

cattle to Great Britain, and it is not available. What steps is the government taking to provide it?

Right Hon. W. L. MACKENZIE KING (Prime Minister): If my hon. friend will allow the question to stand until to-morrow I shall seek to give an answer then.

SMALL LOANS

INDUSTRIAL LOAN AND FINANCE CORPORATION

Mr. PAUL MARTIN (Essex East—for Mr. Vieu) moved the second reading of Bill No. 7, respecting Industrial Loan and Finance Corporation.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I think I might anticipate the usual discussion on this type of bill by making a short statement. I can see from smiles in certain quarters that it is expected.

It will be remembered that last session we had two private bills of the character of the one now under discussion and the one immediately following on the order paper. They came before the house last year after having been passed by the senate, and were for the purpose of amending the special acts of two small loan companies. The principal amendments last year provided for the substitution of a maximum flat monthly rate of interest and charges on loans made by these companies for separate charges for interest and expenses deducted in advance as permitted by the special acts. In one of the bills last year the maximum monthly rate provided for was two per cent, and in the other two and a quarter per cent.

The first bill was referred to the standing committee on banking and commerce. After some discussion, and after an undertaking had been given by the promoters of the second bill that the rate of interest provided for therein would be reduced to two per cent per month, that bill also was referred to the banking and commerce committee. After prolonged consideration of the bills in the committee, both were reported back to the house with a provision for a maximum rate of two per cent. The bills, however, were not further dealt with by the house.

We have now before us on the order paper private bills amending the special acts of the same two companies. These bills, so far as I can gather, differ in form and substance from those of last year, the most important change being a maximum monthly rate of two and a quarter per cent instead of two per cent as approved by the committee last year. I am unaware personally of anything

which has taken place in the interval to make necessary an increase in the maximum monthly rate to be authorized for small loans.

In the banking and commerce committee, and in the house last session, I stated that it was the intention of the government at the present session to propose a special committee of the house to investigate generally the question of small loans and the maximum rates of interest and charges that should be permitted. One reason for suggesting a special committee was the difficulty experienced last year in securing a quorum of the banking and commerce committee and the frequent delays in proceedings caused thereby. The government has given further consideration to the matter, and in view of the number of special committees that are contemplated this session, and the further fact that the banking and commerce committee does not appear to have in prospect a very great volume of work, the government believes it would be better to refer this matter again to the banking and commerce committee. The number of special committees will make it rather difficult during the session for members to give adequate attention to all committees, and if it should be found from time to time that there is great difficulty in getting a quorum of the banking and commerce committee it is always within its competence to suggest to the house a reduction in its quorum. That would be a means of overcoming that difficulty. I intend to propose, therefore, on behalf of the government a motion which should come, I think, after the reference of the two bills now on the order paper. The proper course I suggest would be to refer these two bills to the committee once more, without, of course, the house endorsing them in any greater degree than it always does in referring private bills.

Mr. BENNETT: They have to have second reading first.

Mr. DUNNING: They have to have second reading first, of course, as a matter of form, and then I shall ask the house to adopt this resolution:

That the standing committee on banking and commerce be instructed to inquire into the practices of individuals, partnerships and companies in making small loans on personal security, and to consider the maximum rate of interest and charges which should be permitted for such loans.

I believe that by referring these two bills and then adopting such a motion as I have just read, the house will set in train a thorough and complete investigation into this whole small loan business, and we shall not be crowded for time as we were last year because of the shortness of the session. I have