

Private Bills

The new company, League Savings and Mortgage Company, will become a subsidiary of the Nova Scotia Credit Union League. The League and its member credit unions will take full responsibility for its operations and this gives the house every reason for confidence that they will be carried on, as before, on sound business principles. The League will provide adequate initial capitalization for the new company. The great advantage of the new company will be that it will be in a position, as is the case with all loan companies, to raise funds by the sale of debentures and otherwise, as permitted by the Loan Companies Act, which can be made available for long-term mortgage lending. Through the operations of the new company, the credit union movement of Nova Scotia will be placed in a position where it can provide the necessary mortgage lending service required by its members.

At all times, the credit union movement of Nova Scotia and the League have attached the greatest importance to sound business operations and to public confidence.

• (6:30 p.m.)

This is the reason incorporation is being sought federally. The new company will be under the excellent supervision of the federal Department of Insurance. Strict examination and inspection by this department will be welcomed by the new company and will contribute to its success as well as to public confidence in it.

This bill provides for another important stage in the development of the credit union movement in Nova Scotia. We are not here dealing with the creation of an impersonal financial institution. Rather, we have before us a petition for the incorporation of a loan company which will be owned in effect by all members of credit unions in Nova Scotia and will be operated for their benefit and for the benefit of the province as a whole. I am sure hon. members will join with me in welcoming this development, will wish to facilitate the incorporation of the new company, and wish it success in its operations.

On moving second reading, I am conscious that members may have questions to ask about the new company but these, in accordance with the usual practice, can best be dealt with at committee stage when officials of the Nova Scotia Credit Union League will be available for questioning.

The Acting Speaker (Mr. Rinfret): Is it the pleasure of the house to adopt the said motion?

[Mr. MacEwan.]

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, because the credit union movement in Nova Scotia had one of its principal bases in the constituency I have the honour to represent, I am in a general way concerned to see this bill pass. I want to thank my neighbour from Pictou county for undertaking to sponsor it in this place. As you know, sir, my role as a parliamentary secretary makes it impossible for me to take on what would be a very pleasant task. I want to thank him for speaking so courteously about the proposed company and I want to thank the house for the careful attention it has given to his instructive disquisition on this important proposal.

Mr. Frank Howard (Skeena): Mr. Speaker, this is a relatively new venture so far as a credit union movement is concerned. I might say at the outset that I have been a credit union and co-op member for many years and endorse completely the philosophy of the credit union movement and the co-operative movement because it provides one of the few opportunities for people collectively to own and control their own means of production, distribution and financing. I think that the development and enhancement of the credit union movement, so far as the present structure of society and of our economy is concerned, are the only avenues now open for people to wrest control of their financial affairs from the banks, finance and insurance companies, and I would like to see a tremendous increase in credit union activities in order that people may get this control over their own financial affairs.

It is rather regrettable that at the national level we do not have a governmental promotional scheme to give credit unions the necessary impetus to form branches all across this nation and to develop those which presently exist. I find myself in a bit of a quandary, Mr. Speaker, because in essence there is a pretty serious conflict between the philosophy of the credit union movement and the principle contained in the Loan Companies Act, which is the federal public statute that will govern the operations of this company which seeks to be incorporated.

One of the principal points in the credit union and co-operative movement, which is of paramount importance for the members in controlling their own affairs, is that the movement is based upon the principle of one person, one vote. In other words, it does not matter if I have 10 shares in a credit union or 100 shares, I still have only one vote as one