

Private Bills

which we would seek from other such companies. Changes must be made in the rules before we agree to pass such legislation.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but I must advise him that the time allotted to him has expired.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, although I have a high regard for the hon. member for High Park (Mr. Cameron), that does not mean I have a similar regard for finance companies. It is the hon. member's job to pilot the bill through the house, and he is doing his best under the circumstances.

Mr. Cameron (High Park): Mr. Speaker, I must inform the hon. member that it is not a job; it is a voluntary task which I assumed.

Mr. Langlois (Mégantic): I apologize for the error; I took the word job to mean task. I know the hon. member has a kind heart and is doing his best, but despite that I am under no obligation to change my opinions about finance companies.

This bill leaves me somewhat perplexed. I agree with the opinions expressed by the hon. member for Timiskaming (Mr. Peters), and in view of recent experiences with finance companies I consider that we must keep our eyes peeled. At present there are a number of items on our order paper dealing with the incorporation of finance companies and insurance companies. We must examine these items closely.

• (6:50 p.m.)

There have been a number of collapses of finance companies in recent weeks. We do not know whether this company will follow that pattern. The sponsor of the bill says that the company is a very solid one, and is spread across the United States. In reply I say that if it is going to be a subsidiary of a United States company, then I do not want it, in the first place. I think this is an incorporation which should stand on its own two feet. We do not know much about this incorporation. Practically all we have here is a series of names connected with the incorporation. We do not see any guarantees here concerning the shareholders. There is nothing about the company's policy. We do not know what its lending policies will be or what its requirements will be. I have seen the operations of the existing Seaboard Finance Company, and I might ask why it is they have so much

difficulty in keeping their managers. I think it is because their internal policy is somewhat difficult to cope with. It is not because the managers do not like finance companies, because most of them have switched over to other finance companies.

When we are faced with the responsibility of permitting a bill such as this to go through this house, we should have many more details than are included in the four or five clauses we see here. They tell us there will be capital stock of half a million dollars. There is no guarantee to that effect, nor is there a guarantee that the shareholders will be able to provide security in the event that anything should happen such as has happened in the past few weeks.

There is no statement of policy concerning how the people dealing with this company will be dealt with. I would hope that this bill is not for the purpose of sidetracking the law and setting up some sort of a swindling business. Someone might be shocked and say that a company such as Seaboard Finance would not be involved in any swindling but, Mr. Speaker, some time back I ceased to be an ostrich. I have seen some very big people in business, and I know that just because they are big does not mean that they do not swindle. That does not give them absolution from everything. Sometimes there are things which we should look into. I am not saying that is the situation here, but it could be.

The hon. member for Timiskaming mentioned that some finance companies request deposits in respect of a loan to guarantee that the payments will be kept up to date. In the long run this becomes pretty expensive. We do not know what type of loans this company will be dealing with. We do not know what the interest rate will be or on what basis it will be calculated. Will it be at the rate of 2 per cent per month, 24 per cent per year? It may be more than 24 per cent per year. Some companies work it out on the basis of 2 per cent per month. On this basis the person borrowing the money starts to repay it and then at the time of the last payment there is an amount of \$40 or \$50 remaining. On that last \$40 or \$50 he pays the same amount of interest he was paying at the first. This works out in the end to a good deal more than 24 per cent.

All these things might be considered as part of business costs. I do not care what you call them; the other person is paying for them. Sometimes they present a wonderful picture. We hear these finance companies say "If you