

Central Finance Corporation

AGNES KEATING BIGELOW REDDY

The house in committee on Bill No. 106, for the relief of Agnes Keating Bigelow Reddy—Mr. Hill—Mr. Sanderson in the chair.

Sections 1 and 2 agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. MARTIN: On division.

Bill reported on division, and read the third time and passed.

CENTRAL FINANCE CORPORATION

The house in committee on Bill No. 20, respecting Central Finance Corporation and to change its name to Household Finance Corporation of Canada—Mr. Macdonald (Brantford)—Mr. Sanderson in the chair.

On section 1—Change of name.

Mr. LANDERYOU: We have before us here a private bill entitled "an act respecting Central Finance Corporation and to change its name to Household Finance Corporation of Canada." Can the minister give us any reason why this bill should be brought in when we have already passed a bill with respect to small loans companies? Why should this private bill be brought in?

Mr. ILSLEY: If the hon. member is referring to me, I am not bringing in this bill.

Mr. LANDERYOU: Well, whoever is responsible for it.

Mr. MACDONALD (Brantford): There are several reasons for the introduction of the bill, one being to change the name of the company. If hon. members will observe, in the small loans companies bill the name is given as Central Finance Corporation, and it is desired to change it to Household Finance Corporation of Canada.

Mr. LANDERYOU: Was it necessary for them to have a special bill before they could change their name? Could they not come under the bill that has been passed and have the change made?

Mr. MACDONALD (Brantford): There was no ground at that time on which the name could be changed. At the time the small loans companies bill was passed the company was known, as it is at the moment, as Central Finance Corporation, and the general legislation did not take cognizance of the desire of any private company to have its name changed. To do so, it would have been necessary to inquire of every company whether it wished to have its name changed, and that would hardly have been feasible. The

[Mr. Lawson.]

only method by which this company's name can be changed is to amend its act of incorporation.

Again, this company has a large investment in Canada and it wishes to preserve its entity. It is a separate corporation. As hon. members know, a company is incorporated either by letters patent or by special act of parliament, and the small loans companies bill will enable a company incorporated in one province to do business in another. It will supervise, regulate and control these companies. If a new company were being incorporated to engage in this form of business it would have to come to this parliament or go to a provincial legislature or obtain a charter by letters patent. The position of this company under this bill is no different from that of any company incorporated previously to carry on similar business. Any new company wishing to carry on business will have to come to parliament or obtain letters patent or be incorporated under a provincial act. This company wishes to have its act of incorporation amended.

It is conceivable, I may say frankly, that someone might attack this legislation as being *ultra vires* of parliament and might take it into the courts. The courts might agree with that contention. Personally I cannot see how they could, but that is conceivable; no one can foretell the result of applications made to the courts. Some hon. member might think the legislation could be attacked successfully. Assuming the act were attacked and declared beyond the powers of this parliament; it would be thrown out and the company's incorporation would go also.

Mr. LANDERYOU: Could they not come in under the new act?

Mr. MACDONALD (Brantford): But if the new act were declared *ultra vires* there would be no new act and the company would go back to its present act, which is unsatisfactory and which the superintendent of insurance has asked to have clarified. The result would be that they would have an unsatisfactory act, one which would allow them to charge a considerably higher rate of interest than under the private bill which is now before the committee. For these reasons I feel it is only fair to this company and to the interests of the borrower that the private bill should pass.

Mr. REID: When the small loans bill was before the house for second reading I voted against it, and I was greatly surprised to be accused of being in favour of high interest rates, simply because I voted against that bill. I am not going into a lengthy argument on the pros and cons of the matter other than to