high interest rates. At the present time the rates which are being charged by this company are higher than those allowed by this bill. I join with him in being opposed to high rates. He said someone accused him of being in favour of high rates. I do not think anyone would accuse the hon. member for New Westminster of being in favour of high rates. We all want to get the rates as low as possible. There was adduced before the committee plenty of evidence of rates in the neighbourhood of 1,000 per cent; actual cases were brought before the committee. That is going on in Canada to-day.

Mr. LANDERYOU: And we passed an act to stop it.

Mr. MACDONALD (Brantford): We passed an act to stop it. Whether hon. members over there voted against it or not, I do not recall.

Mr. LANDERYOU: I voted against it.

Mr. MACDONALD (Brantford): But I do not think they want high rates to be charged any more than the rest of us. We are now in this position: If we continue to allow high interest rates, loan sharks will continue to operate. The Minister of National Revenue explained the conditions that prevail in this country, where those who can ill afford to pay were being charged the highest rates, rates which none of us would countenance. This bill does not authorize any such rate as that; the bill merely brings the act as it now exists into conformity with the present law. At the present time this company under its charter can charge in the neighbourhood of 2½ per cent a month. As I pointed out in reply to the question of the hon. member for Calgary East, if for any reason the general act were declared *ultra vires*, the result would be that this company would then revert to its existing charter and charge a rate of 2½ per cent. Do any hon. members want to allow this company to continue to charge 2½ per cent?

Mr. LANDERYOU: No.

Mr. MACDONALD (Brantford): I am sure they do not. Well, this is one way to make absolutely sure that that state of things will not prevail. Then, if anything should happen