

*Small Loans Act*

house. They must look upon these companies as being a beneficial part of our economic lives. I am sorry I cannot agree with them. They were in favour of incorporating that new company and they were in favour of granting a change in name and increased capitalization.

Of course, one might say that those things were being done completely within the law. We had, too, the fact that the national chairman of the Liberal party was mixed up with a couple of these small loan companies. We on this side of the house were frankly surprised that a man of such eminence and connected with this great party that has formed the government here for all these years should bother with such small potatoes, as somebody said, battering upon the misery of the poor. However, I see the Speaker looking me over, and I shall proceed no further in that particular direction.

**Mr. Philpott:** You have been out of order for five minutes.

**Mr. Knowles:** That rule has been thrown out the window.

**Mr. Knight:** The assumption is then, and I am going to accept it for today, that these are legitimate concerns doing legitimate business under the law. I am prepared to admit that for the moment, and it may be that the operators of these legitimate concerns are also honourable men. They may be all honourable men; I do not know.

**Mr. Knowles:** So was Brutus.

**Mr. Knight:** At any rate, as such they have something to sell. They are advertising their wares in the public press and they should be willing, if they are honourable men, to make clear the price of their product and the conditions under which that product is sold. If these honourable men, then, are under the shadow of the law and in fact countenanced, and indeed encouraged—it would appear from the debate that took place in this house—by this government, we would expect them to be open and honest about their operations.

I should like to talk for a while about advertising generally and about some of the ridiculous things that we do about advertising. I am thinking of liquor advertising, for example. There is a foolish idea that you must not advertise liquor on a bottle. It is all right to put it on the label but not on the bottle, because that makes a difference in law. We hear about magazines transferring from some "holier than thou" province to certain dens of iniquity in order that they might be able to carry on the business of liquor advertising in magazines and that sort of thing. We have so much of this sort of

thing in Canada, and we have an historical background for it all. We have so much of that rationalization. I could use a stronger word, but I shall not.

**Mr. Harris:** My hon. friend is pretty rational.

**Mr. Knight:** Some may say that we should hesitate about telling people how to run their businesses and what they should or should not do. This has come up in regard to this bill. Some classical student may quote at me the words "*caveat emptor*", or "Let the buyer beware". In other words, they may say it is up to the user of the product to decide whether or not this particular bill is to his advantage. But I would point out to you, sir, that there are members of the public who are in need of protection. We do not allow people to use motor cars, for example, to run roughshod over everybody; we regulate the traffic. We are not supposed to sell liquor and tobacco to minors. We have an interference there with their liberty, surely. Under the Food and Drugs Act, I take it, labels are placed on all products to make the contents clear so that there is no doubt as to what you are buying.

After all, when the customer goes into an ordinary store, there is the piece of goods in front of him, and there displayed on it is a price ticket, so that he knows what he is taking. In other words, that particular buyer does not have to beware so much, because he has a chance. He sees what he is buying, and he knows what he has to pay for it. However, in the case of small loans, what is the situation? The one big point I wish to make here is that this small loans advertising never actually shows the interest in terms of rate per annum. You may ask, "what does it show?". It shows all these nice little things that I have been reading about and which have no significance, but it usually shows a scheme for repayment. You may say, "People ought to be able to figure that out." They do not. As a matter of fact, these people who will become the victims of small loan companies are usually people who are distraught about something. They are in serious financial trouble. They are in no condition to argue, either about the amount of interest or whether or not it is beneficial for them to take a loan at all. It seems so horribly easy. You just go down and you get the money on the same day, or, if you telephone a little ahead, you can get it when you go there. It all seems so terribly easy.

Further, a great many of them are, educationally speaking, incapable of working out the cost. I do not know whether you have noticed those advertisements, but they are