

Interest Act

I suggest when a person wants credit one of the best places to get that credit ordinarily is through the chartered banks. The credit unions also occupy a very important field. I believe that the policy of the government in restricting the level of bank credit generally to the extent that the ordinary people of this country depend more and more on instalment credit is a policy that should be changed. The government should give consideration to this whole field and refer the matter once again to the banking and commerce committee. I believe that if the banking and commerce committee of this house were given a chance this year to study this whole question, the chances are excellent that a bill might be brought back from that committee which would in fact result in a very substantial saving to the ordinary people of this country.

As I said earlier, I think such a bill would not only help the ordinary person in this country who is obtaining goods on the instalment plan, but at least to some extent it would help place the independent merchant in a more competitive position. Today he must compete with these very large firms which, because of the nature of the instalment and credit business in which they are engaged, are able to make very large profits on their transactions and, because of those large profits, in many instances are able to undersell the small merchants. I believe this measure I have presented will gain the same kind of widespread popular support that was given to the measure to reduce the interest rates charged by small loans companies. It is the kind of measure that will receive—

Mr. Benidickson: You did not support that legislation.

Mr. Argue: Oh, I voted for it.

Mr. Benidickson: You voted against it.

Mr. Argue: Now, the parliamentary assistant cannot get away with that. He can check the record. As a matter of fact we not only voted for it, we saved the bill in the banking and commerce committee from the very definite attack on it by members of the Liberal party, not by all the members but by some of the members of the Liberal party sitting on the banking and commerce committee.

Mr. Benidickson: Nonsense; you went to extremes as usual.

Mr. Argue: It is not an extreme at all. The record will show that, as the parliamentary assistant very well knows, and I am sure the hon. member for Nanaimo will have something to say on that point in a very short time. Since we are on this point I want to congratulate the Minister of

Finance on the position he himself took, as I understand it, in relation to the bill which was presented last year to reduce the rates charged by the small loans companies. I think the prestige of the Minister of Finance and his influence in the Liberal party, together with the exposure by members of the C.C.F. group of the attacks by some members of the government, resulted in that bill being reported back to this house by the banking and commerce committee and subsequently passed by the members of this house.

Mr. Sinclair: Did you say "members of the government"?

Mr. Argue: Members of the Liberal party. I know the Minister of Fisheries is very tender on that point because, you see, he just made it; and any suggestion that anybody else might soon make it, of course, leads to some comment by the Minister of Fisheries.

Mr. Hosking: Jealousy will get you nowhere.

Mr. Argue: I believe the public of Canada will support parliament in any move that is made to reduce the rates that may be charged by those companies and to prevent them continuing, as they are now doing, to exploit the ordinary Canadian.

Mr. Victor Quelch (Acadia): Mr. Speaker, I should like to congratulate the hon. member for Assiniboia on bringing this question once more before parliament. I say that not because I have any enthusiasm for setting a ceiling of 12 per cent, but because it does deal with a matter that requires serious attention.

I think this bill should be given second reading and sent to the banking committee in order that we may have a thorough investigation into the whole subject of instalment and credit buying at large. I believe the Minister of Finance himself will agree that this is a question that needs very careful consideration at the present time. I have noticed that the governor of the Bank of Canada has held conversations with certain people regarding this matter, but there do not appear to have been very great results from those conversations.

Last year when I spoke on a similar measure I said I thought that setting a ceiling rate of 12 per cent was too high, and that I would have preferred to see a ceiling of around 7 per cent or 8 per cent and then pass federal legislation to cover any cases where a higher rate of interest was needed, such as we have done under the Small Loans Act. The trouble is that setting a ceiling of 12 per cent appears to give an aura of respectability to that rate and, generally speaking,